

State of Alaska FY2008 Governor's Operating Budget

Department of Labor and Workforce Development Employment and Training Services Component Budget Summary

Component: Employment and Training Services

Contribution to Department's Mission

Employment & Training Services contributes to the department's mission by connecting qualified workers with businesses to fill job openings and by upgrading skill levels of the workforce to meet current and future employers' demands.

Core Services

The Employment and Training Service (ETS) component provides basic labor exchange services, available to all Alaskans by matching employers with job seekers, and specialized employment and case management services for veterans, public assistance recipients, older workers, disabled workers and unemployed workers under the provision of the Wagner-Peyser Act. Through the federal Workforce Investment Act (WIA), the federal Trade Adjustment Assistance program, and the State Training and Employment Program (STEP), ETS provides training accounts and needs-related support services to eligible Alaskans. ETS administers the federal Older American Community Service Employment Program (OACSEP), formerly the Senior Service Employment Program (SCSEP), which provides work experience for older workers with eligible grantees.

Provides vital links between job openings and qualified, job-ready applicants through 24 One-Stop Job Centers located across the state, two mobile job centers and web-based services. Assists businesses in finding qualified job applicants by listing job openings, matching, screening, and finally referring applicants. Offers use of our public facilities to conduct targeted recruitment sessions and interviews.

Provides orientations, job search assistance, assessments, labor market information, job training, eligibility determinations, case management, employment coaching, placement assistance, follow-up, and access to funding for training and training-related supportive services for job seekers. Specific core services include individualized and specialized labor exchange and training assistance that result in employment for Alaskans.

Connect low-income older workers desiring to re-enter the mainstream workforce with non-profit organizations and public agencies needing workers. These services allow for needed work experiences with the goal of obtaining unsubsidized employment.

FY2008 Resources Allocated to Achieve Results

FY2008 Component Budget: \$27,431,700	Personnel:	
	Full time	218
	Part time	2
	Total	220

Key Component Challenges

Employment and Training Services (ETS) continues to provide employment and training services to an increased customer base while the federal funding has been reduced. In FY2007 the Wagner-Peyser grant was reduced by more than \$330.0. Further, the federal National Emergency Grant and Reemployment Services grant ended and, coupled with substantial increases in state costs, contributed to the significant loss of temporary and permanent staff.

ETS also experienced reduced funding in federal Workforce Investment Act (WIA) training account funds. Under-funded or unfunded federal mandates continue to impact ETS in the areas of the Work Opportunity Tax Credit (WOTC) federal grants, business relations group work, common performance measures (EMILE), and constant changes in definitions

and reporting requirements.

To offset some of the funding shortfall in ETS and UI, ESD will be forced for the fourth consecutive year to request use of federal Reed Act funds to support cost increases related to personal service benefits, health care, leases, and technology investments. The Reed Act funds are nearly exhausted and may be fully expended in FY2008.

Due to the 60-month lifetime limitation on public assistance benefits, ETS must continue to assist an increased number of public assistance clients in finding employment and removing barriers to employment.

Reduced funding and increased costs has correlated to reduction in the number of staff to deliver services and will require more severe cost saving measures in FY2008.

Significant Changes in Results to be Delivered in FY2008

Federal funding shortfalls (resulting in a decrement of \$4.8 million) and cost increases in FY2008 will cause a reduction in in-person staff assisted services. ETS is requesting an increment of \$250.0 in Training & Building Funds. The funds will be used to support the increased operating costs associated with extending Job Center operations to rural areas so that all Alaskans can gain access to services. Heavy reliance on information technology and web-based consumer products will be necessary to meet federal performance measures.

Major Component Accomplishments in 2006

ESD implemented a new internet-based labor exchange system in the fourth quarter. The new system, called the Alaska Labor Exchange system (ALEXsys) provides greater access to labor exchange services for Alaskans across the state. It automates skills-based matching and promotes employer and job seeker interaction and results in better and faster matches between employers and job seekers. The ETS component forecasts continuing increases in the number of job seekers registering for assistance and the number of job seekers entering employment as a result of accessing employment and training services through the system. This shift in relying more on self-services and web-based products is timely considering the loss of resources and the need to accomplish ESD's core mission with fewer resources.

Increased the number of registered job seekers to 78,087, an increase of 13,920 compared to the prior year. Increased Alaskans entering employment over the previous year by 10,194.

Provided job search assistance, facilities, and tools to 220,753 walk-in customers.

Listed 48,634 job openings from employers using our services.

The federal Older American Community Service Employment Program (in Alaska referred to as the Mature Alaskans Seeking Skills Training Program) served 493 participants in FY06, an increase of 105 over the previous year. Of these participants, 96 obtained unsubsidized employment. The program exceeded its federal performance measures in both categories in FY06.

Statutory and Regulatory Authority

Federal Authority:

Public Law 73 - 30	Wagner Peyser Act of 1933, Amended by WIA of 1998
Public Law 74 - 271	Social Security Act of 1935
Public Law 93 - 618	Trade Act of 1974
Public Law 103 - 152	Unemployment Compensation Amendments of 1993
Public Law 103 - 182	North American Free Trade Agreement of 1993
Public Law 104 - 193	Personal Responsibility and Work Opportunity Reconciliation Act of 1996
Public Law 105 - 33	Balance Budget Act of 1997
Public Law 105 - 220	Workforce Investment Act of 1998
Public Law 106 - 170	Ticket to Work and Work Incentives Improvement Act of 1999
Public Law 107 - 147	Job Creation and Worker Assistance Act of 2002
Public Law 107 - 210	Trade Adjustment Assistance Reform Act of 2002
Public Law 107 - 288	Jobs for Veterans Act of 2002

Public Law 108 – 311

Working Families Tax Relief Act of 2004

Statutory Authority:

AS 23.15.550 – .850

Labor & Workers' Compensation, Employment Services (Excludes DVR
Sections 10-250)

AS 23.20

Alaska Employment Security Act

AS 44.31

Department of Labor and Workforce Development

Administrative Regulations:

8 AAC 85

Employment Security

8 AAC 87.010 – .180

State Training and Employment Act

Contact Information
<p>Contact: Thomas W. Nelson, Director</p> <p>Phone: (907) 465-5933</p> <p>Fax: (907) 465-4537</p> <p>E-mail: Thomas_Nelson@labor.state.ak.us</p>

Employment and Training Services Component Financial Summary

All dollars shown in thousands

	FY2006 Actuals	FY2007 Management Plan	FY2008 Governor
Non-Formula Program:			
Component Expenditures:			
71000 Personal Services	17,358.6	18,550.1	17,578.5
72000 Travel	334.8	258.2	258.2
73000 Services	3,372.5	3,699.6	3,724.6
74000 Commodities	552.2	475.0	400.0
75000 Capital Outlay	90.6	0.0	0.0
77000 Grants, Benefits	6,635.5	6,670.4	5,470.4
78000 Miscellaneous	0.0	0.0	0.0
Expenditure Totals	28,344.2	29,653.3	27,431.7
Funding Sources:			
1002 Federal Receipts	14,207.9	14,906.1	12,292.9
1003 General Fund Match	50.9	50.9	50.9
1004 General Fund Receipts	16.9	66.7	1,943.3
1007 Inter-Agency Receipts	13,257.1	13,905.5	12,100.3
1049 Training and Building Fund	651.7	674.1	994.3
1054 State Employment & Training Program	152.6	0.0	0.0
1108 Statutory Designated Program Receipts	7.1	50.0	50.0
Funding Totals	28,344.2	29,653.3	27,431.7

Estimated Revenue Collections

Description	Master Revenue Account	FY2006 Actuals	FY2007 Management Plan	FY2008 Governor
Unrestricted Revenues				
Training & Building Fund	51155	651.7	674.1	994.3
State Employment and Training Program	51394	152.6	0.0	0.0
Unrestricted Total		804.3	674.1	994.3
Restricted Revenues				
Federal Receipts	51010	14,207.9	14,906.1	12,292.9
Interagency Receipts	51015	13,257.1	13,905.5	12,100.3
Statutory Designated Program Receipts	51063	7.1	50.0	50.0
Restricted Total		27,472.1	28,861.6	24,443.2
Total Estimated Revenues		28,276.4	29,535.7	25,437.5

**Summary of Component Budget Changes
From FY2007 Management Plan to FY2008 Governor**

All dollars shown in thousands

	<u>General Funds</u>	<u>Federal Funds</u>	<u>Other Funds</u>	<u>Total Funds</u>
FY2007 Management Plan	117.6	14,906.1	14,629.6	29,653.3
Adjustments which will continue current level of service:				
-FY 08 Health Insurance Increases for Exempt Employees	0.0	1.4	0.3	1.7
-Fund Source Adjustment for Retirement Systems Increases	1,876.6	-1,111.2	-765.4	0.0
Proposed budget decreases:				
-Decrease Federal Authorization to be Offset by Specific Federal Reed Act Authorization	0.0	-1,200.0	0.0	-1,200.0
-Delete Federal and Interagency Authorization and 49 Positions to Align with Anticipated Receipts	0.0	-2,802.3	-2,047.5	-4,849.8
Proposed budget increases:				
-Add Federal Reed Act Authorization that Offsets Reduction to General Federal Authorization	0.0	1,200.0	0.0	1,200.0
-Increase Training & Building Fund Authorization for Financial Support of Rural Job Centers	0.0	0.0	250.0	250.0
-FY 08 Retirement Systems Rate Increases	0.0	1,298.9	1,077.6	2,376.5
FY2008 Governor	1,994.2	12,292.9	13,144.6	27,431.7

Employment and Training Services Personal Services Information

Authorized Positions			Personal Services Costs	
	<u>FY2007</u> <u>Management</u> <u>Plan</u>	<u>FY2008</u> <u>Governor</u>		
Full-time	252	218	Annual Salaries	10,680,292
Part-time	2	2	Premium Pay	30,474
Nonpermanent	17	2	Annual Benefits	8,076,416
			<i>Less 6.43% Vacancy Factor</i>	(1,208,682)
			Lump Sum Premium Pay	0
Totals	271	222	Total Personal Services	17,578,500

Position Classification Summary

Job Class Title	Anchorage	Fairbanks	Juneau	Others	Total
Accountant III	0	0	1	0	1
Accounting Spvr II	0	0	1	0	1
Accounting Tech II	0	0	1	0	1
Accounting Tech III	0	0	1	0	1
Administrative Assistant	0	1	5	1	7
Administrative Clerk I	1	0	0	0	1
Administrative Clerk III	2	1	1	1	5
Administrative Manager I	1	0	0	0	1
Administrative Manager IV	0	0	1	0	1
Asst Dir Employ Security	0	0	2	0	2
College Intern I	0	0	0	1	1
Community Devel Spec I	4	0	0	2	6
Community Devel Spec II	5	6	2	8	21
Community Devel Spec III	1	1	1	3	6
Dep Dir ESD	0	0	1	0	1
Division Director	0	0	1	0	1
Employ Counselor II	3	2	1	5	11
Employ Sec Analyst I	0	0	1	0	1
Employ Sec Analyst II	1	0	8	0	9
Employ Sec Analyst III	1	0	3	0	4
Employ Sec Spec IA	4	2	3	10	19
Employ Sec Spec IB	29	9	5	36	79
Employ Sec Spec II	3	1	0	2	6
Employ Sec Spec III	1	0	1	2	4
Employ Sec Spec IV	1	2	0	1	4
Employment Service Manager II	0	0	0	2	2
Employment Service Mgr I	1	0	0	8	9
Employment Service Mgr III	3	0	0	1	4
Employment Service Mgr IV	1	1	1	2	5
Micro/Network Tech I	1	1	0	0	2
Prog Coordinator	0	0	4	0	4
Project Asst	0	0	1	0	1
Training Specialist II	0	0	1	0	1
Totals	63	27	47	85	222