

**State of Alaska  
FY2009 Governor's Operating Budget**

**Department of Labor and Workforce Development  
Business Partnerships  
Results Delivery Unit Budget Summary**

## Business Partnerships Results Delivery Unit

### Contribution to Department's Mission

The Business Partnerships RDU contributes to the department's mission by developing, designing and implementing employment and training programs that align with Alaska business and industry workforce demands and that result in participant employment and in building a prepared workforce.

### Core Services

The Business Services component designs and implements programs based upon the broad policy oversight of the Alaska Workforce Investment Board and upon Alaska business and industry demands for a trained workforce. Business Services provides administration, technical assistance, program development and design, reporting of program performance and evaluation, and grant management of federal and state funds.

The Workforce Investment Board component supports the Alaska Workforce Investment Board (AWIB), which is responsible for the oversight and continuous improvement of the federal, state, and local partnerships that implement the workforce investment system. This component provides staff to the AWIB and provides policy planning for the training and employment resources for state and federal programs.

The Alaska Vocational Technical Center (AVTEC) offers post-secondary vocational technical education and training for Alaskans. AVTEC provides long-term training in 16 different business and industry fields and a wide variety of short-term training and educational programs. AVTEC coordinates with secondary education programs in preparing career paths for Alaska high school students to fill the 70 - 80% of jobs that do not require a college degree.

The Kotzebue Technical Center Operations Grant component provides funds to the Alaska Technical Center (ATC) located in Kotzebue. ATC offers residential adult vocational training through the Northwest Arctic Borough School District. ATC operates programs in building industrial technology, office occupations, mine maintenance technology and health occupations in addition to short-term training in response to statewide industry needs.

The Southwest Alaska Vocational and Education Center Operations Grant component provides market driven vocational and technical training in rural Alaska.

The Yuut, Elitnaurviat, Inc. People's Learning Center Operations Grant component will provide a career learning center for adults and high school students with a focus on health, education including early childhood, aviation and construction.

The Northwest Alaska Career and Technical Center (NACTEC) component provides high school students with the necessary resources and skills to prepare them for skilled employment opportunities and the pursuit of postsecondary education. At NACTEC, students receive instruction in four focus areas: career and technical skills, career exploration, life skills and soft skills.

End Result	Strategies to Achieve End Result
<p><b>A: Increase un-subsidized employment through job training.</b></p> <p><u>Target #1:</u> Increase to 97 percent the participants satisfied with services.</p> <p><u>Measure #1:</u> Percent of participants satisfied with services.</p> <p><u>Target #2:</u> At least 95 percent of trained participants will enter employment</p> <p><u>Measure #2:</u> Percent of trained participants entering</p>	<p><b>A1: Maximize the degree to which workforce investment resources are invested according to the industry priorities of the Alaska Workforce Investment Board (AWIB).</b></p> <p><u>Target #1:</u> At least 60 percent of participants are trained in occupations aligned with the AWIB's industry priorities.</p> <p><u>Measure #1:</u> Percent of participants trained in priority industry occupations.</p> <p><b>A2: Maximize the return on investment for training</b></p>

<p>employment</p>	<p><b>resources.</b></p> <p><u>Target #1:</u> At least 90 percent of AVTEC long-term graduates are employed in their area of training.  <u>Measure #1:</u> The percent of AVTEC long-term graduates employed in their area of training.</p> <p><u>Target #2:</u> Within six months of training, 50 percent of a participant's training costs will be matched by earning changes.  <u>Measure #2:</u> Change in participant's earnings after six months equaling 50 percent of the cost of training.</p> <p><b>A3: Meet all negotiated performance standards set by the Alaska Workforce Investment Board and USDOL.</b></p> <p><u>Target #1:</u> Meet all negotiated performance standards.  <u>Measure #1:</u> The number of negotiated performance standards that are met.</p> <p><u>Target #2:</u> At least 77 percent of AVTEC students complete long-term programs.  <u>Measure #2:</u> The percent of AVTEC students who complete long-term programs.</p>
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### Major Activities to Advance Strategies

- AVTEC-Coordinate with student sponsors to improve application screening to help increase prospective student success.
- Management Information System (MIS) training for all grantees on a continuous as-needed basis. MIS data conversion and system redesign
- Initiate a needs-assessment for MIS replacement and upgrades use part-time programming staff to assist in making current system more reportable.
- Submit Report on Training programs by 02/15/08.
- Expand the usability of the Eligible Training Provider List (ETPL) procedures by 03/30/08.
- Conduct Alaska's High Growth Job Training Initiative for the Energy Industry program evaluation by 06/30/08
- Submit annual WIA report to USDOL by 10/01/08.
- Define and improve upon program and financial management monitoring, grant solicitation, and negotiation procedures to ensure compliance.
- Implement year one of the federal funded initiative, the Alaska Pipeline Worker Training Project, identifying outcomes and goals using apprenticeship
- Determine level of GF investment in workforce development given unpredictable federal funding and employer demand for a prepared Alaska workforce.
- Through new legislation, extend the State Training and Employment Program (STEP) that expires on June 30, 2008 and update regulations.
- Continue the Youth First Initiative through coordination with business, industry and school districts to introduce students to high demand jobs.
- Review and identify High Priority Industries and Occupational Priorities for training by 03/30/08.
- Assist teachers in understanding and using industry job standards in the classroom.
- Continue Alaska Workforce Investment Board endorsed sector strategic plans to maximize Alaska workforce preparation and hire Alaskans.
- AVTEC-Employ a full-time placement specialist to coordinate directly with employers to place AVTEC students in jobs upon graduation.
- AVTEC-Host an employment fair at AVTEC in Seward.
- AVTEC-Integrate job search, resume writing, and interview training into all AVTEC long-term training programs.
- AVTEC-Invite industry professionals to participate in mock interviews with AVTEC students.
- AVTEC-Maintain industry advisory boards for each training program to ensure quality and relevance of training.
- AVTEC-Achieve annual nationally recognized skill standards certifications for each training program.
- AVTEC-Conduct student field trips to industry work sites and career fairs.

**FY2009 Resources Allocated to Achieve Results**

**FY2009 Results Delivery Unit Budget: \$51,193,900**

**Personnel:**

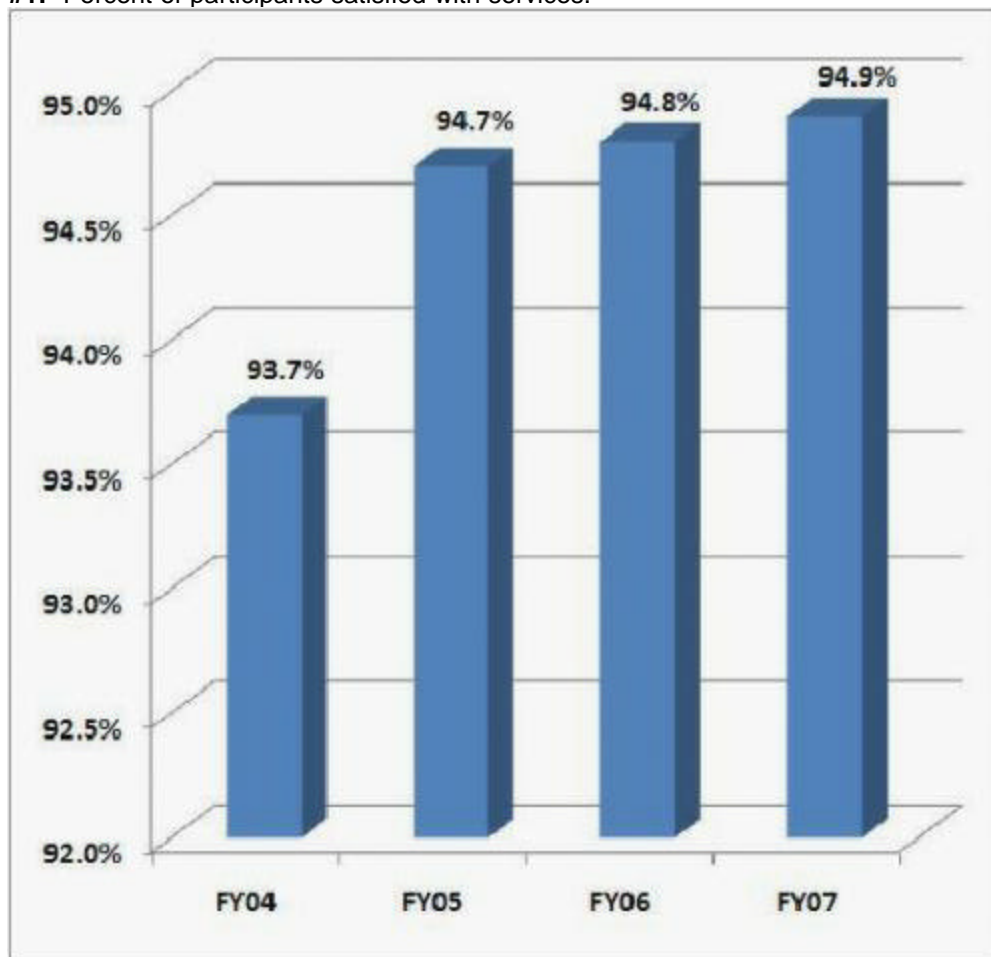
Full time	63
Part time	59
<b>Total</b>	<b>122</b>

**Performance Measure Detail**

**A: Result - Increase un-subsidized employment through job training.**

**Target #1:** Increase to 97 percent the participants satisfied with services.

**Measure #1:** Percent of participants satisfied with services.



Percent of Participants Satisfied With Training

**Response Count for Customer Satisfaction**

Fiscal Year	Rating 1-4	Rating 5-7	Rating 8-10	Total Responders
FY 2004	82	337	899	1,318
FY 2005	65	289	883	1,237
FY 2006	89	354	1,262	1,705
FY 2007	75	287	1,113	1,475

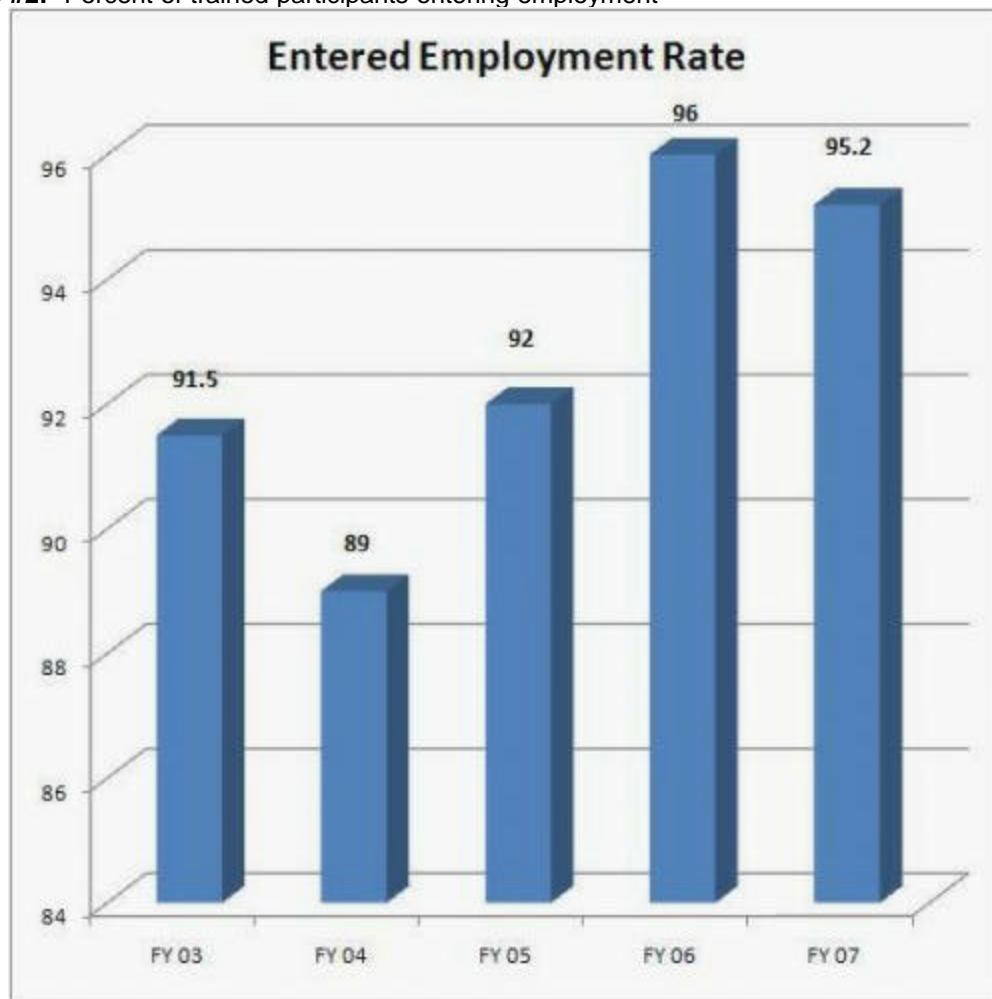
**Analysis of results and challenges:** The satisfaction rate is combined for the following training programs; WIA Adult, WIA Dislocated Worker, National Emergency Grant, High Growth Job Training Initiative and the State Training Employment Program (STEP). The contractor responsible for customer satisfaction survey collection contacts participants who received training services. Participants rate their satisfaction with the services they received on a scale of 1 to 10 where 1 is poor and 10 is excellent.

The division continues to work with grantees and fund recipients to ensure participants are aware of the necessity to respond to survey contacts and accurately rate their satisfaction with their training program(s). We believe that every effort we make to increase the response rate brings us closer to documenting our goal of 97% customer satisfaction. Some grantees have even offered to oversee the completion of surveys prior to the end of training in order to get more participants responding. We believe this will aid us to move closer to our goal.

Customer satisfaction numbers are computed annually.

**Target #2:** At least 95 percent of trained participants will enter employment

**Measure #2:** Percent of trained participants entering employment



Entered Employment Rate

**Analysis of results and challenges:** This measure is an aggregate rate reflecting the percent of individuals who completed their respective training programs provided through the three primary Workforce Investment Act (WIA) Title IB program funding streams and/or the State Training and Employment Program (STEP) and found employment within one year. The FY07 rate dropped slightly due to delays the division experienced issuing grants. Litigation and court rulings precluded the division from negotiating and completing grant awards around the beginning of the fiscal year. These delays translate into fewer participants receiving training and completing their program within the fiscal year. It is worth noting that the court ruled in favor of the department.

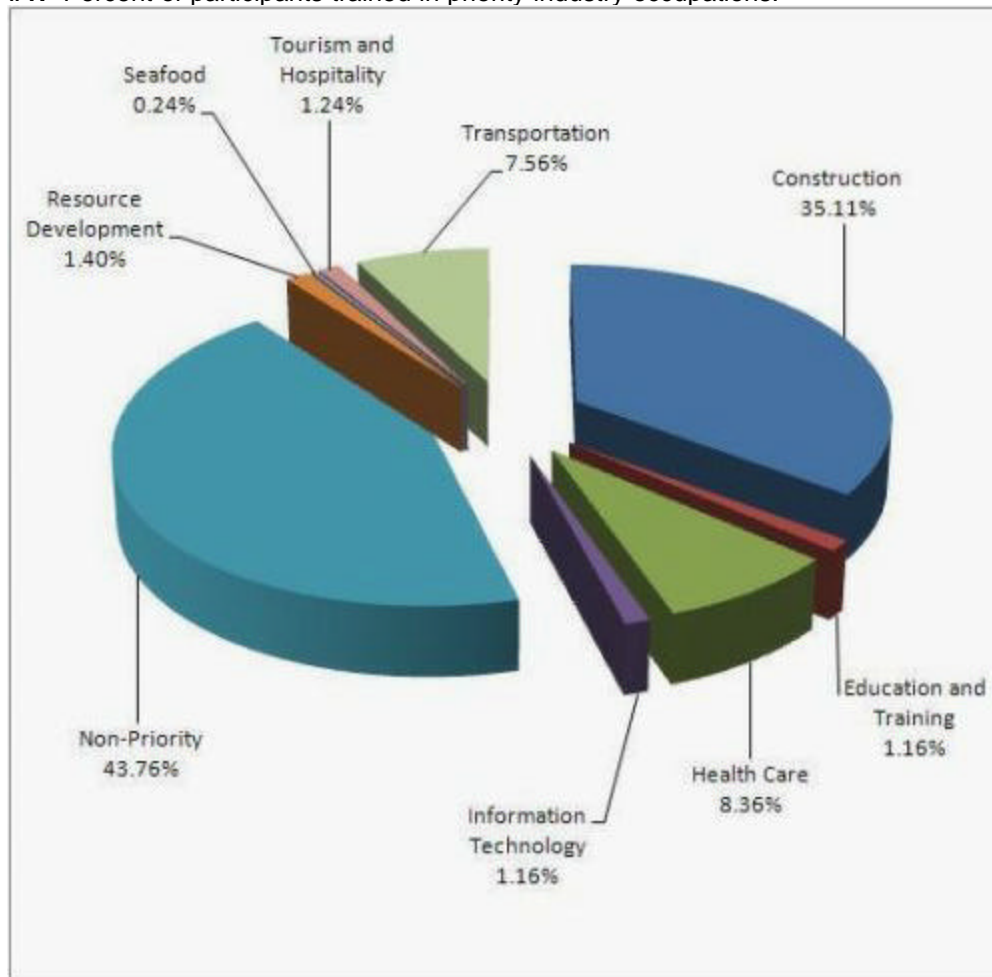
The total number of participants trained during FY 2007 was 2,161 of which 2,058 entered employment.

The division continues to work closely with grantees and training providers to ensure participants receive the requisite level of training to attain and retain employment. Most of the division's grant agreements address and require grantee involvement with the participant in job placement activities.

**A1: Strategy - Maximize the degree to which workforce investment resources are invested according to the industry priorities of the Alaska Workforce Investment Board (AWIB).**

**Target #1:** At least 60 percent of participants are trained in occupations aligned with the AWIB's industry priorities.

**Measure #1:** Percent of participants trained in priority industry occupations.



Percentage of Trainings Completed In Priority Industry Occupations During FY 2007

**Analysis of results and challenges:** Training in priority industry occupations remained the primary focus for the department during fiscal year 2007. The predominant industries were construction and health care. The state re-energized its efforts in preparing the workforce for the forthcoming gas pipeline and forecasted shortages due to retirements and other vacancies resulting from an aging workforce. The decrease during FY 2007 was due to a hold placed on granting funds as a result of litigation and subsequent court rulings. The court ruled in favor of the department which meant it could move forward on grants. However, grant recipients had significantly less time available to recruit and train individuals. This is particularly detrimental in industries having long training courses.

The Alaska Workforce Investment Board (AWIB) retained the following priority industries throughout SFY 2007: Health Care, Transportation, Hospitality, Seafood, Education, Construction, Information Technology, and Resource Development.

FY2004 57% in priority industry occupations

FY2005 58% in priority industry occupations

FY2006 62% in priority industry occupations

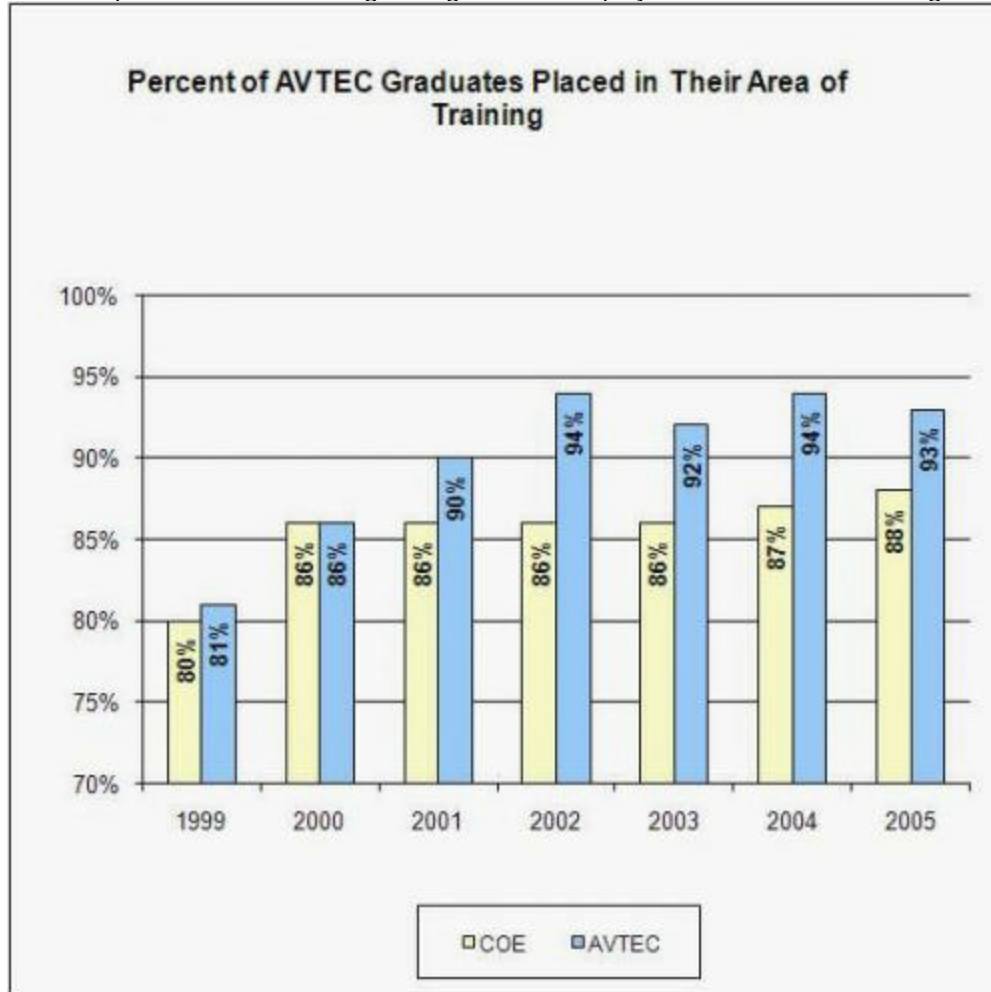
FY2007 56% in priority industry occupations

Our Management Information System participant data for FY 2007 shows approximately 56% of clients were trained in priority industry occupations. The strategies and processes provide clear direction and encouragement for training participants in priority industry occupations. In addition, we use these priorities to encourage, but not require, participants as they apply their "informed customer choice" options for training.

**A2: Strategy - Maximize the return on investment for training resources.**

**Target #1:** At least 90 percent of AVTEC long-term graduates are employed in their area of training.

**Measure #1:** The percent of AVTEC long-term graduates employed in their area of training.



Percent of AVTEC Graduates Placed in Their Area of Training

**Analysis of results and challenges:** The Council on Occupational Education (COE) has nationally accredited AVTEC since 1997. The COE benchmark for measuring "graduates of long-term programs employed in their area of training" is established as the national average of more than 400 similar public post-secondary institutions. For each year from 1999 to 2005, AVTEC has consistently met or exceeded the benchmark. AVTEC only tracks the long-term (longer than six weeks) program graduates for this measure.

Graduates are followed for one year for employment purposes so graduate values continue to increase on a monthly basis. For 2006, of 259 long-term graduates, 242 gained employment in their area of training.

The COE benchmarks for 2006 will not be available until the end of December, consequently 2005 data is the most current available.



**Target #2:** Within six months of training, 50 percent of a participant's training costs will be matched by earning changes.

**Measure #2:** Change in participant's earnings after six months equaling 50 percent of the cost of training.

#### Combined Rate of Return on Investment for STEP & WIA Programs

Fiscal Year	Earnings Change	Expenditures	% of Expenditures
FY 2006	\$8,638,404	\$12,902,312	67.0%
FY 2007	\$7,292,367	\$10,654,974	68.4%

**Analysis of results and challenges:** The Division of Business Partnerships calculates the combined rate of Return on Investment for the State Training and Employment Program (STEP) and federal Workforce Investment Act (WIA) programs by dividing the aggregate difference of pre and post program participation earnings by the amount expended on training within the same state fiscal year.

The Division of Business Partnerships has worked closely with grantees and service providers to leverage resources and provide training at reduced cost to the state while maintaining a comparable level of training and services to participants.

### A3: Strategy - Meet all negotiated performance standards set by the Alaska Workforce Investment Board and USDOL.

**Target #1:** Meet all negotiated performance standards.

**Measure #1:** The number of negotiated performance standards that are met.

Program Measure	Negotiated Goal	Actual
Adult Entered Employment Rate	74.0%	64.1%
Adult Retention Rate	84.0%	86.4%
Adult Average Six Months Earnings	\$16,023	\$14,655
Dislocated Worker Entered Employment Rate	81.0%	73.9%
Dislocated Worker Retention Rate	89.0%	92.6%
Dislocated Worker Average Six Months Earnings	\$20,236	\$18,481
Older Youth Entered Employment Rate	71.0%	63.6%
Older Youth Retention Rate	72.0%	78.9%
Older Youth Six Months Earnings Change	\$3,600	\$3,529

USDOL Negotiated Performance Levels vs Actual Rates/Amounts

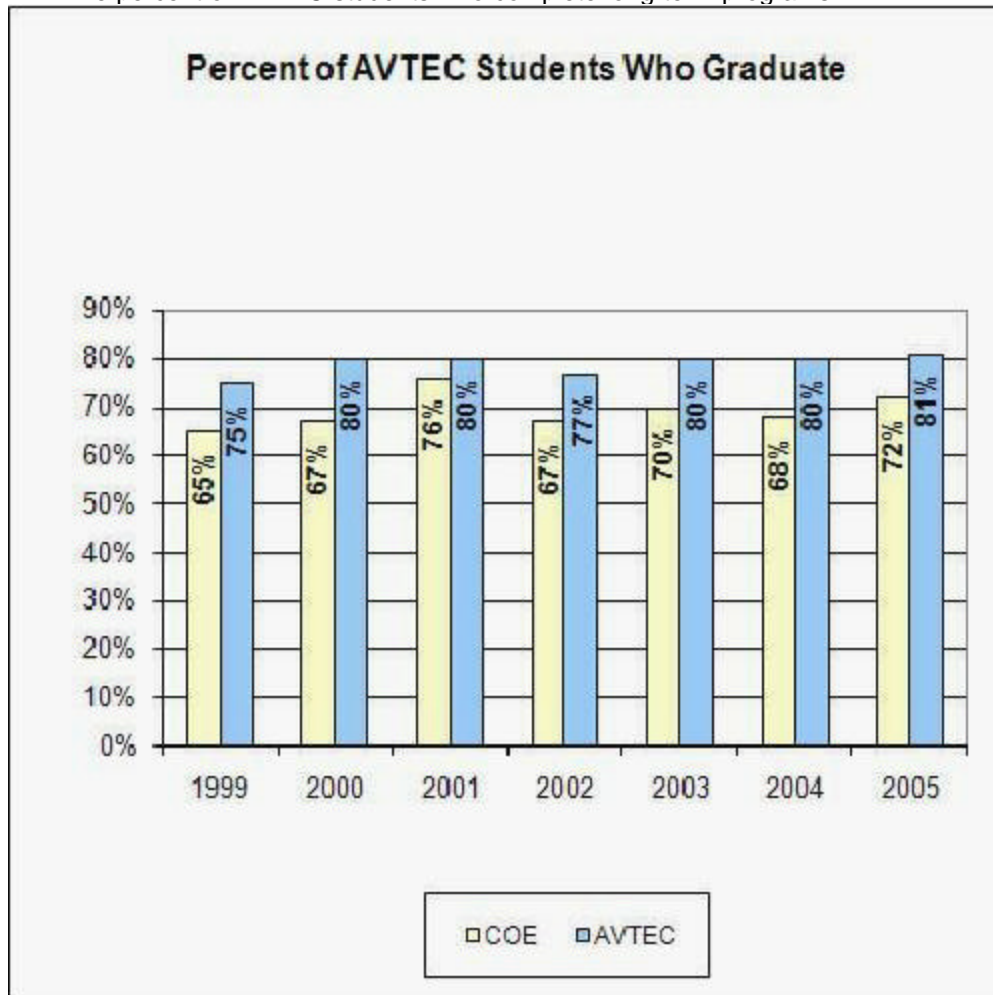
**Analysis of results and challenges:** There are a total of 22 state and federal negotiated performance standards for the WIA Adult, Dislocated Worker, Youth, National Emergency Grant and STEP programs. For FY06 Business Partnerships met or exceeded all of our measures according to the acceptable performance levels set by the US Department of Labor, which states that if you are within 80% of your negotiated performance rate, you have met your goal.

The division deems the more relevant measures to be the Entered Employment Rate, Retention Rate and Average Earnings for Adult and Dislocated workers and Six Month Earnings Change for Older Youth as these are true indicators of how well achieved our goal of providing a trained and viable workforce to business and industry in the state.

In the past three years US DOL has been trying to align performance measures among all programs to establish a level foundation against which it can compare program outcomes. Each year measure calculations have changed and continue to change in preparation for reauthorization of the Workforce Investment Act. Consequently, it is near impossible to determine meaningful differences between years.

**Target #2:** At least 77 percent of AVTEC students complete long-term programs.

**Measure #2:** The percent of AVTEC students who complete long-term programs.



Percent of AVTEC Students Who Graduate

**Analysis of results and challenges:** The Council on Occupational Education (COE) has nationally accredited AVTEC since 1997. The COE benchmark for measuring "students that complete long-term training programs" is established as the national average of more than 400 similar public post-secondary institutions. For each year from 1999 to 2005, AVTEC has consistently exceeded the benchmark.

Most of AVTEC's programs are 8-10 months long so values will continue to increase on a monthly basis. For 2006, of 324 students (excluding those still enrolled), 270 graduated.

The COE benchmarks for 2006 will not be available until the end of December, consequently 2005 data is the most current available.

## Key RDU Challenges

We have been advised of the continued trend in the unpredictability of federal formula funding allocations and potential rescissions in federal Workforce Investment Act (WIA) formula funding. Also, significant funding for special federal workforce initiatives ended in FY08. This continued unpredictability of federal training investments hampers the ability to plan for sustainable workforce development, resulting in potential service reductions throughout the department and the reduction of training grants available.

Monitor the Congressional reauthorization of the federal Workforce Investment Act in 2008. The mandate to implement common performance measures across all employment and training programs, and potential changes to Youth, Adult and Dislocated Worker program design and funding, and potential restructuring of the statewide board, will influence Alaska's employment and training program outcomes.

Increase the involvement of business and industry in Alaska's workforce investment system and increase job-training resources in Governor and Commissioner identified priority industries.

As a private sector led advisory body for the governor the AWIB is striving to increase the involvement of business and industry employers in developing Alaska's workforce investment system.

A \$5,000,000 request for General Funds to replace the AVTEC Culinary classroom and kitchen is included in the Capital Budget for FY09. Roof replacements, boiler replacements, sewer, plumbing, and electrical upgrades are ongoing to keep facilities useful and up to current codes. Continued appropriations of deferred maintenance and capital funds are needed to keep AVTEC from diverting its operational training funds to keep facilities safe and functional. For FY09, AVTEC has identified \$31,605,000 as the total necessary to complete all needed deferred maintenance throughout AVTEC facilities, parking lots, and exterior spaces.

To maintain accreditation AVTEC must maintain accurate student records and accounts. To do this a more powerful student records database must be acquired that can provide online access for student admissions, integration of essential student record keeping and attendance, accounting of state and federal financial aid, and necessary report production. Capital requests for General Funds are included in the FY09 Budget to replace the student records database (\$400,000) that manages our student records from enrollment to certificate and everything in between, and to obtain a digital archival system (\$100,000) to store 30 years of student records history and future student records.

## Significant Changes in Results to be Delivered in FY2009

Continue the Alaska Youth First Initiative by requesting \$3.5 million of General Funds in the capital budget to continue participation for youth and adults in construction academies. The funds are for use in training up the future Alaska workforce to take advantage of high-demand occupations in high-growth industries; to prepare Alaska's youth for careers and best-bet occupations; and to continue construction academies as a demonstrable, best-practice throughout Alaska. This request will replace funding dedicated to training youth and advancing vocational technical education in Alaska's schools from the federal High Growth Job Training Initiative award that ends in FY08, and will assist in continuing construction academies with increased partnership with school districts and industry led consortia represented by the Alaska Home Builders Association and the Associated General Contractors.

The statutory mandate set out in the Alaska Gasline Inducement Act requires the department to develop a job training program that will prepare Alaskans for jobs in gas pipeline project management, construction, operations, maintenance and other gas pipeline related fields. With the requested incremental funding of \$970.0 General Funds, the Business Partnerships Division will focus on strengthening public-private partnerships for enhanced development and delivery among existing training programs so they become regional "Centers of Excellence." This integrated system will connect an articulated career pathway from high school to postsecondary education and training; transition participants from school to work; incorporate career technical education standards, and use industry-based standards. A well integrated career technical education system will "feed" youth and adults with career interest and capability through the system

from entry to journey level advancement at these strategic, regional locations. The funding will support efforts in the Business Services (\$835.0) and Alaska Vocational Technical Center (\$135.0) components.

Included in this budget request for the Business Services component is a one time increase in STEP authorization of \$1,247,900 to use the carry forward balance of the STEP account to provide additional training opportunities to Alaskans.

The Alaska Vocational Technical Center (AVTEC) anticipates the following changes to results for FY 09. AVTEC intends to significantly increase the distance delivered training to Regional Training Centers through AVTEC's developed Distance Training Partnerships and AVTEC will develop apprenticeship training partnerships with the mining industry. AVTEC will also increase Pipe Welding training opportunities for up to 30 students per year and deliver a Commercial Drivers License program integrated into the Diesel / Heavy Equipment program.

AVTEC received an Economic Development Administration (EDA) Grant to build a Marine Safety Training Facility in support of the maritime transportation industry. This is a significant growth industry that will require many additional qualified workers over the next decade. This grant will help AVTEC to gear up to prepare Alaskans to meet this need. EDA will provide \$2,000,000 of the \$3,350,000 project and the State must provide the remaining \$1,350,000 as a non-federal match. A request for this project has been included in the FY09 Capital Budget.

Increase capacity of Business Services to report reliable and accurate program performance by requesting \$3.7 million in General Funds for a capital improvement project that will replace the antiquated Management Information System with a department standard database that includes grants management, an integrated reporting capability, and performance management. This will improve participation, reduce administrative support, and increase analysis of results to build a case for return on investments.

Additional revenues available for distribution from the Alaska Technical Vocational Education Program (TVEP) account will help to support the following programs: Alaska Vocational Technical Center (AVTEC) with a \$163,500 increase, Alaska Technical Center (ATC) in Kotzebue with an \$81,700 increase, Southwest Alaska Vocational and Education Center (SAVEC) with a \$29,700 increase, Yuut Elitnaurviat People's Learning Center with a \$29,700 increase. The funds will provide additional training services in rural Alaska preparing Alaskans, including youth, for jobs and careers in high demand occupations, responsive to statewide industry needs.

## **Major RDU Accomplishments in 2007**

Designed program and implemented goals of the \$7 million grant award under the President's High Growth Job Training Initiative (HGJTI). Increased capacity to recruit and train workers for careers in the energy industry, and acquired a no-cost extension for the project through FY08 to conduct in-depth evaluation, demonstrate success of the pilot project and share best practices among the national workforce investment system.

Developed and implemented goals of Alaska's Youth First Initiative with the initial FY07 investment of \$850,000 in General Fund appropriation, serving 649 youth through career guides; 844 youth completing at least one Youth Employability Skill activity; 297 youth participating in paid and un-paid work experience; and six teachers receiving continuing education credits. With the increased General Fund investment in FY08 of \$1,450,000 for a total of \$2,300,000, targets are to serve 250 youth through career guides; 1,000 youth to receive Youth Employability Skills Training; 500 youth to complete an industry-based, paid work experience; and 50 teachers to complete an industry-based externship.

Developed and implemented goals of Alaska's Pipeline Worker Training Earmark Grant, training 100 workers in pipeline construction to meet demand for certified heavy equipment operators, skilled laborers, welders, truck drivers and surveyors for full employment with North Slope Contractors in pipeline construction jobs.

Continued redesigning service delivery of Rapid Response program to better identify potential worker dislocations and respond effectively to all business downsizings. The team worked with 78 business closures or downsizings, providing services to over 908 Alaskans across the state in FY07.

Achieved all, and exceeded some, of the negotiated Workforce Investment Act, Title IB performance level goals in all categories for Program Year 06.

**Contact Information**

**Contact:** Corine Geldhof, Director  
**Phone:** (907) 465-5937  
**Fax:** (907) 465-3212  
**E-mail:** corine.geldhof@alaska.gov

**Business Partnerships  
RDU Financial Summary by Component**

*All dollars shown in thousands*

	FY2007 Actuals				FY2008 Management Plan				FY2009 Governor			
	General Funds	Federal Funds	Other Funds	Total Funds	General Funds	Federal Funds	Other Funds	Total Funds	General Funds	Federal Funds	Other Funds	Total Funds
<b>Formula Expenditures</b>												
None.												
<b>Non-Formula Expenditures</b>												
Workforce Investment Board	1.8	0.0	455.5	457.3	3.1	0.0	600.8	603.9	3.2	0.0	531.7	534.9
Business Services	851.2	19,633.3	5,057.6	25,542.1	2,307.5	25,158.4	7,259.6	34,725.5	3,150.3	25,223.1	8,522.6	36,896.0
AVTEC	4,868.4	230.1	4,373.7	9,472.2	4,681.2	450.0	4,556.6	9,687.8	4,800.2	450.0	4,738.0	9,988.2
AVTEC Facilities Maintenance	0.0	0.0	1,457.0	1,457.0	0.0	0.0	1,514.6	1,514.6	0.0	0.0	1,550.8	1,550.8
Kotzebue Tech Operations Grant	0.0	0.0	876.4	876.4	600.0	0.0	626.9	1,226.9	600.0	0.0	708.6	1,308.6
SAVEC Operations Grant	0.0	0.0	209.6	209.6	0.0	0.0	228.0	228.0	0.0	0.0	257.7	257.7
Yuut Operations Grant	0.0	0.0	209.6	209.6	0.0	0.0	228.0	228.0	0.0	0.0	257.7	257.7
Northwest Alaska Center	400.0	0.0	0.0	400.0	400.0	0.0	0.0	400.0	400.0	0.0	0.0	400.0
<b>Totals</b>	<b>6,121.4</b>	<b>19,863.4</b>	<b>12,639.4</b>	<b>38,624.2</b>	<b>7,991.8</b>	<b>25,608.4</b>	<b>15,014.5</b>	<b>48,614.7</b>	<b>8,953.7</b>	<b>25,673.1</b>	<b>16,567.1</b>	<b>51,193.9</b>

**Business Partnerships**  
**Summary of RDU Budget Changes by Component**  
**From FY2008 Management Plan to FY2009 Governor**

*All dollars shown in thousands*

	<u>General Funds</u>	<u>Federal Funds</u>	<u>Other Funds</u>	<u>Total Funds</u>
<b>FY2008 Management Plan</b>	<b>7,991.8</b>	<b>25,608.4</b>	<b>15,014.5</b>	<b>48,614.7</b>
<b>Adjustments which will continue current level of service:</b>				
-Workforce Investment Board	0.1	0.0	20.8	20.9
-Business Services	7.8	64.7	15.1	87.6
-AVTEC	-16.0	0.0	17.9	1.9
-AVTEC Facilities Maintenance	0.0	0.0	36.2	36.2
<b>Proposed budget decreases:</b>				
-Workforce Investment Board	0.0	0.0	-89.9	-89.9
<b>Proposed budget increases:</b>				
-Business Services	835.0	0.0	1,247.9	2,082.9
-AVTEC	135.0	0.0	163.5	298.5
-Kotzebue Tech Operations Grant	0.0	0.0	81.7	81.7
-SAVEC Operations Grant	0.0	0.0	29.7	29.7
-Yuut Operations Grant	0.0	0.0	29.7	29.7
<b>FY2009 Governor</b>	<b>8,953.7</b>	<b>25,673.1</b>	<b>16,567.1</b>	<b>51,193.9</b>