

PRIORITY PROGRAM OVERVIEW

LABOR and WORKFORCE DEVELOPMENT

FY2011 OPERATING BUDGET

MISSION: The mission of the Department of Labor and Workforce Development is to provide safe and legal working conditions and to advance opportunities for employment.

CORE SERVICES:

- Statutory and Regulatory Assistance and Enforcement to protect Alaska's workers.
- Workforce Development to support Alaska hire and economic development.
- Income replacement for injured, unemployed and permanently disabled workers.

TOTAL OPERATING BUDGET DISTRIBUTION	GF	FED	OTH	TOTAL	PFT	PPT	NP
FY2010 CURRENT CAPACITY (Management Plan)	30,237.1	104,704.9	60,245.7	195,187.7	836	129	29
FY2011 GOVERNOR'S TRANSACTIONS	(936.5)	(5,931.2)	1,924.5	(4,943.2)	11	(12)	(7)
TOTAL FY2011 GOVERNOR'S BUDGET	29,300.6	98,773.7	62,170.2	190,244.5	847	117	22

PRIORITY PROGRAMS

PROTECT WORKERS - Statutory and Regulatory Assistance and Enforcement to protect Alaska's workers. This includes the department's wage and child labor law enforcement, workplace safety compliance and enforcement, mechanical device inspection, and overseeing State of Alaska Americans with Disabilities Act compliance.

OPERATING BUDGET DISTRIBUTION	GF	FED	OTH	TOTAL	PFT	PPT	NP
FY2010 CURRENT CAPACITY (Management Plan)	2,719.7	2,937.9	6,966.5	12,624.1	100	2	1
FY2011 GOVERNOR'S TRANSACTIONS	8.6	0.6	3.4	12.6	1	(2)	(1)
TOTAL FY2011 GOVERNOR'S BUDGET	2,728.3	2,938.5	6,969.9	12,636.7	101	0	0

Results of Current Capacity

- ↓ Fiscal year 2009 rate of workplace lost time injuries and illnesses increased 2% after declining 15% in fiscal year 2008.
- ↑ There was a marked increase of 326 employers that were brought into compliance with the Workers' Compensation Act in FY 09 compared to 153 for FY 08.
- ↑ Although the annual fatality rate jumped significantly in FY09, and this is cause for concern, the five year average rate was reduced by 21%. Alaska Occupational Safety and Health's strategy is to increase the number of staff visits to work sites assisting employers and employees by making recommendations for preventative measures and education, to reduce accidents in order to reach the zero fatality rate goal.

FY2011 Changes in Capacity

- Position Change: 1 PFT; (1) PPT

Significant Changes in Results Expected: Typically the contractor licensing enforcement activity slows in winter months with the decline of the construction season, but last year complaints of unlicensed activity continued through the winter. To address this the five month seasonal position in Fairbanks is being deleted and the 5 month position in Anchorage is being changed to full time. This change will allow the program to provide the services needed in both communities in a timely and consistent manner for the full year.

- Statewide Health Insurance Adjustments: 8.6 GF; .6 FED; 3.4 OTH
Significant Changes in Results Expected: None, statewide health insurance adjustment
- Net Position Changes: (1) PPT; (1) NP
Significant Changes in Results Expected: None, positions no longer needed

WORKFORCE DEVELOPMENT - Workforce Development to support Alaska hire and economic development. This includes the department's employment services, adult basic education, business partnerships, career and technical education and training, and vocational rehabilitation services.

BUDGET DISTRIBUTION	GF	FED	OTH	TOTAL	PFT	PPT	NP
FY2010 CURRENT CAPACITY (Management Plan)	26,096.0	74,464.4	39,482.9	140,043.3	474	60	18
FY2011 GOVERNOR'S TRANSACTIONS	(945.1)	(9,252.1)	1,827.4	(8,369.8)	0	0	(1)
TOTAL FY2011 GOVERNOR'S BUDGET	25,150.9	65,212.3	41,310.3	131,673.5	474	60	17

Results of Current Capacity

- ↑ In 2008 the number of Alaska resident workers increased by 4,774 to 327,532. Nonresidents earned \$1.8 billion in Alaska wages.
- ↕ Nonresident hire rate remained flat at 19.6% in 2008.
- ↓ In FY2009, 54% of Workforce Investment System participants entered employment after exiting the system.
- ↑ The number of individuals exiting the vocational rehabilitation program employed in FY2009 was 549, a 3.8% increase over the prior year.
- ↑ The rate at which participants who completed training entered employment remained above the target of 95% during FY 2009.
- ↑ AVTEC's percentage of long-term (longer than six weeks) students who graduate has met or exceeded our target of 77% since 2001.

Other Achievements or Information

- Alaska's unemployment rate was 8.7% in December 2009 compared to 6.8% in December 2008. The national rate rose from 7.4% to 10.0 percent during the same period. Recovery Act and other job training funding was used to support a summer youth employment program and offer training to unemployed workers.
- The department continues to strive for grants to support workforce development activities. Most recently, the department received a \$3.6 million federal grant for an energy sector workforce training effort.

FY2011 Changes in Capacity

- Employment and Training Services – Increase federal Reed Act Funding and Decrease General Fund Commitment: (230.8) GF; 230.8 FED
Significant Changes in Results Expected: None; General Funds replaced by available federal funding
- Increase State Training and Employment Program Authorization to Provide Additional Training Opportunities to Alaskans: 1,089.9 OTH
Significant Changes in Results Expected: The funds will support grants for workforce training to advance the department's overall goal of maximizing the number of Alaskans employed in skilled occupations. The department projects this increase in authorization will provide opportunities to an additional 325 Alaskans to receive training.

- American Recovery and Reinvestment Act, State Labor Market Information Improvement Project Grant: 750.0 FED; 2 NP
Significant Changes in Results Expected: The department will identify Alaska's green jobs and skill sets and educate Alaskans on the related training and employment opportunities.
- American Recovery and Reinvestment Act Adjustments: (10,999.9) FED
Significant Changes in Results Expected: Remove stimulus authorization to reflect level of remaining training and employment services funds.
- Increase Alaska Technical Vocational Education Program Authorization to Various Components to Align with Available Revenue: 440.1 OTH
Significant Changes in Results Expected: Statutory funding distribution to training entities will support program operations and increase training opportunities.
- Continue Alaska Construction Academy Training: 3,500.0 GF
Significant Changes in Results Expected: This request will continue funding the existing Alaska Construction Academies in Ketchikan, Juneau, Kenai, Matanuska-Susitna Borough, Anchorage and Fairbanks. Replicating the construction academies in six communities in just three years has resulted in significant increases in youth awareness about the career opportunities in the construction industry and created employment opportunities for job seekers.
- Increase funding for services to the Blind in rural communities: 70.0 GF
Significant Changes in Results Expected: This increase will allow 60 more people with visual disabilities statewide to receive services.
- Statewide Health Insurance Adjustments and AVTEC-TA bargaining unit contract: 166.0 GF; 7.7 FED; 35.6 OTH
Significant Changes in Results Expected: None, statewide health insurance adjustment and AVTEC-Teachers Association negotiated contract costs.
- One-Time Items (Fuel Adjustments, Gasline, Construction Academy) and Other Miscellaneous Changes: (4,450.3) GF; 759.3 FED; 261.8 OTH; (3) NP
Significant Changes in Results Expected: None; items related to gasline workforce development and construction academies identified as one-time in FY 10 are proposed for continuation in FY 11.

INCOME REPLACEMENT - Income replacement for injured, unemployed and permanently disabled workers. This includes the department's Workers' Compensation, Unemployment Insurance and Disability Determination programs.

BUDGET DISTRIBUTION	GF	FED	OTH	TOTAL	PFT	PPT	NP
FY2010 CURRENT CAPACITY (Management Plan)	1,421.4	27,302.6	13,796.3	42,520.3	262	67	10
FY2011 GOVERNOR'S TRANSACTIONS	0.0	3,320.3	93.7	3,414.0	10	(10)	(5)
TOTAL FY2011 GOVERNOR'S BUDGET	1,421.4	30,622.9	13,890.0	45,934.3	272	57	5

Results of Current Capacity

↑ The Alaska legislature increased the maximum weekly unemployment benefit amount from \$248 to \$370 beginning 1/1/09.

↓ In FY09, the number of claims filed with the Fishermen's Fund totaled 698. For the year, there were 627 payments issued. The average time from receipt of a bill to bill payment was 28 days. This is approximately 1 week above the desired goal of 20 days, but a significant improvement from 42 days in FY08. The reason for the improvement was more consistent staffing.

Other Achievements or Information

- 63,957 individuals received \$274.6 million in Alaska unemployment insurance benefits in 2009 compared to 49,434 and \$134.6 million in 2008. The Alaska unemployment insurance trust maintains a healthy balance of \$289.8 million.

FY2011 Changes in Capacity

- American Recovery and Reinvestment Act Adjustments: 1,115.7 FED
Significant Changes in Results Expected: Add authorization for Unemployment Insurance program enhancements to improve customer service.
- Increase Federal Authorization for Unemployment Insurance Activities and to Align with Anticipated Grant Receipts: 3,200.0 FED
Significant Changes in Results Expected: Add authorization for Unemployment Insurance program enhancements and computer programming to improve customer service.
- Net Position Changes: 10 PFT; (10) PPT; (5) NP
Significant Changes in Results Expected: None, technical time status correction of 11 month employees to full time and deletion of positions no longer needed.
- One-Time Item (ARRA) and Other miscellaneous change: (995.4) FED; 85.5 OTH
Significant Changes in Results Expected: None
- Statewide Health Insurance Adjustments: 8.2 OTH
Significant Changes in Results Expected: None