

FY2018 DEPARTMENT OVERVIEW

HOUSE FINANCE COMMITTEE

JANUARY 27, 2017



ALASKA DEPARTMENT OF LABOR & WORKFORCE DEVELOPMENT
COMMISSIONER HEIDI DRYGAS

DEPARTMENT MISSION & RESOURCES



Provide safe and legal working conditions and advance opportunities for employment.

Mission and Key Performance Indicators:

<https://www.omb.alaska.gov/html/performance/program-indicators.html?p=77&r=1>

Proposed FY18 Budget:

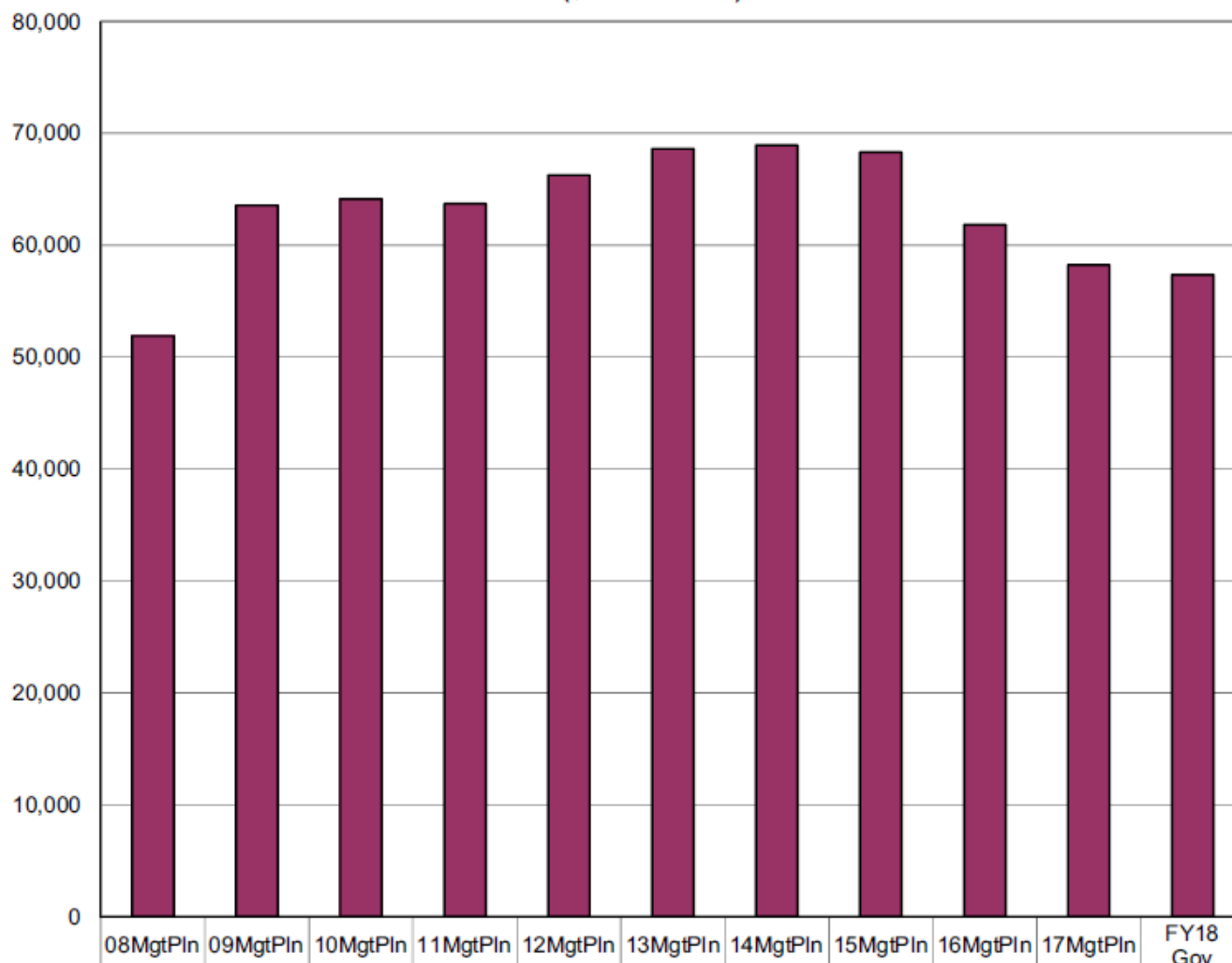
<https://www.omb.alaska.gov/html/budget-report/department-table.html?dept=Labor&fy=18&type=Proposed>

All Department and Division Performance Measures:

<https://www.omb.alaska.gov/html/performance/department-details.html>



**Department of Labor and Workforce Development Share of Total Agency Operations
(GF Only)
(\$ Thousands)**



The Department's GF budget grew by \$5.5 million (11%) between FY08 and the FY18 Governor's Request--an average annual growth rate of 1.0%.

The Department's total FY18 GF Request equals \$171 per resident worker.*

■ Total Agency Budget (GF Only)	51,881.8	63,553.1	64,112.6	63,707.1	66,269.2	68,619.2	68,941.0	68,295.5	61,846.6	58,236.7	57,347.3
% of Agency Budget to Total Agencies' budgets	1.42%	1.58%	1.59%	1.47%	1.41%	1.37%	1.36%	1.31%	1.28%	1.24%	1.24%

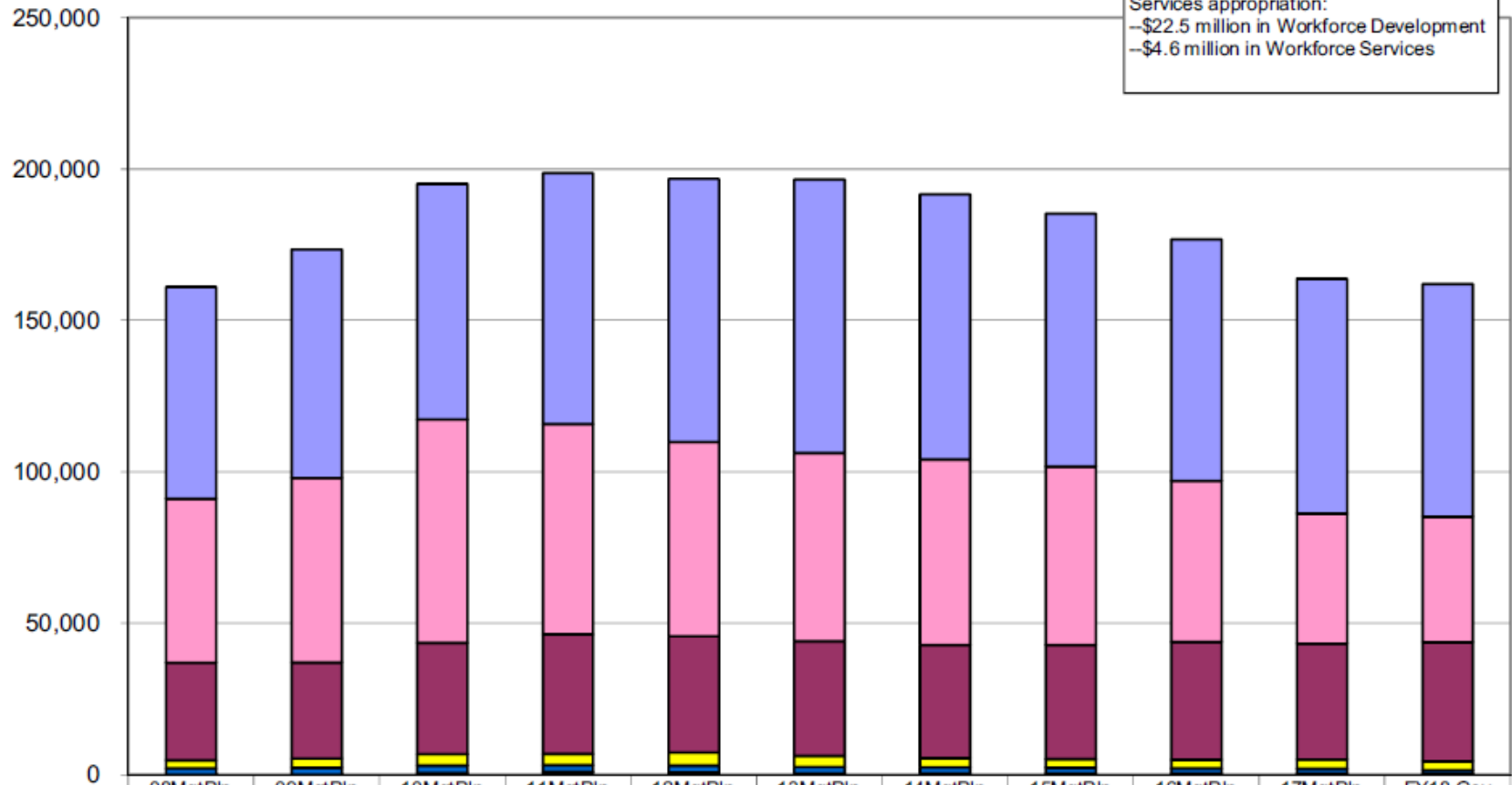
* According to the Department of Labor and Workforce Development, there were 334,628 resident workers in Alaska in 2014.

Department of Labor and Workforce Development

Line Items (All Funds) (\$ Thousands)

The majority of the funding is in the following line items:
Personal Services: 48%
Grants: 26%

About 66% (\$27 million) of the grants funding is in two allocations within the reorganized Employment & Training Services appropriation:
–\$22.5 million in Workforce Development
–\$4.6 million in Workforce Services

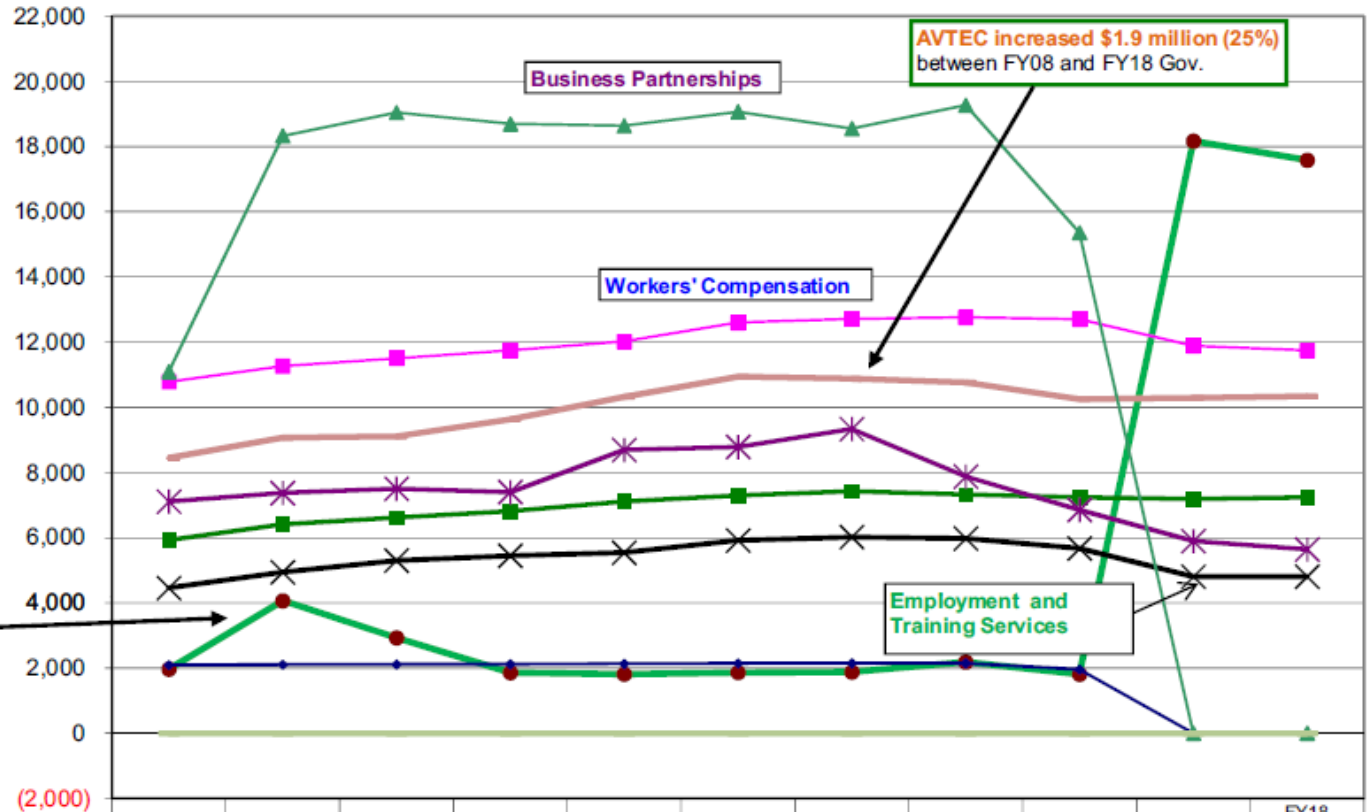


	08MgtPln	09MgtPln	10MgtPln	11MgtPln	12MgtPln	13MgtPln	14MgtPln	15MgtPln	16MgtPln	17MgtPln	FY18 Gov
Personal Services	69,982.0	75,458.1	77,848.5	82,889.4	86,916.1	90,276.2	87,530.9	83,605.3	79,847.8	77,558.9	76,976.1
Grants, Benefits	54,190.0	60,959.2	73,831.3	69,536.8	64,142.3	62,207.3	61,341.9	58,850.4	53,173.0	43,046.6	41,428.3
Services	32,114.8	31,734.0	36,669.3	39,436.0	38,406.3	37,816.3	37,333.7	37,718.5	38,921.4	38,261.4	39,260.0
Commodities	2,780.1	3,086.7	3,821.0	3,767.8	4,342.6	3,700.1	3,077.1	2,842.1	2,804.5	2,931.3	2,912.7
Travel	1,932.2	2,138.1	2,436.2	2,219.9	2,228.0	2,239.9	1,971.0	1,848.5	1,650.8	1,536.0	1,050.0
Capital Outlay	108.9	108.9	581.4	881.5	768.9	330.2	451.9	441.9	428.5	468.2	468.2
Miscellaneous	-	-	-	-	-	-	-	-	-	-	-

Appropriations within the Department of Labor and Workforce Development (GF Only) (\$ Thousands)

In FY17, the **Business Partnerships** and **Employment Security** appropriations were merged into the **Employment and Training Services** appropriation. The implementation of Administrative Order No. 275 became the impetus for several organizational changes. Prior to that action, the Business Partnerships appropriation was comprised of ten allocations. The **FY18 Governor's Request** reduced Employment & Training Services by (\$600.0) UGF for Construction Academy Training to meet ongoing legislative intent.

The spike in FY09 is attributable to the replacement of unrealizable federal funds (FF) with GF.



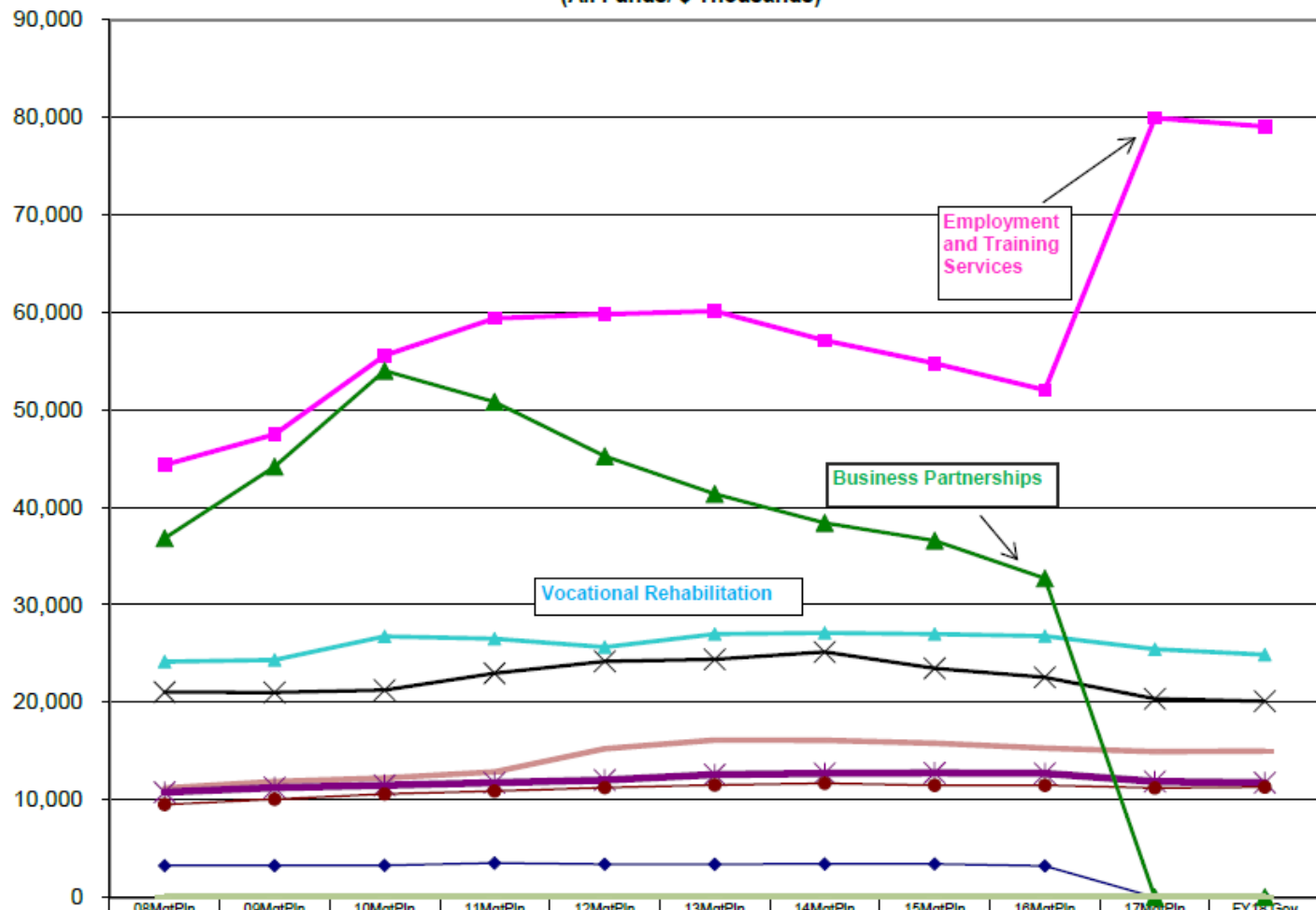
	08MgtPln	09MgtPln	10MgtPln	11MgtPln	12MgtPln	13MgtPln	14MgtPln	15MgtPln	16MgtPln	17MgtPln	FY18 Gov
Employment and Training Services	1,967.8	4,065.2	2,927.0	1,859.1	1,812.6	1,863.9	1,877.5	2,186.6	1,809.5	18,167.8	17,581.9
Workers' Compensation	10,782.9	11,264.9	11,501.9	11,748.3	12,018.7	12,602.2	12,712.1	12,758.7	12,705.7	11,888.8	11,744.5
AVTEC	8,447.0	9,067.3	9,106.1	9,631.6	10,322.4	10,942.5	10,877.1	10,758.6	10,249.8	10,286.9	10,340.1
Labor Standards and Safety	5,923.7	6,412.5	6,616.9	6,809.0	7,111.4	7,295.3	7,419.3	7,320.6	7,240.1	7,190.2	7,233.6
Commissioner and Admin Svcs	7,110.1	7,369.7	7,502.6	7,397.3	8,693.1	8,787.0	9,334.6	7,875.6	6,853.0	5,896.2	5,641.9
Vocational Rehabilitation	4,455.5	4,940.2	5,300.0	5,447.2	5,538.8	5,918.1	6,018.7	5,977.8	5,673.1	4,806.8	4,805.3
Employment Security	2,099.2	2,107.6	2,112.7	2,119.5	2,132.5	2,145.9	2,151.1	2,150.3	1,958.8	-	-
Business Partnerships	11,095.6	18,325.7	19,045.4	18,695.1	18,639.7	19,064.3	18,550.6	19,267.3	15,356.6	-	-
Agency Unallocated Appropriation	-	-	-	-	-	-	-	-	-	-	-

Appropriations within the Department of Labor and Workforce Development (All Funds/ \$ Thousands)

Overall, the Department's total budget has increased almost \$1 million (less than 1%) between FY08 and FY18Gov.

Currently, the Department is organized with six appropriations (following the merger of **Business Partnerships** and **Employment Security** into **Employment and Training Services** in FY17).

The funding volatility in **Business Partnerships** is primarily due to the addition of funds (FY09 and FY10) for Construction Academy Training and Business Services apprenticeship programs. Funding has been reduced starting in FY11 due to the fact that these programs may apply for competitive grants from sources other than the State; and, beginning in FY16, legislative intent reflects a plan to supplant all UGF with private or federal fund sources by FY21.

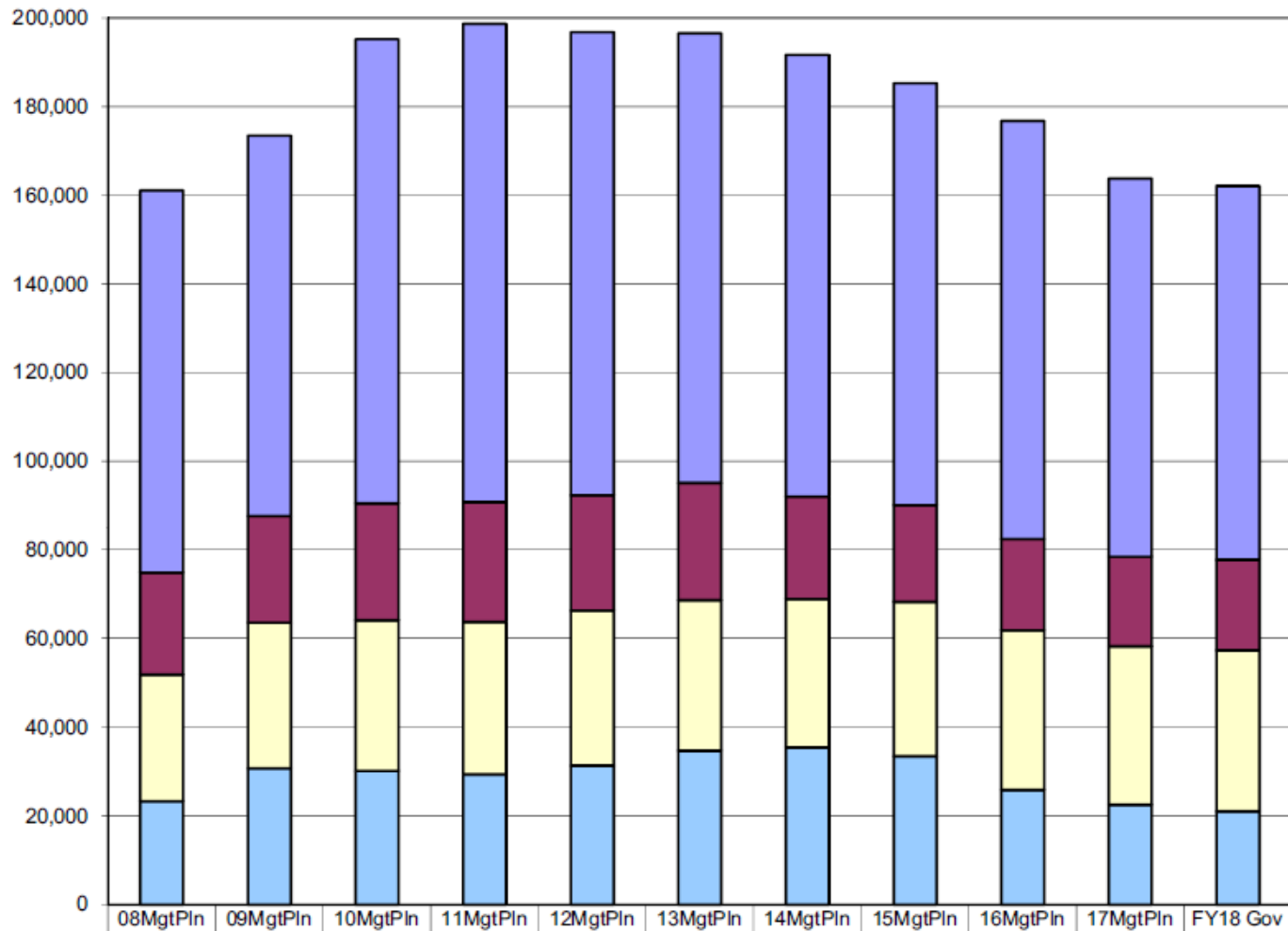


	08MgtPln	09MgtPln	10MgtPln	11MgtPln	12MgtPln	13MgtPln	14MgtPln	15MgtPln	16MgtPln	17MgtPln	FY18 Gov
Employment & Training Services	44,350.5	47,480.4	55,576.4	59,389.4	59,805.5	60,122.0	57,110.7	54,767.4	52,041.8	79,924.3	79,047.3
Vocational Rehabilitation	24,163.1	24,355.7	26,747.7	26,536.8	25,652.5	26,991.7	27,118.6	26,988.8	26,779.2	25,449.6	24,876.0
Commissioner and Admin Svcs	21,046.8	21,026.4	21,256.5	22,982.1	24,198.7	24,414.4	25,167.3	23,486.3	22,570.7	20,362.7	20,109.3
AVTEC	11,202.4	11,866.9	12,219.6	12,868.3	15,242.6	16,126.9	16,097.7	15,806.3	15,304.3	14,940.5	15,010.2
Workers' Compensation	10,782.9	11,264.9	11,501.9	11,748.3	12,018.7	12,602.2	12,712.1	12,758.7	12,705.7	11,888.8	11,744.5
Labor Standards and Safety	9,513.0	10,071.5	10,608.8	10,882.7	11,260.4	11,529.6	11,688.9	11,502.8	11,497.9	11,236.5	11,308.0
Employment Security	3,240.9	3,258.2	3,265.1	3,523.5	3,389.7	3,406.7	3,413.1	3,412.2	3,222.2	-	-
Business Partnerships	36,808.4	44,161.0	54,011.7	50,800.3	45,236.1	41,376.5	38,398.1	36,584.2	32,704.2	-	-
Agency Unallocated Approp	-	-	-	-	-	-	-	-	-	-	-

Department of Labor and Workforce Development Total Funding Comparison by Fund Group (All Funds) (\$ Thousands)

Between FY08 & FY18 Gov:

- UGF decreased by (\$2.3) million (-10%)
- DGF increased by \$7.8 million (27%)
- Other funds decreased by (\$2.6) million (-11%)
- Federal Funds decreased by (\$1.9) million (-2%)



	08MgtPln	09MgtPln	10MgtPln	11MgtPln	12MgtPln	13MgtPln	14MgtPln	15MgtPln	16MgtPln	17MgtPln	FY18 Gov
Federal Receipts (Fed)	86,256.2	85,866.2	104,704.9	107,969.4	104,512.1	101,468.0	99,692.1	95,237.6	94,386.6	85,299.9	84,337.9
Other State Funds (Other)	22,970.0	24,065.7	26,370.2	27,054.9	26,022.9	26,482.8	23,073.4	21,773.6	20,592.8	20,265.8	20,410.1
Designated General (DGF)	28,582.0	32,851.3	33,962.0	34,374.0	34,976.9	33,929.4	33,537.0	34,847.5	36,015.1	35,739.3	36,365.3
Unrestricted General (UGF)	23,299.8	30,701.8	30,150.6	29,333.1	31,292.3	34,689.8	35,404.0	33,448.0	25,831.5	22,497.4	20,982.0

Commissioner and Administrative Services

Allocation and/or Program	Funding (in thousands)	# of PFT/ PPT/ NP Positions	# of Alaskans Served	% Cost Through Fees	Rating of Importance to Mission	Rating of Effectiveness	Constitutionally Required	Federally Required	Required by Statute
Commissioner and Administrative Services Total	\$20,109.3: \$5,514.6 UGF; \$127.3 DGF; \$5,886.4 Other; \$8,581.0 Fed	99 PFT 1 PPT 1 NP			Critical	High	Partially	Partially	Yes; 44.31
Commissioner's Office	\$1,002.3: \$486.1 UGF; \$516.2 Other	5 PFT			Critical	High	Partially	Yes	Yes; 44.31
Workforce Investment Board	\$557.8 Other	3 PFT			Critical	High	No	Yes	Yes; 23.15.550-.850
Alaska Labor Relations Agency	\$538.6 UGF	3 PFT	65,000		Critical	High	No	No	Yes; 23.05.360-.390
Management Services	\$3,965.7: \$348.5 UGF; \$1,117.3 Other; \$2,499.9 Fed	28 PFT			Important	High	No	Yes	Yes; 37.05
Leasing	\$2,828.9 UGF	0			Important	High	No	No	Yes; 36.30.080
Data Processing	\$6,696.7: 171.0 UGF; \$1,903.9 Other; \$4,621.8 Fed	28 PFT 1 PPT			Important	High	No	Yes	Yes; 23.20.005(b)
Labor Market Information	\$4,519.3: \$1,141.5 UGF; \$127.3 DGF; \$1,791.2 Other; \$1,459.3 Fed	32 PFT 1 NP	650,000 website visits and 180,000 downloads		Critical	High	No	Yes	Yes; 44.31.020(2)&(4)



Workers' Compensation

Allocation and/or Program	Funding (in thousands)	# of PFT/ PPT/ NP Positions	# of Alaskans Served	% Cost Through Fees	Rating of Importance to Mission	Rating of Effectiveness	Constitutionally Required	Federally Required	Required by Statute
Workers' Compensation Division	\$11,744.5 DGF	54 PFT	425,770	100%	Critical	Mostly High	No	No	Yes; 23.30
Workers' Compensation	\$5,653.0 DGF	47 PFT	425,000	100%	Critical	High*	*No	No	Yes; 23.30.005-.400
Workers' Compensation Appeals Commission	\$443.3 DGF	2 PFT	100	100%	Status Quo	Low	No	No	Yes; 23.30.007-.009
Workers' Compensation Benefits Guaranty Fund	\$774.4 DGF	1 PFT	20	100%	Critical	High	No	No	Yes; 23.30.082
Second Injury Fund	\$3,414.9 DGF	2 PFT	100	100%	Status Quo	Moderate	No	No	Yes; 23.30.040
Fishermen's Fund	\$1,458.9 DGF	2 PFT	550	100%	Critical	High	No	No	Yes; 23.35.010-.150

*This is a good program, and we are in the process of making improvements.



Labor Standards and Safety

Allocation and/or Program	Funding (in thousands)	# of PFT/ PPT/ NP Positions	# of Alaskans Served	% Cost Through Fees	Rating of Importance to Mission	Rating of Effectiveness	Constitutionally Required	Federally Required	Required by Statute
Labor Standards and Safety Division	\$11,308.0: \$2,647.6 UGF; \$4,586.0 DGF; \$1,831.3 Other; \$2,243.1 Fed	80 PFT	123,300	42%	Critical	High	No	Partially	Yes; 18.60 & 23.05
Wage and Hour Administration	\$2,393.8: \$1,761.5 UGF; \$632.3 Other	21 PFT	97,000	None	Critical	High	No	No	Yes; 23.05.130-.340
Mechanical Inspection	\$2,992.5: \$2,272.7 DGF; \$719.8 Other	21 PFT	8,000	76%	Critical	High	No	No	Yes; 18.60
Occupational Safety and Health	\$5,760.9: \$886.1 UGF; \$2,313.3 DGF; \$318.4 Other; \$2,243.1 Fed	38 PFT	18,000	40%	Critical	High	No	Yes	Yes; 18.60
Alaska Safety Advisory Council	\$160.8 Other	0	300	100%	Status Quo	Moderate	No	No	Yes; 18.60.830-.840



Employment and Training Services

Allocation and/or Program	Funding (in thousands)	# of PFT/ PPT/ NP Positions	# of Alaskans Served	% Cost Through Fees	Rating of Importance to Mission	Rating of Effectiveness	Constitutionally Required	Federally Required	Required by Statute
Employment and Training Services Division	\$79,047.3: \$3,214.9 UGF; \$14,367.0 DGF; \$8,321.7 Other; \$53,143.7 Fed	292 PFT 38 PPT	273,000	18%	Critical	High	No	Yes	Yes; 23.20 & 44.31.020(5)
Employment and Training Services Administration	\$1,369.7: \$342.4 Other; \$1,027.3 Fed	8 PFT		None	Critical	High	No	Yes	Yes; 23.20
Workforce Services	\$18,076.9: \$803.2 DGF; \$4,830.1 Other; \$12,443.6 Fed	98 PFT	95,000	4%	Critical	High	No	Yes	Yes; 23.20
Workforce Development (WD)	\$31,137.1: \$3,214.9 UGF; \$12,694.6 DGF; \$2,844.6 Other; \$12,383.0 Fed	30 PFT	13,000	41%	Critical	High	No	Yes	Yes; 23.15.620, 23.15.830, 44.31.020(5)
Unemployment Insurance	\$28,463.6: \$869.2 DGF; \$304.6 Other; \$27,289.8 Fed	156 PFT 38 PPT	165,000 UI calls	3%	Critical	High	No	Yes	Yes; 23.20



Employment and Training Services – WD Programs

Allocation and/or Program	Funding (in thousands)	# of PFT/ PPT/ NP Positions	# of Alaskans Served	% Cost Through Fees	Rating of Importance to Mission	Rating of Effectiveness	Constitutionally Required	Federally Required	Required by Statute
Construction Academy Training	\$1,261.1 UGF	0.25 PFT	3,300		Critical	High	No	No	No
Adult Basic Education	\$1,953.6 UGF; \$1,263.4 Fed	2 PFT	3,300		Critical	High	No	Yes	Yes; 44.31.020(6)
State Training and Employment Program	\$8,035.9 DGF	2 PFT	2,800	100%	Critical	High	No	No	Yes; 23.15.620
Technical and Vocational Education Program	\$4,658.7 DGF	0.5 PFT	3,200	100%	Critical	High	No	No	Yes; 44.31.020(5)
Workforce Innovation and Opportunity Act	\$7,365.0 Fed	2.5 PFT	1,083		Critical	High	No	Yes	Yes; 23.15.835(d)



Vocational Rehabilitation

Allocation and/or Program	Funding (in thousands)	# of PFT/ PPT/ NP Positions	# of Alaskans Served	% Cost Through Fees	Rating of Importance to Mission	Rating of Effectiveness	Constitutionally Required	Federally Required	Required by Statute
Vocational Rehabilitation Division	\$24,876.0: \$4,605.3 UGF; \$200.0 DGF; \$558.8 Other; \$19,511.9 Fed	124 PFT 1 NP	10,750	1%	Critical	High	No	Yes	Yes; 23.15
Vocational Rehabilitation Administration	\$1,277.9: \$10.0 Other; \$1,267.9 Fed	8 PFT			Critical	High	No	Yes	Yes; 23.15
Client Services	\$16,791.8: \$4,438.3 UGF; \$200.0 DGF; \$125.0 Other; \$12,028.5 Fed	89 PFT	3,700	2%	Critical	High	No	Yes	Yes; 23.15
Disability Determination	\$5,264.4: \$297.8 Other; \$4,966.6 Fed	27 PFT 1 NP	5,550		Critical	High	No	Yes	Yes; 23.15
Special Projects*	\$1,541.9: \$167.0 UGF; \$126.0 Other; \$1,248.9 Fed	0	1,500		Critical	High	No	Yes	Yes; 23.15

*This includes a federal grant and required state match funding for Supported Employment, which is allocated to Youth with the most significant disabilities. This also includes the federally funded assistive technology program that helps disabled Alaskans test and identify technology that can assist them.



Alaska Vocational Technical Center (AVTEC)

Allocation and/or Program	Funding (in thousands)	# of PFT/ PPT/ NP Positions	# of Alaskans Served	% Cost Through Fees	Rating of Importance to Mission	Rating of Effectiveness	Constitutionally Required	Federally Required	Required by Statute
Alaska Vocational Technical Center Division	\$15,010.2: \$4,999.6 UGF; \$5,340.5 DGF; \$3,811.9 Other; \$858.2 Fed	61 PFT 19 PPT 5 NP	1,500	42%	Critical	High	No	No	Yes; 44.31.020(7)
Alaska Vocational Technical Center	\$13,148.7: \$4,999.6 UGF; \$5,340.5 DGF; \$1,950.4 Other; \$858.2 Fed	55 PFT 15 PPT 3 NP	1,500	47%	Critical	High	No	No	Yes; 44.31.020(7)
AVTEC Facilities Maintenance	\$1,861.5 Other	6 PFT 4 PPT 2 NP	1,500		Critical	High	No	No	Yes; 37.07.020(e)



WE'RE PREPARING ALASKANS FOR THE JOBS OF TODAY— AND TOMORROW.

**Alaska Department of Labor and
Workforce Development**

Commissioner Heidi Drygas

Email: Commissioner.Labor@alaska.gov

Phone: (907) 465-2700



ALASKA DEPARTMENT OF LABOR & WORKFORCE DEVELOPMENT
COMMISSIONER HEIDI DRYGAS

