

2025 Legislature - Operating Budget
Appropriation Summary - Governor Structure

Numbers and Language
Agencies: Labor

Appropriation	[1] 25Enroll	[2] 25Auth	[3] 25MgtPln	[4] AdjBase	[5] Gov	[5] - [3] 25MgtPln to Gov	[5] - [4] AdjBase to Gov
Labor & Workforce Dev							
Commissioner and Admin Svcs	37,836.8	51,099.7	51,099.7	50,082.2	49,269.1	-1,830.6 -3.6 %	-813.1 -1.6 %
Workers' Compensation	12,224.4	12,265.4	12,265.4	12,395.6	12,521.0	255.6 2.1 %	125.4 1.0 %
Labor Standards and Safety	12,918.0	12,944.0	12,944.0	13,176.9	13,259.6	315.6 2.4 %	82.7 0.6 %
Employment & Training Services	61,245.9	61,264.1	61,264.1	61,902.1	57,352.1	-3,912.0 -6.4 %	-4,550.0 -7.4 %
Vocational Rehabilitation	29,308.6	29,774.2	29,774.2	29,497.4	29,497.4	-276.8 -0.9 %	0.0
AVTEC	15,190.9	19,290.9	19,290.9	19,487.2	19,346.0	55.1 0.3 %	-141.2 -0.7 %
Agency Unallocated	0.0	0.0	0.0	0.0	0.0	0.0	0.0
Agency Total	168,724.6	186,638.3	186,638.3	186,541.4	181,245.2	-5,393.1 -2.9 %	-5,296.2 -2.8 %
Statewide Total	168,724.6	186,638.3	186,638.3	186,541.4	181,245.2	-5,393.1 -2.9 %	-5,296.2 -2.8 %
Funding Summary							
Unrestricted General (UGF)	22,517.0	22,584.9	22,584.9	22,782.1	23,439.0	854.1 3.8 %	656.9 2.9 %
Designated General (DGF)	32,449.6	49,736.3	49,736.3	48,647.9	47,391.9	-2,344.4 -4.7 %	-1,256.0 -2.6 %
Other State Funds (Other)	20,052.8	20,569.6	20,569.6	20,341.0	17,793.9	-2,775.7 -13.5 %	-2,547.1 -12.5 %
Federal Receipts (Fed)	93,705.2	93,747.5	93,747.5	94,770.4	92,620.4	-1,127.1 -1.2 %	-2,150.0 -2.3 %

Department of Labor and Workforce Development
FY26 - Summary of Significant Operating Budget Issues
(\$ thousands)

Item	Appropriation / Allocation	Description	Amount / Fund Source	Comment
1	Various	Move Technical and Vocational Education Program Appropriation to Language	\$14,596.2 VoTech Ed (DGF) Inc	<p>The Technical Vocational Education Program (TVEP) was reauthorized under HB 148 (Ch. 4, SLA 24), and was moved to the numbers section in FY25 after having been part of the language section in FY24.</p> <p>The Governor's FY26 budget moves the TVEP distribution of funding back to the language section, so there are corresponding Decrements in the affected allocations that removes the funding from the numbers section. Moving the TVEP distribution to the language section allows for a single budget transaction to be updated, if necessary, to reflect the distribution based on the latest revenue projections.</p> <p>Current projected TVEP distributions in the Department for FY26: Commissioner and Administrative Services, Alaska</p> <p>Workforce Investment Board: \$10,836.6 Alaska Vocational and Technical Education Center (AVTEC), AVTEC: \$3,759.6</p> <p>The original distribution estimates were based on a projection from January 2024, while the amounts reflected above are based on actuarial analysis from July 2024. The Department reports that the FY26 Governor's Amended budget will reflect any anticipated changes to the TVEP distribution amounts once projections are completed in January.</p>
2	Workers' Compensation / Workers' Compensation	Add Funding for Stay-at-Work Program Enacted Under Workers' Comp.; Extend Sr Benefits Payment Ch12 SLA2024 (SB147)	\$125.4 Gen Fund (UGF) Inc	<p>The language of the Workers' Compensation Stay-at-Work legislation (originally SB 206) was incorporated into SB 147, Workers' Compensation; Extend Senior Benefits Payment prior to final passage as one of the final actions of the 2024 legislative session. The operating budget did not include fiscal note funding for the legislation.</p> <p>The Department's fiscal note for SB 206 included one full-time position and associated authority for Workers' Safety and Compensation Administration Account receipts beginning January 1, 2025. The Department is requesting general funds in the FY26 budget, as the fund source included in the fiscal note does not have sufficient projected revenues to meet the need. In lieu of a new position, the Department reports that a vacant position from Unemployment</p>

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2	Workers' Compensation / Workers' Compensation	Add Funding for Stay-at-Work Program Enacted Under Workers' Comp.; Extend Sr Benefits Payment Ch12 SLA2024 (SB147)	\$125.4 Gen Fund (UGF) Inc	(continued) Insurance has been transferred into the allocation and is being reclassified for this purpose.
3	Labor Standards and Safety / Mechanical Inspection	Add Funding for Program Changes Enacted Under Certificate of Fitness: Plumbers/Electricians Ch21 SLA2024 (SB204)	\$58.8 Gen Fund (UGF) Inc	<p>The Certificate of Fitness (COF) renewal cycle for trainees has been extended from two years to six years under SB 204, Certificate of Fitness: Plumbers/Electricians. This change allows for trainees to complete their training program under one COF, which ensures the trainee will get credit for all of their training hours. As one of the final actions of the 2024 legislative session, an amendment in the House reduced the fee that the Department may charge for a journeyman level certificate or renewal from \$300.00 to \$200.00 prior to the bill's passage. The operating budget did not include fiscal note funding for the legislation.</p> <p>The Department's fiscal note for SB 204 included an increase in Training and Building Fund (TBF) authority. The Department is requesting unrestricted general funds in the FY26 budget, as the lowered certificate fees mean that there will be insufficient revenue in the TBF.</p>
4	Labor Standards and Safety / Alaska Safety Advisory Program	Add Funding to Support New Personal Services Costs Associated with Executive Order 135	\$290.4 Gen Fund (UGF) Inc	<p>Executive Order 135 (EO 135) transferred existing unfunded responsibilities of the Alaska Safety Advisory Council to the Department and changed the name of the allocation to "Alaska Safety Advisory Program," or ASAP.</p> <p>Two positions, and \$266.5 of Interagency (I/A) receipt authority, were transferred to ASAP in the FY25 Management Plan in support of EO 135:</p> <ul style="list-style-type: none"> - Full-time Electrical Inspector (074519), range 49, located in Anchorage - Full-time Safety Inspection and Compliance Electrical Inspector (074542), range 49, located in Anchorage <p>In the Governor's FY26 budget proposal replaces the \$266.5 of I/A with \$290.4 of UGF, and the positions have been reclassified to a Program Coordinator 2 and a Project Assistant.</p> <p>The allocation maintains \$281.6 in Statutory</p>

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4	Labor Standards and Safety / Alaska Safety Advisory Program	Add Funding to Support New Personal Services Costs Associated with Executive Order 135	\$290.4 Gen Fund (UGF) Inc	(continued) Designated Program Receipts, which is used to support the annual Governor's Safety Conference that ASAP will continue to convene. This receipt authority allows the State to collect money from sponsors and vendors at the conference for booth space. Those collected funds, in turn, are used to pay for the venue, refreshments, and so on. Fiscal Analyst Comment: The positions transferred in to ASAP were funded with I/A in FY25 but have since been reclassified, meaning that the authority may be hollow. A Supplemental may be necessary to fund the positions.
5	Employment and Training Services / Workforce Services	Eliminate Authority for Unrealized Partnership with Department of Transportation and Public Facilities	(\$2,400.0) I/A Rcpts (Other) Dec	The FY25 budget contained an Increment for \$2,400.0 of Interagency (I/A) receipt authority in anticipation of a workforce development partnership with the Department of Transportation and Public Facilities (DOT&PF), which would use federal funding from the Infrastructure Investment and Jobs Act (IIJA) to support the partnership. IIJA funding that DOT&PF received for workforce development was less than originally proposed in the State Transportation Improvement Program, so the partnership is unrealized and this I/A is no longer needed. The Division is referring parties with DOT&PF-related training or workforce development project ideas to DOT&PF for consideration.
6	Employment and Training Services / Unemployment Insurance	Eliminate Pandemic-Related Federal Receipt Authority No Longer Needed	(\$2,150.0) Fed Rcpts (Fed) Dec	During the pandemic, the Unemployment Insurance (UI) allocation required additional Federal receipt authority to process pandemic-related unemployment assistance. As the period of performance on CARES Act activity for this purpose ended June 30, 2024, this Federal receipt authority is no longer needed. UI is retaining \$48.0 in Federal receipt authority to process Disaster Unemployment Assistance for Alaskans impacted by natural disasters, as it becomes available after qualifying events.
7	Alaska Vocational Technical Center / Alaska Vocational Technical Center	Add One AVTEC Instructor and Funding to Support Blueprint for Expanding Alaska's Electrical and Plumbing Workforce	\$182.3 Gen Fund (UGF) 1 PFT Position Inc	This Increment adds a second instructor with the intent to double the current class capacity in the Industrial Electrical Program from 15 to 30 students annually, in support of the Blueprint for Expanding Alaska's Electrical and Plumbing Workforce initiative.

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7	Alaska Vocational Technical Center / Alaska Vocational Technical Center	Add One AVTEC Instructor and Funding to Support Blueprint for Expanding Alaska's Electrical and Plumbing Workforce	\$182.3 Gen Fund (UGF) 1 PFT Position Inc	(continued) The goal of the initiative is to expand the number of licensed electricians and plumbers within the state by increasing access to training in these fields.
8	Alaska Vocational Technical Center / State Facilities Maintenance and Operations	Rename AVTEC Facilities Maintenance to State Facilities Maintenance and Operations to Adhere to AS 37.07.020(e)	Struct	In FY25, the Legislature added intent language in the Governor's Office that read: "It is the intent of the legislature that the budget prepared under AS 37.07.020 for the succeeding fiscal year adhere to AS 37.07.020(e) and present separately for each agency the annual facility operations, annual maintenance, and periodic repair or replacement of components of public buildings and facilities." In FY26, the Governor's budget renames the former AVTEC Facilities Maintenance allocation to "State Facilities Maintenance and Operations" and maintains the location.