

ALASKA STATE LEGISLATURE

HOUSE LABOR & WORKFORCE DEVELOPMENT (FIN SUB) COMMITTEE



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Caroline Hamp

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Agency Budget Graphs

Transaction Comparison

FY26 Subcommittee Book

FY25 Enacted Budget Book

FY25 Intent

Midyear Status Report

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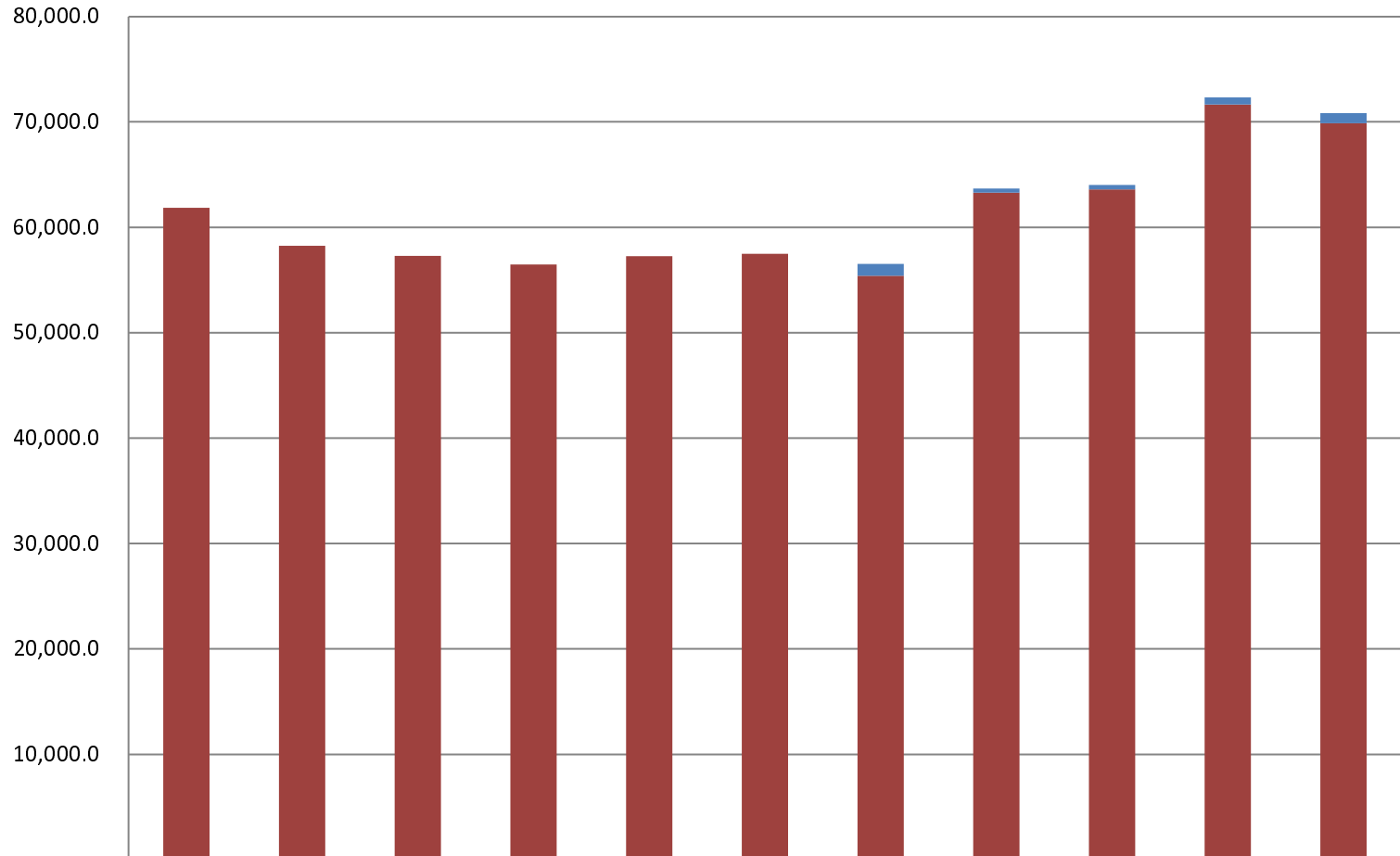
Department of Labor & Workforce Development

Total General Fund Budget

(\$ Thousands)

The Department's GF budget increased by **\$9 million between FY16 and FY26** - an average annual growth rate of **1.4%**.

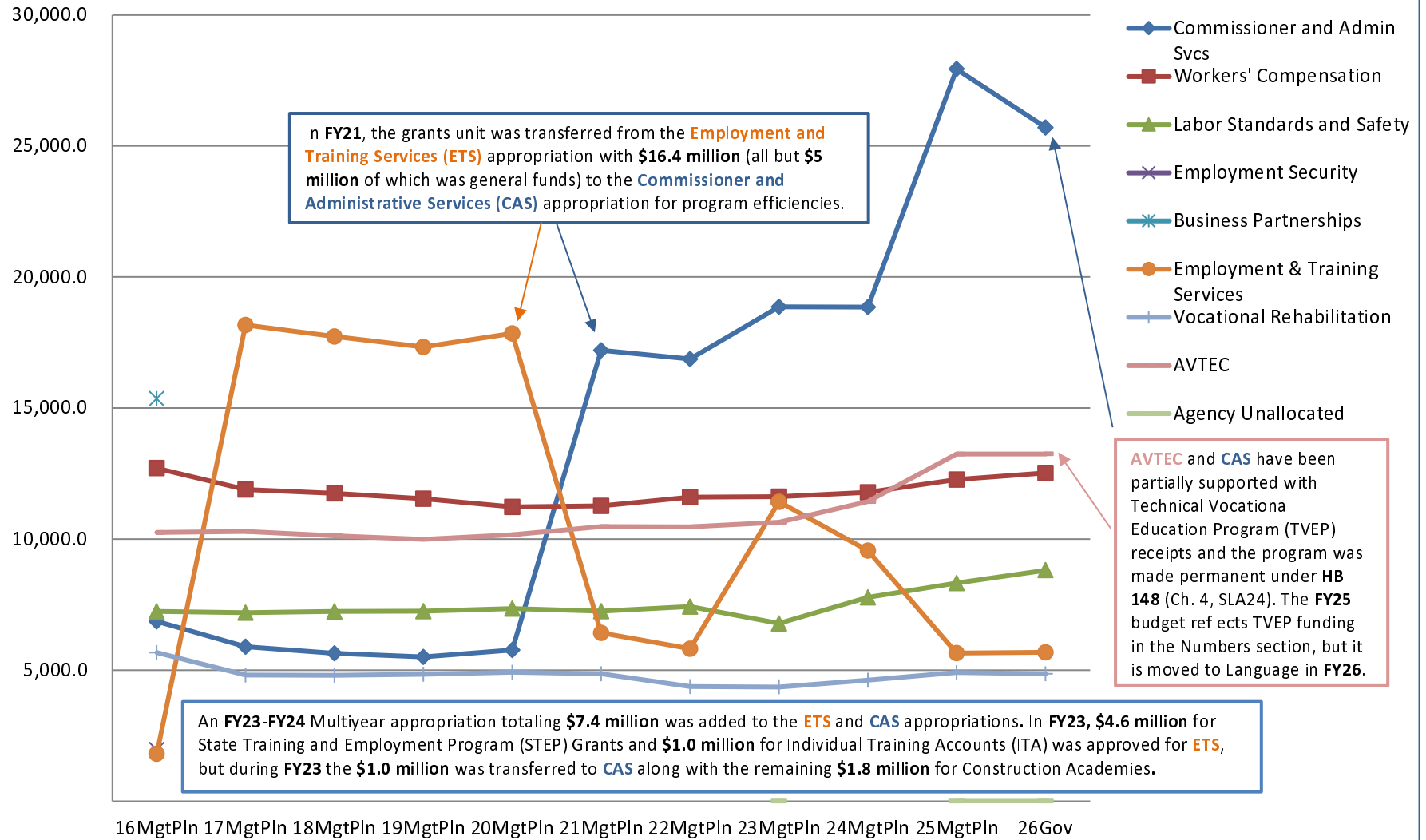
The **FY26 GF** budget equates to **\$224 per resident worker** based on **316,809** resident workers.



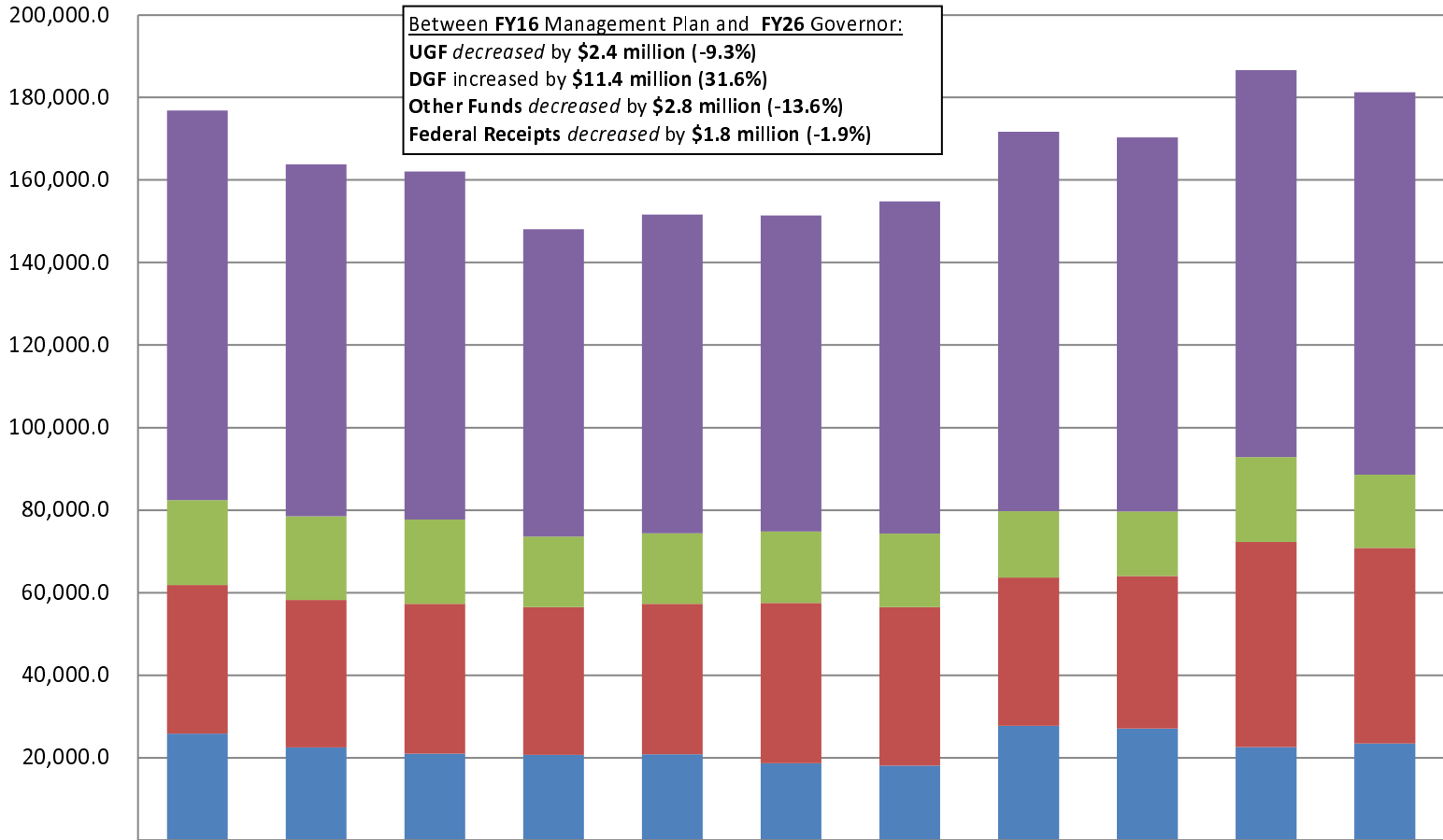
| | 16MgtPln | 17MgtPln | 18MgtPln | 19MgtPln | 20MgtPln | 21MgtPln | 22MgtPln | 23MgtPln | 24MgtPln | 25MgtPln | 26Gov |
|-------------------------------|----------|----------|----------|----------|----------|----------|----------|----------|----------|----------|----------|
| % of All Agencies' Budgets | 1.3% | 1.2% | 1.3% | 1.2% | 1.3% | 1.2% | 1.2% | 1.3% | 1.2% | 1.3% | 1.3% |
| Average of SB55 | - | - | - | - | - | - | 1,129.0 | 379.4 | 424.2 | 686.8 | 949.6 |
| Total Agency Budget (GF Only) | 61,846.6 | 58,236.7 | 57,284.4 | 56,463.9 | 57,260.0 | 57,483.1 | 55,402.0 | 63,293.9 | 63,589.2 | 71,634.4 | 69,881.3 |

Appropriations within Department of Labor & Workforce Development

(GF Only)
(\$ Thousands)



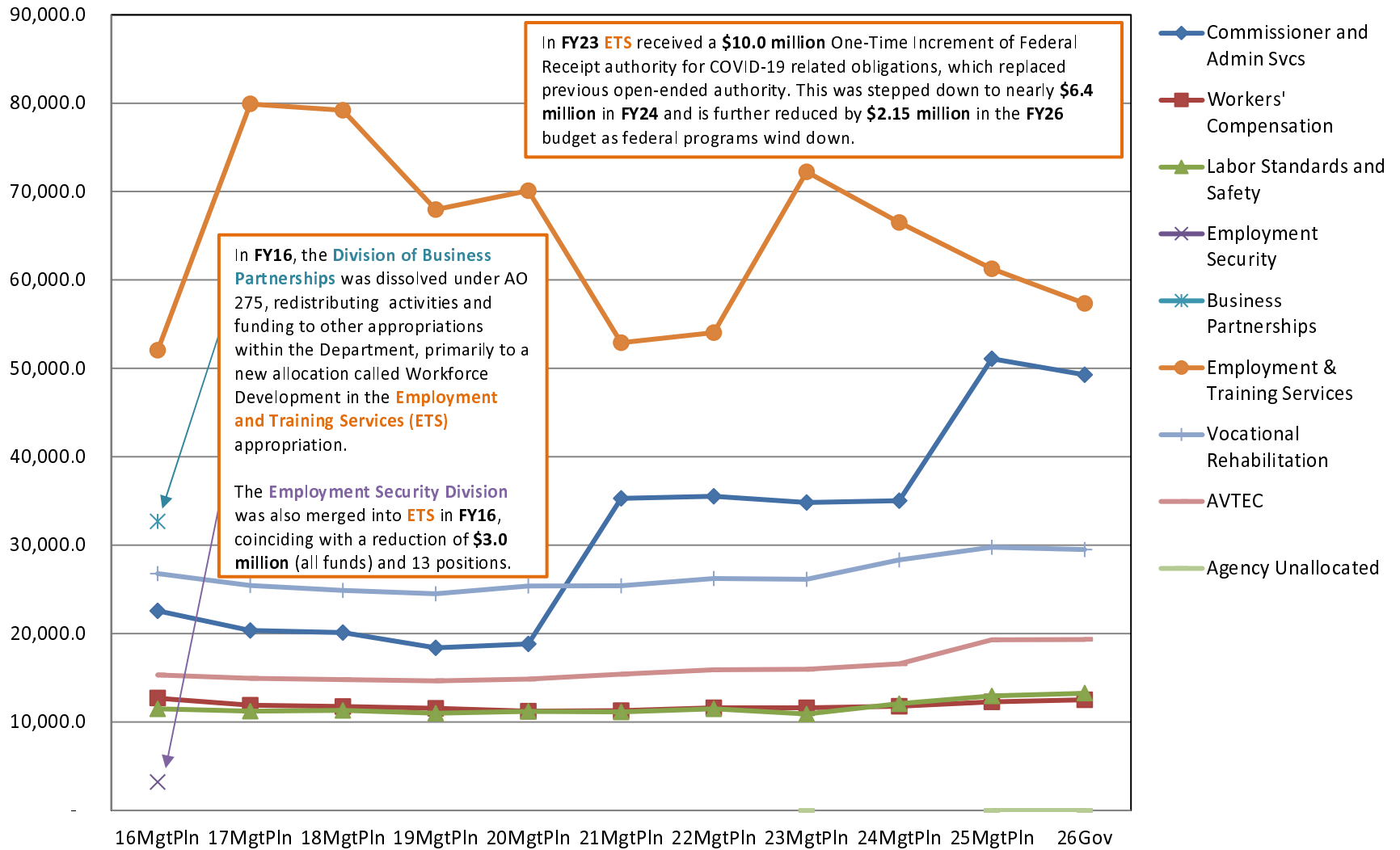
Department of Labor & Workforce Development Total Funding Comparison by Fund Group (\$ Thousands)

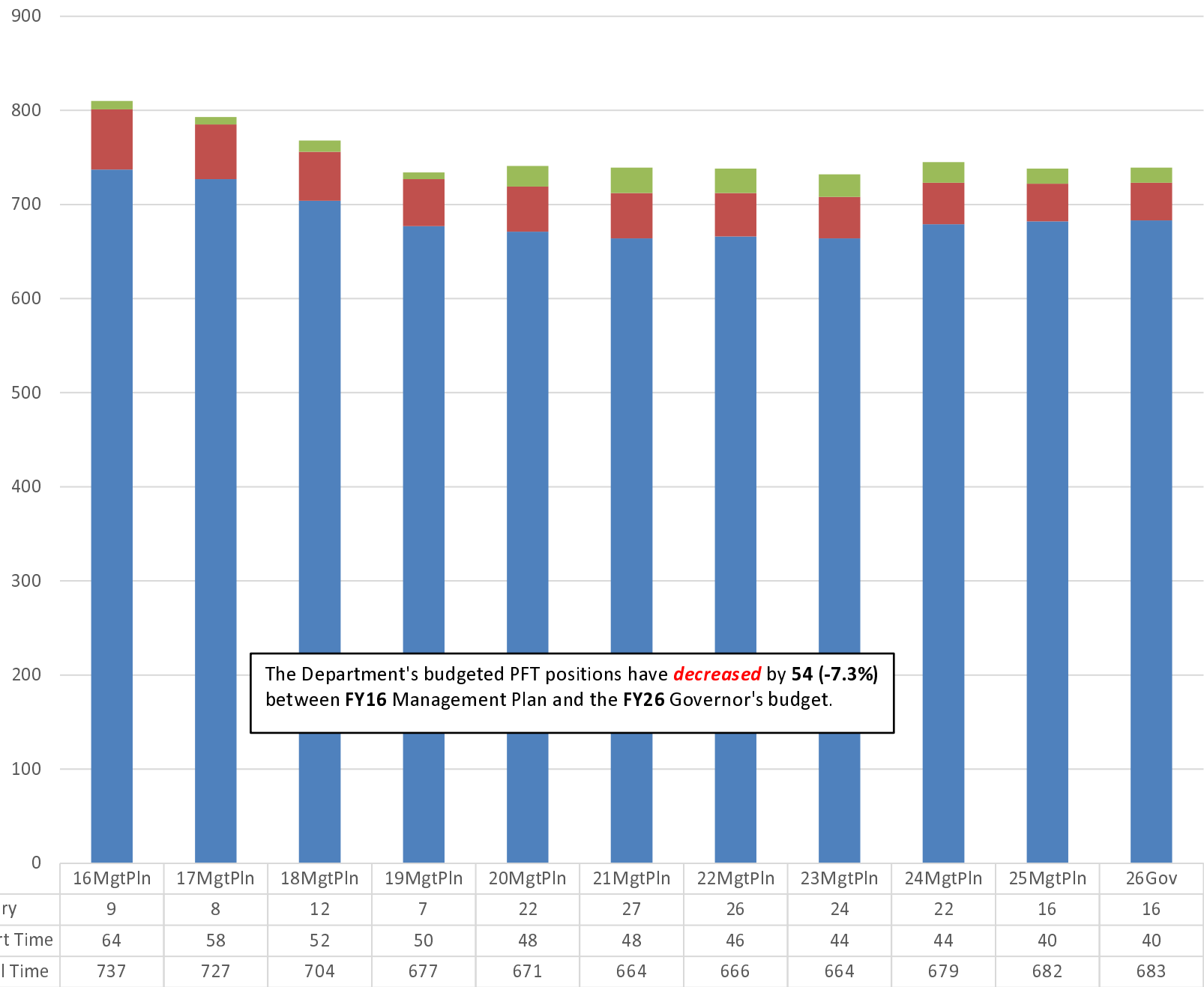


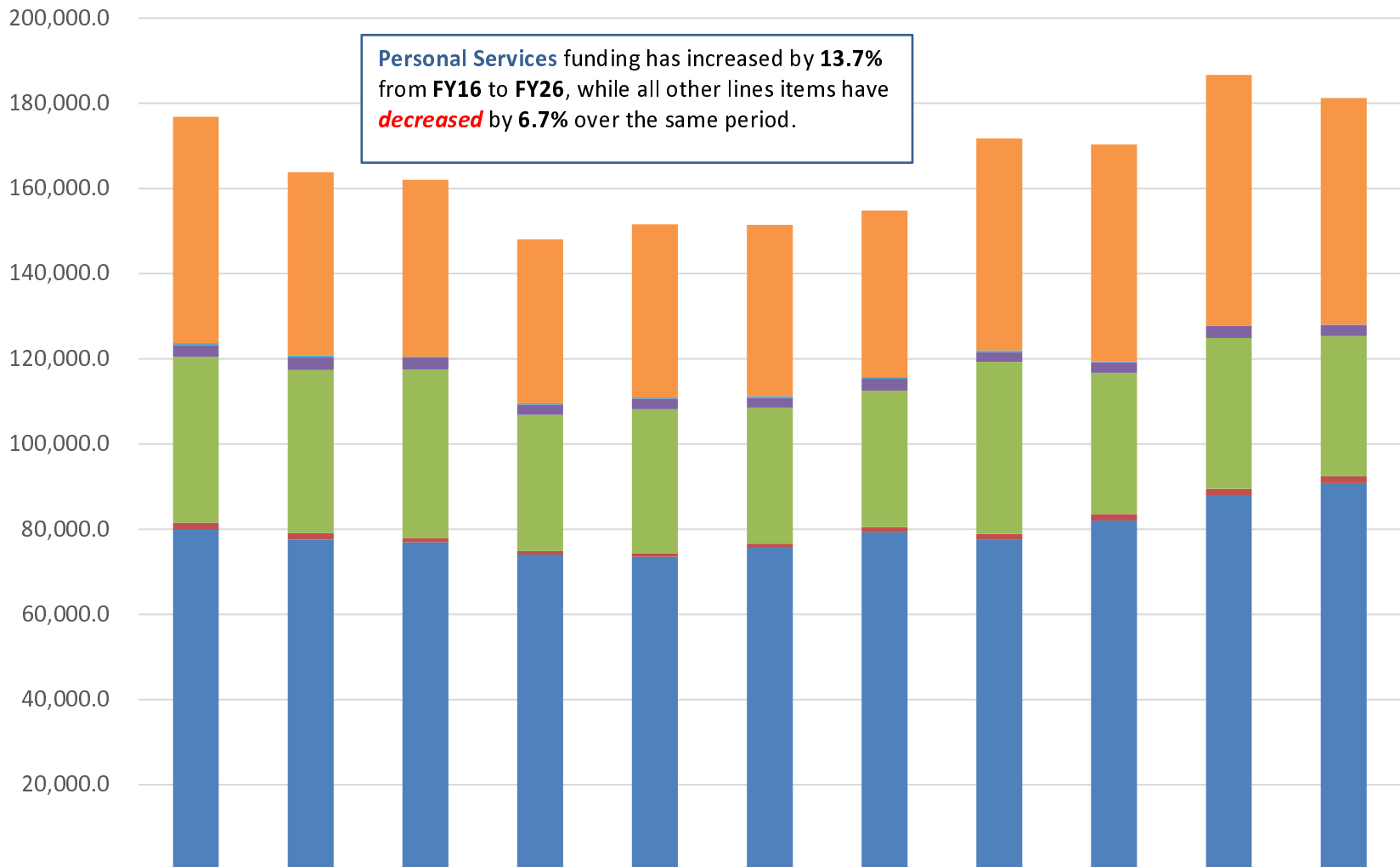
| | 16MgtPln | 17MgtPln | 18MgtPln | 19MgtPln | 20MgtPln | 21MgtPln | 22MgtPln | 23MgtPln | 24MgtPln | 25MgtPln | 26Gov |
|------------------------------|----------|----------|----------|----------|----------|----------|----------|----------|----------|----------|----------|
| ■ Federal Receipts (Fed) | 94,386.6 | 85,299.9 | 84,337.9 | 74,507.3 | 77,196.8 | 76,549.9 | 80,454.1 | 91,942.9 | 90,620.8 | 93,747.5 | 92,620.4 |
| ■ Other State Funds (Other) | 20,592.8 | 20,265.8 | 20,410.1 | 17,104.3 | 17,131.9 | 17,379.2 | 17,806.9 | 16,099.0 | 15,658.2 | 20,569.6 | 17,793.9 |
| ■ Designated General (DGF) | 36,015.1 | 35,739.3 | 36,292.4 | 35,766.7 | 36,413.4 | 38,832.5 | 38,407.3 | 35,942.4 | 36,943.0 | 49,736.3 | 47,391.9 |
| ■ Unrestricted General (UGF) | 25,831.5 | 22,497.4 | 20,992.0 | 20,697.2 | 20,846.6 | 18,650.6 | 18,123.7 | 27,730.9 | 27,070.4 | 22,584.9 | 23,439.0 |

Appropriations within Department of Labor & Workforce Development

(All Funds)
(\$ Thousands)







| | 16MgtPln | 17MgtPln | 18MgtPln | 19MgtPln | 20MgtPln | 21MgtPln | 22MgtPln | 23MgtPln | 24MgtPln | 25MgtPln | 26Gov |
|---------------------|----------|----------|----------|----------|----------|----------|----------|----------|----------|----------|----------|
| 7 Grants, Benefits | 53,173.0 | 43,046.6 | 41,546.6 | 38,521.2 | 40,684.9 | 40,191.6 | 39,086.9 | 49,766.9 | 50,865.3 | 58,822.9 | 53,219.4 |
| 5 Capital Outlay | 428.5 | 468.2 | 132.2 | 270.9 | 266.9 | 413.1 | 378.0 | 353.0 | 194.0 | 100.0 | 100.0 |
| 4 Commodities | 2,804.5 | 2,931.3 | 2,846.9 | 2,456.2 | 2,439.6 | 2,260.2 | 2,792.9 | 2,304.7 | 2,515.5 | 2,829.0 | 2,616.7 |
| 3 Services | 38,921.4 | 38,261.4 | 39,619.2 | 31,931.8 | 33,860.9 | 31,954.5 | 32,033.0 | 40,404.5 | 33,144.2 | 35,420.3 | 32,866.3 |
| 2 Travel | 1,650.8 | 1,536.0 | 981.2 | 860.7 | 787.6 | 968.8 | 1,229.9 | 1,372.8 | 1,584.5 | 1,654.5 | 1,631.9 |
| 1 Personal Services | 79,847.8 | 77,558.9 | 76,906.3 | 74,034.7 | 73,548.8 | 75,624.0 | 79,271.3 | 77,513.3 | 81,988.9 | 87,811.6 | 90,810.9 |

**2025 Legislature - Operating Budget
Transaction Compare - Governor Structure
Between AdjBase and Gov**

| |
|---|
| Numbers and Language Differences Agencies: Labor |
|---|

Agency: Department of Labor and Workforce Development

| | Column | Trans Type | Total Expenditure | Personal Services | Travel | Services | Commodities | Capital Outlay | Grants | Misc | PFT | PPT | TMP |
|--|--------|------------|-------------------|-------------------|--------|----------|-------------|----------------|--------|------|-----|-----|-----|
| Commissioner and Administrative Services | | | | | | | | | | | | | |
| Technology Services | | | | | | | | | | | | | |
| Add Long-Term Non-permanent Systems Programmer 1 to Support the Unemployment Insurance Mainframe Replacement Project | Gov | Inc | 119.4 | 119.4 | 0.0 | 0.0 | 0.0 | 0.0 | 0.0 | 0.0 | 0 | 0 | 1 |
| Add one long-term non-permanent Systems Programmer 1 (07N25002) range 20, located in Juneau to support the Unemployment Insurance mainframe replacement capital project. | | | | | | | | | | | | | |
| The Division of Employment and Training Services received capital funding to replace the Unemployment Insurance mainframe. This position will utilize part of that funding to provide project management in support of the mainframe replacement and will expire upon completion of the capital project. | | | | | | | | | | | | | |
| 1061 CIP Rcpts (Other) | | | 119.4 | | | | | | | | | | |
| * Allocation Difference * | | | 119.4 | 119.4 | 0.0 | 0.0 | 0.0 | 0.0 | 0.0 | 0.0 | 0 | 0 | 1 |

Workforce Investment Board

| | | | | | | | | | | | | | |
|--|-----|-----|-----------|-----|-----|-----|-----|-----|-----------|-----|---|---|---|
| Reverse Alaska Performance Scholarship; Eligibility Ch4 SLA2024 (HB148) (Sec2 Ch7 SLA2024 P46 L21 (HB268)) | Gov | Dec | -11,769.1 | 0.0 | 0.0 | 0.0 | 0.0 | 0.0 | -11,769.1 | 0.0 | 0 | 0 | 0 |
| Reverse FY2025 authority for the State Training and Employment Program (STEP). | | | | | | | | | | | | | |
| 1151 VoTech Ed (DGF) | | | -11,769.1 | | | | | | | | | | |
| L Move Technical and Vocational Education Program Appropriation to Language | Gov | Inc | 10,836.6 | 0.0 | 0.0 | 0.0 | 0.0 | 0.0 | 10,836.6 | 0.0 | 0 | 0 | 0 |
| * Sec. XX. ALASKA TECHNICAL AND VOCATIONAL EDUCATION PROGRAM ACCOUNT. | | | | | | | | | | | | | |

(a) Four percent of the revenue deposited into the Alaska technical and vocational education program account (AS 23.15.830) in the fiscal year ending June 30, 2026, estimated to be \$884,600, is appropriated from the Alaska technical and vocational education program account (AS 23.15.830) to the Department of Education and Early Development for operating expenses of the Galena Interior Learning Academy, for the fiscal year ending June 30, 2026.

(b) Sixty-six percent of the revenue deposited into the Alaska technical and vocational education program account (AS 23.15.830) in the fiscal year ending June 30, 2026, estimated to be \$14,596,200, is appropriated from the Alaska technical and vocational education program account (AS 23.15.830) to the Department of Labor and Workforce Development for operating expenses of the following institutions, in the following percentages, for the fiscal year ending June 30, 2026:

ESTIMATED INSTITUTION, PERCENTAGE, AMOUNT
 Alaska Technical Center, 9 percent, \$1,990,400
 Alaska Vocational Technical Center, 17 percent, 3,759,600
 Northwestern Alaska Career and Technical Center, 4 percent, 884,600
 Southwest Alaska Vocational and Education Center, 4 percent, 884,600
 Yuut Eilitnaurviat - People's Learning Center Inc., 9 percent, 1,990,400
 Partners for Progress in Delta, Inc., 3 percent, 663,500
 Ilisagvik College, 6 percent, 1,326,900
 Prince of Wales Community Learning Center, 5 percent, 1,105,800
 Sealaska Heritage Institute, Inc., 2 percent, 442,300
 Fairbanks Pipeline Training Center, 7 percent, 1,548,100

**2025 Legislature - Operating Budget
Transaction Compare - Governor Structure
Between AdjBase and Gov**

**Numbers and Language
Differences
Agencies: Labor**

Agency: Department of Labor and Workforce Development

| | Column | Trans Type | Total Expenditure | Personal Services | Travel | Services | Commodities | Capital Outlay | Grants | Misc | PFT | PPT | TMP |
|--|--------|---------------|----------------------|----------------------|--------|----------|-------------|-------------------|--------|------|-----|-----|-----|
|--|--------|---------------|----------------------|----------------------|--------|----------|-------------|-------------------|--------|------|-----|-----|-----|

**Commissioner and Administrative Services (continued)
Workforce Investment Board (continued)**

Move Technical and Vocational Education
Program Appropriation to Language (continued)

(c) Thirty percent of the revenue deposited into the Alaska technical and vocational education program account (AS 23.15.830) in the fiscal year ending June 30, 2026, estimated to be \$6,634,600, is appropriated from the Alaska technical and vocational education program account (AS 23.15.830) to the University of Alaska for operating expenses of the following institutions, in the following percentages, for the fiscal year ending June 30, 2026:

ESTIMATED INSTITUTION, PERCENTAGE, AMOUNT
University of Alaska System, 25 percent, 5,528,800
University of Alaska Southeast, 5 percent, 1,105,800

The Alaska Technical and Vocational Education Program (TVEP), established under AS 23.15.830, provides non-competitive grants to institutions that are part of a statewide vocational training system. Per AS 23.15.835(d), the revenue collected under this program is to be distributed to the institutions outlined in the statute per the statutory formula. Currently these appropriations are included in the numbers section of the budget bill. This means that they cannot be adjusted if actual revenue to the program exceeds or falls short of projected revenue without a supplemental budget adjustment.

Changing the TVEP distribution from numbers to an estimated to be language appropriation will ensure that if actual revenue comes in higher than anticipated, the department can distribute the additional funding timely, without the delays that would otherwise occur if contingent on passage of a supplemental budget.

1151 VoTech Ed (DGF) 10,836.6

| | | | | | | | | | | | | | |
|---------------------------------------|--|--|--------|-------|-----|-----|-----|-----|--------|-----|---|---|---|
| * Allocation Difference * | | | -932.5 | 0.0 | 0.0 | 0.0 | 0.0 | 0.0 | -932.5 | 0.0 | 0 | 0 | 0 |
| ** Appropriation Difference ** | | | -813.1 | 119.4 | 0.0 | 0.0 | 0.0 | 0.0 | -932.5 | 0.0 | 0 | 0 | 1 |

Workers' Compensation

Workers' Compensation

Add Funding for Stay-at-Work Program Enacted
Under Workers' Comp.; Extend Sr Benefits
Payment Ch12 SLA2024 (SB147)

Add general funds to support one full-time permanent position located in Juneau for the Stay-at-Work program.

The language of the Stay-at-Work legislation (originally SB 206) was incorporated into SB 147, Workers' Comp.; Extend Sr Benefits Payment (Ch. 12, SLA2024) and signed into law on July 11, 2024. The department fiscal note included one full-time position and associated authority beginning January 1, 2025. The fiscal note was inadvertently omitted from the fiscal note packet during incorporation into SB 147 and therefore was not included in the division's budget.

1004 Gen Fund (UGF) 125.4

| | | | | | | | | | | | | | |
|----------------------------------|--|--|-------|-------|-----|-----|-----|-----|-----|-----|---|---|---|
| * Allocation Difference * | | | 125.4 | 120.7 | 0.0 | 4.7 | 0.0 | 0.0 | 0.0 | 0.0 | 0 | 0 | 0 |
|----------------------------------|--|--|-------|-------|-----|-----|-----|-----|-----|-----|---|---|---|

**2025 Legislature - Operating Budget
Transaction Compare - Governor Structure
Between AdjBase and Gov**

**Numbers and Language
Differences
Agencies: Labor**

Agency: Department of Labor and Workforce Development

| | Column | Trans Type | Total Expenditure | Personal Services | Travel | Services | Commodities | Capital Outlay | Grants | Misc | PFT | PPT | TMP |
|---|--------|------------|-------------------|-------------------|--------|----------|-------------|----------------|--------|------|-----|-----|-----|
| Workers' Compensation (continued) | | | | | | | | | | | | | |
| Workers' Compensation Benefits Guaranty Fund | | | | | | | | | | | | | |
| L Amount Necessary to Pay Benefits from the Workers' Comp Benefits Guaranty Fund if Funding in Sec. 1 is Insufficient | Gov | IncM | 0.0 | 0.0 | 0.0 | 0.0 | 0.0 | 0.0 | 0.0 | 0.0 | 0 | 0 | 0 |
| Sec. XX. DEPARTMENT OF LABOR AND WORKFORCE DEVELOPMENT. (a) If the amount necessary to pay benefit payments from the workers' compensation benefits guaranty fund (AS 23.30.082) exceeds the amount appropriated for that purpose in sec. 1 of this Act, the additional amount necessary to pay those benefit payments is appropriated for that purpose from the workers' compensation benefits guaranty fund (AS 23.30.082) to the Department of Labor and Workforce Development, workers' compensation benefits guaranty fund allocation, for the fiscal year ending June 30, 2026. | | | | | | | | | | | | | |
| 1203 WCBenGF (DGF) | | | 0.0 | | | | | | | | | | |
| * Allocation Difference * | | | 0.0 | 0.0 | 0.0 | 0.0 | 0.0 | 0.0 | 0.0 | 0.0 | 0 | 0 | 0 |
| Second Injury Fund | | | | | | | | | | | | | |
| L Amount Necessary to Pay Benefits from the Second Injury Fund if Funding in Sec. 1 of this Act is Insufficient | Gov | IncM | 0.0 | 0.0 | 0.0 | 0.0 | 0.0 | 0.0 | 0.0 | 0.0 | 0 | 0 | 0 |
| Sec. XX (b) If the amount necessary to pay benefit payments from the second injury fund (AS 23.30.040(a)) exceeds the amount appropriated for that purpose in sec. 1 of this Act, the additional amount necessary to make those benefit payments is appropriated for that purpose from the second injury fund (AS 23.30.040(a)) to the Department of Labor and Workforce Development, second injury fund allocation, for the fiscal year ending June 30, 2026. | | | | | | | | | | | | | |
| 1031 Sec Injury (DGF) | | | 0.0 | | | | | | | | | | |
| * Allocation Difference * | | | 0.0 | 0.0 | 0.0 | 0.0 | 0.0 | 0.0 | 0.0 | 0.0 | 0 | 0 | 0 |
| Fishermen's Fund | | | | | | | | | | | | | |
| L Amount Necessary to Pay Benefits from the Fishermen's Fund if Funding in Sec. 1 of this Act is Insufficient | Gov | IncM | 0.0 | 0.0 | 0.0 | 0.0 | 0.0 | 0.0 | 0.0 | 0.0 | 0 | 0 | 0 |
| Sec. XX (c) If the amount necessary to pay benefit payments from the fishermen's fund (AS 23.35.060) exceeds the amount appropriated for that purpose in sec. 1 of this Act, the additional amount necessary to make those benefit payments is appropriated for that purpose from the fishermen's fund (AS 23.35.060) to the Department of Labor and Workforce Development, fishermen's fund allocation, for the fiscal year ending June 30, 2026. | | | | | | | | | | | | | |
| 1032 Fish Fund (DGF) | | | 0.0 | | | | | | | | | | |
| * Allocation Difference * | | | 0.0 | 0.0 | 0.0 | 0.0 | 0.0 | 0.0 | 0.0 | 0.0 | 0 | 0 | 0 |
| ** Appropriation Difference ** | | | 125.4 | 120.7 | 0.0 | 4.7 | 0.0 | 0.0 | 0.0 | 0.0 | 0 | 0 | 0 |
| Labor Standards and Safety | | | | | | | | | | | | | |
| Mechanical Inspection | | | | | | | | | | | | | |
| Add Funding for Program Changes Enacted Under Certificate of Fitness: Plumbers/Electricians Ch21 SLA2024 (SB204) | Gov | Inc | 58.8 | 58.8 | 0.0 | 0.0 | 0.0 | 0.0 | 0.0 | 0.0 | 0 | 0 | 0 |
| The Mechanical Inspection section requires general fund support due to the loss of revenue from the passage of SB 204 - Certificate of Fitness: Plumbers/Electricians (Ch. 21, SLA2024), which took effect July 1, 2024. | | | | | | | | | | | | | |

**2025 Legislature - Operating Budget
Transaction Compare - Governor Structure
Between AdjBase and Gov**

**Numbers and Language
Differences
Agencies: Labor**

Agency: Department of Labor and Workforce Development

| | Column | Trans Type | Total Expenditure | Personal Services | Travel | Services | Commodities | Capital Outlay | Grants | Misc | PFT | PPT | TMP |
|--|--------|------------|-------------------------------|-------------------|--------|----------|-------------|----------------|----------|------|-----|-----|-----|
| Labor Standards and Safety (continued) | | | | | | | | | | | | | |
| Mechanical Inspection (continued) | | | | | | | | | | | | | |
| Add Funding for Program Changes Enacted Under Certificate of Fitness: Plumbers/Electricians Ch21 SLA2024 (SB204) (continued) | | | | | | | | | | | | | |
| This legislation changed the Certificate of Fitness (COF) renewal cycle for trainees from two years to six years. This change allows for trainees to complete their training program under one COF, which ensures the trainee will get credit for all their training hours with the overall intent to make Alaska an attractive state for trade workers and construction businesses. | | | | | | | | | | | | | |
| | | | 1004 Gen Fund (UGF) 58.8 | | | | | | | | | | |
| * Allocation Difference * | | | 58.8 | 58.8 | 0.0 | 0.0 | 0.0 | 0.0 | 0.0 | 0.0 | 0 | 0 | 0 |
| Alaska Safety Advisory Program | | | | | | | | | | | | | |
| | | Gov Struct | 0.0 | 0.0 | 0.0 | 0.0 | 0.0 | 0.0 | 0.0 | 0.0 | 0 | 0 | 0 |
| Rename Alaska Safety Advisory Council to Alaska Safety Advisory Program to Comply with Executive Order 135 Executive Order 135 (EO 135), effective July 1, 2024, transferred existing responsibilities of the Alaska Safety Advisory Council (ASAC) to the Department of Labor and Workforce Development and changed the name of the allocation to the Alaska Safety Advisory Program (ASAP). | | | | | | | | | | | | | |
| | | Gov Inc | 290.4 | 258.5 | 5.4 | 26.0 | 0.5 | 0.0 | 0.0 | 0.0 | 0 | 0 | 0 |
| Add Funding to Support New Personal Services Costs Associated with Executive Order 135 This increment provides funding for the following positions that were transferred to ASAC/ASAP during FY2025 Management Plan in support of Executive Order 135 (EO 135): Full-time Electrical Inspector (074519), range 49, located in Anchorage Full-time Safety Inspection and Compliance Electrical Inspector (074542), range 49, located in Anchorage EO 135 transferred existing, unfunded responsibilities of the Alaska Safety Advisory Council (ASAC) to the Department of Labor and Workforce Development and changed the name of the allocation to Alaska Safety Advisory Program (ASAP). | | | | | | | | | | | | | |
| | | | 1004 Gen Fund (UGF) 290.4 | | | | | | | | | | |
| | | Gov Dec | -266.5 | -266.5 | 0.0 | 0.0 | 0.0 | 0.0 | 0.0 | 0.0 | 0 | 0 | 0 |
| Delete Interagency Authority No Longer Needed Delete excess interagency authority resulting from a reimbursable services agreement that is no longer active. | | | | | | | | | | | | | |
| | | | 1007 I/A Rcpts (Other) -266.5 | | | | | | | | | | |
| * Allocation Difference * | | | 23.9 | -8.0 | 5.4 | 26.0 | 0.5 | 0.0 | 0.0 | 0.0 | 0 | 0 | 0 |
| ** Appropriation Difference ** | | | 82.7 | 50.8 | 5.4 | 26.0 | 0.5 | 0.0 | 0.0 | 0.0 | 0 | 0 | 0 |
| Employment and Training Services | | | | | | | | | | | | | |
| Workforce Services | | | | | | | | | | | | | |
| | | Gov Dec | -2,400.0 | 0.0 | 0.0 | -111.0 | -85.0 | 0.0 | -2,204.0 | 0.0 | 0 | 0 | 0 |
| Eliminate Authority for Unrealized Partnership with Department of Transportation and Public Facilities During FY2025, the division added interagency authority in anticipation of a workforce development partnership with | | | | | | | | | | | | | |

**2025 Legislature - Operating Budget
Transaction Compare - Governor Structure
Between AdjBase and Gov**

**Numbers and Language
Differences
Agencies: Labor**

Agency: Department of Labor and Workforce Development

| | Column | Trans Type | Total Expenditure | Personal Services | Travel | Services | Commodities | Capital Outlay | Grants | Misc | PFT | PPT | TMP |
|---|--------|------------|-------------------|-------------------|--------|----------|-------------|----------------|----------|------|-----|-----|-----|
| Employment and Training Services (continued) | | | | | | | | | | | | | |
| Workforce Services (continued) | | | | | | | | | | | | | |
| Eliminate Authority for Unrealized Partnership with Department of Transportation and Public Facilities (continued) | | | | | | | | | | | | | |
| the Department of Transportation and Public Facilities (DOT&PF). The anticipated partnership was not realized, and this interagency authority is not needed. | | | | | | | | | | | | | |
| The amount DOT&PF received for workforce development was less than originally proposed in the State Transportation Improvement Program, and funding is no longer available for this partnership. The division is referring parties with DOT&PF-related training or workforce development project ideas to DOT&PF for consideration. | | | | | | | | | | | | | |
| 1007 I/A Rcpts (Other) | | | -2,400.0 | | | | | | | | | | |
| * Allocation Difference * | | | -2,400.0 | 0.0 | 0.0 | -111.0 | -85.0 | 0.0 | -2,204.0 | 0.0 | 0 | 0 | 0 |
| Unemployment Insurance | | | | | | | | | | | | | |
| Eliminate Pandemic-Related Federal Receipt Authority No Longer Needed | | | | | | | | | | | | | |
| During the pandemic, Unemployment Insurance (UI) required additional federal receipt authority to process pandemic unemployment assistance. The period of performance on CARES Act activity ended June 30, 2024. This federal receipt authority is no longer needed. | | | | | | | | | | | | | |
| Alaska experienced smaller disasters in the past few years including the Wrangell landslide in November 2023 and the Juneau flooding event that occurred in August 2024. As a result, the component is retaining \$48.0 in federal receipt authority to process Disaster Unemployment Assistance as it becomes available. | | | | | | | | | | | | | |
| 1002 Fed Rcpts (Fed) | | | -2,150.0 | | | | | | | | | | |
| * Allocation Difference * | | | -2,150.0 | 0.0 | 0.0 | -1,650.0 | 0.0 | 0.0 | -500.0 | 0.0 | 0 | 0 | 0 |
| ** Appropriation Difference ** | | | -4,550.0 | 0.0 | 0.0 | -1,761.0 | -85.0 | 0.0 | -2,704.0 | 0.0 | 0 | 0 | 0 |
| 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 | | | | | | | | | | | | | |
| The Alaska Vocational Technical Center (AVTEC) adds one full-time AVTEC Instructor (07#017), range 0, located in Seward, to double the current available class seats 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. | | | | | | | | | | | | | |
| The Blueprint for Expanding Alaska's Electrical and Plumbing Workforce aims to expand the number of licensed electricians and plumbers within the state by increasing access to targeted training in these fields. | | | | | | | | | | | | | |
| 1004 Gen Fund (UGF) | | | 182.3 | | | | | | | | | | |
| Reverse Alaska Performance Scholarship; Eligibility Ch4 SLA2024 (HB148) (Sec2 Ch7 SLA2024 P46 L24 (HB268)) | Gov | Dec | -4,083.1 | 0.0 | 0.0 | 0.0 | 0.0 | 0.0 | -4,083.1 | 0.0 | 0 | 0 | 0 |
| This legislation removes the sunset date and changes the funding allocations for program and grant distributions | | | | | | | | | | | | | |

**2025 Legislature - Operating Budget
Transaction Compare - Governor Structure
Between AdjBase and Gov**

| |
|---|
| Numbers and Language Differences Agencies: Labor |
|---|

Agency: Department of Labor and Workforce Development

| | Column | Trans Type | Total Expenditure | Personal Services | Travel | Services | Commodities | Capital Outlay | Grants | Misc | PFT | PPT | TMP |
|---|---|------------|----------------------|-------------------|--------|----------|-------------|----------------|--------|---------|-----|-----|-----|
| Alaska Vocational Technical Center (continued) | | | | | | | | | | | | | |
| Alaska Vocational Technical Center (continued) | | | | | | | | | | | | | |
| Reverse Alaska Performance Scholarship; Eligibility Ch4 SLA2024 (HB148) (Sec2 Ch7 SLA2024 P46 L24 (HB268)) (continued) under AS 23.15.835(d) for the Alaska Technical and Vocational Education Program (TVEP). | | | | | | | | | | | | | |
| Funding authorization for the Alaska Vocational Technical Center is modified by this fiscal note based on FY2025 revenue projections. | | | | | | | | | | | | | |
| | | | 1151 VoTech Ed (DGF) | -4,083.1 | | | | | | | | | |
| L | Move Technical and Vocational Education Program Appropriation to Language | Gov | Inc | 3,759.6 | 0.0 | 0.0 | 0.0 | 0.0 | 0.0 | 3,759.6 | 0.0 | 0 | 0 |
| * Sec. XX. ALASKA TECHNICAL AND VOCATIONAL EDUCATION PROGRAM ACCOUNT. | | | | | | | | | | | | | |

(a) Four percent of the revenue deposited into the Alaska technical and vocational education program account (AS 23.15.830) in the fiscal year ending June 30, 2026, estimated to be \$884,600, is appropriated from the Alaska technical and vocational education program account (AS 23.15.830) to the Department of Education and Early Development for operating expenses of the Galena Interior Learning Academy, for the fiscal year ending June 30, 2026.

(b) Sixty-six percent of the revenue deposited into the Alaska technical and vocational education program account (AS 23.15.830) in the fiscal year ending June 30, 2026, estimated to be \$14,596,200, is appropriated from the Alaska technical and vocational education program account (AS 23.15.830) to the Department of Labor and Workforce Development for operating expenses of the following institutions, in the following percentages, for the fiscal year ending June 30, 2026:

- ESTIMATED INSTITUTION, PERCENTAGE, AMOUNT
- Alaska Technical Center, 9 percent, \$1,990,400
 - Alaska Vocational Technical Center, 17 percent, 3,759,600
 - Northwestern Alaska Career and Technical Center, 4 percent, 884,600
 - Southwest Alaska Vocational and Education Center, 4 percent, 884,600
 - Yuut Elitnaurviat - People's Learning Center Inc., 9 percent, 1,990,400
 - Partners for Progress in Delta, Inc., 3 percent, 663,500
 - Ilisagvik College, 6 percent, 1,326,900
 - Prince of Wales Community Learning Center, 5 percent, 1,105,800
 - Sealaska Heritage Institute, Inc., 2 percent, 442,300
 - Fairbanks Pipeline Training Center, 7 percent, 1,548,100

(c) Thirty percent of the revenue deposited into the Alaska technical and vocational education program account (AS 23.15.830) in the fiscal year ending June 30, 2026, estimated to be \$6,634,600, is appropriated from the Alaska technical and vocational education program account (AS 23.15.830) to the University of Alaska for operating expenses of the following institutions, in the following percentages, for the fiscal year ending June 30, 2026:

- ESTIMATED INSTITUTION, PERCENTAGE, AMOUNT
- University of Alaska System, 25 percent, 5,528,800
 - University of Alaska Southeast, 5 percent, 1,105,800

**2025 Legislature - Operating Budget
Transaction Compare - Governor Structure
Between AdjBase and Gov**

**Numbers and Language
Differences
Agencies: Labor**

Agency: Department of Labor and Workforce Development

| | Column | Trans Type | Total Expenditure | Personal Services | Travel | Services | Commodities | Capital Outlay | Grants | Misc | PFT | PPT | TMP |
|--|--------|------------|-------------------|-------------------|--------|----------|-------------|----------------|----------|------|-----|-----|-----|
| Alaska Vocational Technical Center (continued) | | | | | | | | | | | | | |
| Alaska Vocational Technical Center (continued) | | | | | | | | | | | | | |
| Move Technical and Vocational Education Program Appropriation to Language (continued) | | | | | | | | | | | | | |
| <p>The Alaska Technical and Vocational Education Program (TVEP), established under AS 23.15.830, provides non-competitive grants to institutions that are part of a statewide vocational training system. Per AS 23.15.835(d), the revenue collected under this program is to be distributed to the institutions outlined in the statute per the statutory formula. Currently these appropriations are included in the numbers section of the budget bill. This means that they cannot be adjusted if actual revenue to the program exceeds or falls short of projected revenue without a supplemental budget adjustment.</p> <p>Changing the TVEP distribution from numbers to an estimated to be language appropriation will ensure that if actual revenue comes in higher than anticipated, the department can distribute the additional funding timely, without the delays that would otherwise occur if contingent on passage of a supplemental budget.</p> | | | | | | | | | | | | | |
| | | | 3,759.6 | | | | | | | | | | |
| L Education Tax Credits in Excess of Amount | Gov | IncM | 0.0 | 0.0 | 0.0 | 0.0 | 0.0 | 0.0 | 0.0 | 0.0 | 0 | 0 | 0 |
| Appropriated in Sec. 1 of this Act are | | | | | | | | | | | | | |
| Appropriated to AVTEC | | | | | | | | | | | | | |
| Sec. XX (d) If the amount of contributions received by the Alaska Vocational Technical Center under AS 21.96.070, AS 43.20.014, AS 43.55.019, AS 43.56.018, AS 43.65.018, AS 43.75.018, and AS 43.77.045 during the fiscal year ending June 30, 2026, exceeds the amount appropriated to the Department of Labor and Workforce Development, Alaska Vocational Technical Center, in sec. 1 of this Act, the additional contributions are appropriated to the Department of Labor and Workforce Development, Alaska Vocational Technical Center, Alaska Vocational Technical Center allocation, for the purpose of operating the center for the fiscal year ending June 30, 2026. | | | | | | | | | | | | | |
| | | | 0.0 | | | | | | | | | | |
| 1108 Stat Desig (Other) | | | | | | | | | | | | | |
| * Allocation Difference * | | | -141.2 | 163.8 | 0.5 | 13.0 | 5.0 | 0.0 | -323.5 | 0.0 | 1 | 0 | 0 |
| State Facilities Maintenance and Operations | | | | | | | | | | | | | |
| Rename AVTEC Facilities Maintenance to State Facilities Maintenance and Operations to Adhere to AS 37.07.020(e) | Gov | Struct | 0.0 | 0.0 | 0.0 | 0.0 | 0.0 | 0.0 | 0.0 | 0.0 | 0 | 0 | 0 |
| * Allocation Difference * | | | 0.0 | 0.0 | 0.0 | 0.0 | 0.0 | 0.0 | 0.0 | 0.0 | 0 | 0 | 0 |
| ** Appropriation Difference ** | | | -141.2 | 163.8 | 0.5 | 13.0 | 5.0 | 0.0 | -323.5 | 0.0 | 1 | 0 | 0 |
| *** Agency Difference *** | | | -5,296.2 | 454.7 | 5.9 | -1,717.3 | -79.5 | 0.0 | -3,960.0 | 0.0 | 1 | 0 | 1 |
| **** All Agencies Difference **** | | | -5,296.2 | 454.7 | 5.9 | -1,717.3 | -79.5 | 0.0 | -3,960.0 | 0.0 | 1 | 0 | 1 |

Column Definitions

AdjBase (FY26 Adjusted Base) - FY25 Management Plan less One-Time Items (OTIs), plus FY26 Position Adjustments (PosAdjs), Transfers In/Out of allocations (TrIns and TrOuts), Line Item Transfers (LITs), Temporary Increments (IncTs) initiated in prior years, adjustments to formula programs in language, and additions for statewide items such as Salary Adjustments (SalAdjs). The Adjusted Base is the base to which the Governor's and the legislature's Increments (Incs), Decrements (Decs), and Fund Changes (FndChg) are added.

Gov (FY26 Gov (12/12)) - Includes FY26 Adjusted Base plus the Governor's operating budget requests submitted on December 12, 2024.

**Department of Labor and Workforce Development
FY25 Midyear Status Report**

| Item No. | Appropriation / Allocation | Description | Amount / Fund Source | LFD Questions |
|---|---|--|--------------------------------------|---|
| 1 | Commissioner and Administrative Services / Technology Services | Reorganize Department-Level Information Technology and Helpdesk Functions Under New Technology Services Allocation | \$608.5 I/A Rcpts (Other) Inc | Please provide a brief update of the re-consolidation of the majority of the Department's information technology positions under this new allocation. Have the 22 positions been transferred into the new allocation? |
| <p>Agency Response The reconsolidation of the Technology Services unit unto the Commissioner and Administrative Services component is complete. All 22 positions have been transferred to the new allocation and Management Services staff has set up all of the accounting templates and appropriation numbers for the component to function successful. The integration of Technology Services and the inclusion of Technology Services leadership into manager meetings has allowed for more transparency and understanding regarding how this service fits into the department as a whole.</p> | | | | |
| 2 | Commissioner and Administrative Services / Workforce Investment Board | Increase Authorization for Vocational Training Opportunities through the STEP Program Based on Available Revenues | \$1,631.1 STEP (DGF) Inc | If available, provide an estimate of the additional number of training grant recipients that the Department will be able to serve with this increased authorization. The legislature also approved an FY24 Supplemental of \$1,388.7 for the same purpose, although the request was modified to be a Multiyear (FY24-FY25) appropriation. Did the Department fully expend this supplemental multiyear in FY24? If not, please include the unobligated balance. |

**Department of Labor and Workforce Development
FY25 Midyear Status Report**

| Item No. | Appropriation / Allocation | Description | Amount / Fund Source | LFD Questions |
|--|----------------------------|--|---|--|
| <p>Agency Response (Item 2, continued) Step Increased Authorization: The increased authorization for the STEP program is intended to expand service capacity by reaching more participants and supporting additional agencies across Alaska. Each year, AWIB receives an average of 45–60 applications, but limited funding has historically allowed funding for about 30 grantees, leaving many strong programs either unfunded or underfunded.</p> <p>With the additional authorization, AWIB aim to close the gap and ensure that more high-quality programs are supported without reducing requested amounts or turning away applicants. Over the past five years, STEP has provided services to approximately 3,000 participants annually, at an average cost of \$2,221 per participant. For FY25, AWIB received requests to serve 4,175 participants and have already served 3,032 to date. With this increase in authorization, AWIB anticipates a 61% increase in participants by the end of the fiscal year.</p> <p>FY2024 Supplemental: Due to timing of the budget bill, the Division of Employment and Training Services (DETS) was unable to expend any of the supplemental in FY2024 and instead carried the balance into FY2025. As of 12/18/2024, the entire appropriation of \$1,388.7 has been committed to support individuals in their training and employment goals. Through November 2023, DETS has served 320 Alaskans with STEP funding an increase of 195 from the 125 served as of November 2023. That increase is a direct result of this appropriation. DETS will not have final numbers of Alaskans served with this funding until the end of the fiscal year.</p> | | | | |
| 3 | Various | Reauthorization of the Technical Vocational Education Program (TVEP) | \$16,469.5 VoTech Ed (DGF) Inc | <p>When the legislature reauthorized TVEP under HB 148 (Ch. 4, SLA 24), several changes were made to the program, including:</p> <ul style="list-style-type: none"> - removing language directing the Department to establish a competitive grant program to distribute the funds; - increasing the percentage of employee wages collected from .16 percent to .25 percent; and - removing the sunset language to make TVEP permanent. <p>If applicable, describe the impacts that these changes have had on TVEP, or to the Department's administration of the program. In particular, please describe the impact that the increased TVEP diversion from employee contributions to the Unemployment Insurance Compensation Fund will have. Will the rates for other contributors need to rise in order to maintain the health of the fund?</p> |
| <p>Agency Response</p> <p>Please see the end of this document for a complete response to this question.</p> | | | | |

**Department of Labor and Workforce Development
FY25 Midyear Status Report**

| Item No. | Appropriation / Allocation | Description | Amount / Fund Source | LFD Questions |
|--|---|---|------------------------------|--|
| 4 | Commissioner and Administrative Services / Office of Citizenship Assistance | Re-establish the Office of Citizenship Assistance | \$437.8 Gen Fund (UGF) Inc | <p>Please provide an update on the activities of the Office of Citizenship Assistance (OCA), including public outreach efforts or events that have taken place since the re-establishment of OCA.</p> <p>Have the three positions been transferred, reclassified, and filled? If so, please provide dates of hire.</p> |
| <p>Agency Response</p> <p>The OCA mission is to assist legal immigrants with job guidance and resources to successfully integrate into Alaskan communities. The office will help legal immigrants navigate employment processes, educate and assist Alaskan employers, and attract and retain global talent.</p> <p>An office space at the DOLWD Anchorage Midtown location was secured, and efforts to reconfigure the space was made to suit three staff members, with space for the public to meet with staff, and to hold small information sessions with the public.</p> <p>A short-term, non-permanent Program Coordinator position was hired on 08/19/24 to assist the DOLWD Commissioner Office with creating an Office of Citizenship Assistance website with available information for the public, connection with partner agencies that serve legal immigrants in Alaska, and the creation of policy manuals and databases for internal uses. The short-term, non-permanent position ended on 12/16/24. A long-term, permanent Program Coordinator will start with the Office of Citizenship Assistance on 1/6/25.</p> <p>Recruitment for a long-term, permanent Administrative Assistant 2 to work on building administrative procedures and client support is in process. The recruitment of the permanent, long-term Project Assistant 1 is also starting soon. A ribbon cutting ceremony will be scheduled once the OCA is fully staffed.</p> <p>OCA and the DOLWD Commissioner Office continue to meet with Alaskans, school districts, industry representatives, non-profit organizations, and federal and state agencies to advance our support for legal immigrants in Alaska.</p> | | | | |
| 5 | Workers' Compensation / Workers' Compensation | Implement Compensation Recommendations from Workers' Compensation Hearing Officers Salary Study | \$118.0 Wrkrs Safe (DGF) Inc | <p>The Department reported that the pay ranges for one Hearing Officer 1 and six Hearing Officer 2 positions were increased as a result of the salary study. Are the seven affected positions currently filled?</p> |
| <p>Agency Response</p> <p>Five out of seven Hearing Officer positions are filled. The remaining two positions have been continuously advertised for recruitment since they became vacant. They are listed on Workplace Alaska and the Alaska Bar Association website and are open to all applicants.</p> | | | | |

**Department of Labor and Workforce Development
FY25 Midyear Status Report**

| Item No. | Appropriation / Allocation | Description | Amount / Fund Source | LFD Questions |
|--|--|--|------------------------------|--|
| 6 | Workers' Compensation / Workers' Compensation Benefits Guaranty Fund | Add Unrestricted General Funds for Projected Workers' Compensation Benefits Guaranty Fund Claims | \$518.6 Gen Fund (UGF) Suppl | <p>Was the supplemental funding sufficient for the Department to fulfill the payout of claims that had been projected?</p> <p>If there was an unobligated balance after all claims were paid, was it expended for another purpose?</p> |
| <p>Agency Response The Workers' Compensation Benefits Guaranty Fund encumbered the supplemental amount based on claims that were expected to awarded in FY2024. Those judgments have not been rendered yet, and payments have yet to be made. The \$518.6 in general funds is still encumbered based on claim estimates and will be used to fulfill those claims as they are awarded.</p> | | | | |
| 7 | Labor Standards and Safety / Alaska Safety Advisory Council | Executive Order 135 - Eliminate the Alaska Safety Advisory Council | N/A | <p>Please describe how the Department has handled the transition of the Alaska Safety Advisory Council after it was disbanded on July 1, 2024.</p> <p>Does the Department intend to maintain the existing Alaska Safety Advisory Council allocation?</p> |
| <p>Agency Response Resources within Labor Standards and Safety, comprised of AKOSH Enforcement as well as Consultation and Training personnel are being utilized as a bridge to accomplish this work until additional resources can be put into play. For this fiscal year, LSS is reclassifying two PCNs for long-vacant positions in LSS to assist with this transition, and a request has been included in the FY2026 budget to fund these two additional positions that will handle the ASAC workload. In addition, LSS has been fortunate for previous ASAC Volunteer members to agree to continue volunteering their time.</p> <p>The Alaska Safety Advisory Program will maintain the existing Alaska Safety Advisory Council allocations.</p> | | | | |

**Department of Labor and Workforce Development
FY25 Midyear Status Report**

| Item No. | Appropriation / Allocation | Description | Amount / Fund Source | LFD Questions | | | | | | | | | | | | |
|---|---|---|---------------------------------|---|----------|--------------|---------|----------|---------|----------|---------|-----------|---------|-----------|---------|-----------|
| 8 | Employment and Training Services / Workforce Services | Partnership with the Department of Transportation and Public Facilities for Workforce Development | \$2,400.0 I/A Rcpts (Other) Inc | <p>In late July the Department reported that the planned partnership with the Department of Transportation and Public Facilities (DOT) would need to be re-evaluated after the award of federal funding to DOT was lower than anticipated. If new information is available, please provide an update.</p> <p>The Department had previously transferred five vacant positions from Unemployment Insurance to Workforce Services in order to administer the pass-through funds from DOT. If the positions have been filled, please provide a date of hire and the alternate fund source supporting the position.</p> <p>If the DOT partnership does not go forward, has the Department explored alternative opportunities for the budget authority?</p> | | | | | | | | | | | | |
| <p>Agency Response</p> <p>The DOTPF partnership did not come to fruition, so we cut the authority that was meant for the DOTPF partnership in our FY2026 Governor’s budget.</p> <p>The five positions that were transferred in the FY2025 Governor’s budget were transferred to address the increased demand for training services through the Alaska Job Center Network, and they would have also helped with the DOTPF partnership if it had come to fruition. We kept the positions because the increased demand for services still exists. In SFY24, we experienced a record number of individuals served, with an increase of 58% from the prior year.</p> <p>Here is how we are using the five positions:</p> <ul style="list-style-type: none"> • Two positions are being used for our new Career Guide partnership with the Department of Education and Early Development and are being funded with Interagency receipts. • Three positions are being used as Case Managers to support the record level demand for training support we’re experiencing and are being funded by a combination of our federal training programs and the State Training and Employment Program. <p>Here is the requested information on the fill dates:</p> <table border="0"> <tr> <td>Position</td> <td>Date of Hire</td> </tr> <tr> <td>07-5776</td> <td>7/8/2024</td> </tr> <tr> <td>07-5375</td> <td>9/9/2024</td> </tr> <tr> <td>07-5163</td> <td>10/7/2024</td> </tr> <tr> <td>07-5757</td> <td>10/7/2024</td> </tr> <tr> <td>07-6026</td> <td>11/4/2024</td> </tr> </table> | | | | | Position | Date of Hire | 07-5776 | 7/8/2024 | 07-5375 | 9/9/2024 | 07-5163 | 10/7/2024 | 07-5757 | 10/7/2024 | 07-6026 | 11/4/2024 |
| Position | Date of Hire | | | | | | | | | | | | | | | |
| 07-5776 | 7/8/2024 | | | | | | | | | | | | | | | |
| 07-5375 | 9/9/2024 | | | | | | | | | | | | | | | |
| 07-5163 | 10/7/2024 | | | | | | | | | | | | | | | |
| 07-5757 | 10/7/2024 | | | | | | | | | | | | | | | |
| 07-6026 | 11/4/2024 | | | | | | | | | | | | | | | |

**Department of Labor and Workforce Development
FY25 Midyear Status Report**

| Item No. | Appropriation / Allocation | Description | Amount / Fund Source | LFD Questions |
|---|---|--|---|--|
| 9 | Vocational Rehabilitation / Vocational Rehabilitation Administration | Temporary Replacement of Federal Indirect Revenues to Maintain Vocational Rehabilitation Administration Support | \$97.5 Gen Fund (UGF) IncOTI | <p>The Department reported that both the Client Services and Disability Determination Services allocations had been experiencing difficulty recruiting and retaining for positions that are fully supported by federal funding, creating a lower rate of indirect reimbursement for other positions within the Division. Please provide an update on the vacancy of the direct reimbursement positions.</p> <p>The Department had also reported that it was exploring options to improve the high vacancy issue, including a salary study of the relevant job classes. Has any progress been made on a salary study or other option?</p> |
| <p>Agency Response</p> <p>The division has seen an improvement in successful recruitments for positions that are federally funded. With the increase in field staff and the reduction in the expenditures in the DVR-Administration component's personnel costs, due to the retirement of one of the highest paid employees in the whole department, the division is back on firm footing.</p> <p>Additionally, the reclass study of the Disability Determination Services Adjudicator series is almost complete. The class study of Vocational Rehabilitation staff has just begun.</p> | | | | |
| 10 | Vocational Rehabilitation / Special Projects | Sec 40(e), HB 268 - Reappropriate Unobligated and Unexpended Balance of the Assistive Technology Loan Guarantee Fund | \$446.8 Reappropriations (Other) FisNot | Has the Department completed the reappropriation of the balance of the account for the Assistive Technology Loan Guarantee Fund, and granted the funds to the Assistive Technologies of Alaska organization? |
| <p>Agency Response</p> <p>The department is struggling with getting the funds from the Assistive Technology Loan Fund (ATLF) to Assistive Technology of Alaska (ATLA) due to accounting issues. Labor is working with the Division of Finance to try to resolve these accounting anomalies that are slowing the transfer.</p> | | | | |
| 11 | Alaska Vocational Technical Center / Alaska Vocational Technical Center | Support for Existing Vocational Training Opportunities | \$629.5 Gen Fund (UGF) Suppl | If available, please provide the averaged enrollment percentage for the first half of FY25 for AVTEC. Additionally, provide an initial estimate of enrollment for the second half of FY25. |

**Department of Labor and Workforce Development
FY25 Midyear Status Report**

| Item No. | Appropriation / Allocation | Description | Amount / Fund Source | LFD Questions |
|----------|----------------------------|---|----------------------|---------------|
| | | Agency Response (Item 11, continued) | | |
| | | The Business Information & Technology (BOT) program has struggle for years with low registration numbers, culminating with 0 registrations for the "Spring 2025" start in January. AVTEC is suspending the BOT program and will not be offering it in August. The instructors of the program will re-vamp and repackage the BOT program before it is offered for the "Fall 2026" training term. Currently the program has three separate tracks; accounting, administrative assistance, and medical records, the instructors are looking at what needs to be taken away or added to the curriculum. | | |
| | | See table below for enrollment information. | | |

| Percentage of Enrollment | | | |
|------------------------------------|-----------------|-----------------------------------|---|
| Fall Programs | Fall Capacity | HC first day of class | % capacity the first day of class |
| Starting 8/12/2024 | | | |
| Business and Office Technology | 15 | 2 | 13% |
| Culinary Arts (FULL) | 10 | 8 | 80% |
| Diesel Heavy Equipment (FULL) | 10 | 10 | 100% |
| Industrial Electricity (FULL) | 15 | 15 | 100% |
| Industrial Welding (FULL) | 12 | 12 | 100% |
| Industrial Machine and Maintenance | 8 | 1 | 13% |
| Information Technology (FULL) | 16 | 16 | 100% |
| Refrigeration | 12 | 7 | 58% |
| TOTAL: August 2024 | 98 | 71 | 72% |
| Percentage of Enrollment | | | |
| Spring Programs | Spring Capacity | HC funding confirmed (REGISTERED) | % capacity the anticipated the first day of class |
| Starting 1/06/2025 | | | |
| Culinary Arts | 10 | 9 | 90% |
| Construction Technology (FULL) | 12 | 13 | 108% |
| Diesel Heavy Equipment (FULL) | 10 | 10 | 100% |
| Industrial Machine and Maintenance | 8 | 5 | 63% |
| Industrial Welding (FULL) | 12 | 13 | 108% |
| Plumbing & Heating (FULL) | 12 | 14 | 117% |
| TOTAL: January 2025 | 64 | 64 | 100% |

| | | | |
|---|--|--|--|
| 3 | Reauthorization of the Technical Vocational Education Program (TVEP) | \$16,469.5 VoTech Ed (DGF) Inc | <p>When the legislature reauthorized TVEP under HB 148 (Ch. 4, SLA 24), several changes were made to the program, including:</p> <ul style="list-style-type: none"> - removing language directing the Department to establish a competitive grant program to distribute the funds; - increasing the percentage of employee wages collected from .16 percent to .25 percent; and - removing the sunset language to make TVEP permanent. <p>If applicable, describe the impacts that these changes have had on TVEP, or to the Department's administration of the program. In particular, please describe the impact that the increased TVEP diversion from employee contributions to the Unemployment Insurance Compensation Fund will have. Will the rates for other contributors need to rise in order to maintain the health of the fund?</p> |
|---|--|--|--|

Agency Response for Item 3

• Removal of Language Regarding a Competitive Grant Program

TVEP historically struggled with what was described as having “conflicting statutes” on the books. One that included creating a competitive grant program, but a second later that specified select agencies or recipients that would receive funds at a specified percentage. Removing the competitive grant language should satisfy a concern Legislative Audit had with the disparity. While the audit report recommended making it strictly competitive, that would also require more dollars from the program to go towards grant administrators and general administration of the program. Selecting a specific list of recipients streamlines what would otherwise be significant front-end work before the training dollars could get out the door. The public may comment that there should be a regular mechanism for legislative changes to the list of recipients that does not currently exist in statute.

• Increase of Diversion of UI Employee Portion from .16 to .25 Percent and No Sunset

The change to the percentage reserved for TVEP from the employee contribution portion did not increase what was collected from employee paychecks. Based on the health of the UI Trust Fund, the employee portion can move anywhere from .5 to 1 percent of coverage wages. We are currently at the statutory floor of .5 percent collected in total from employees. The TVEP program currently has no impact on any other contributors to the UI Trust Fund, as the reserve ratio is over a full percentage point higher than target. The UI Fund Actuary informed the department and legislature during the reauthorization process that the increase of diversion to TVEP will have a nominal impact on both the UI Trust and other parties. Historically, the only event that has had a concerning impact

on UI Trust health was the Coronavirus pandemic. Even then, we borrowed no money to keep the fund solvent and are currently at significantly higher fund health.

The positives of the higher TVEP percentage have included stable funding versus costs in an inflationary environment, and the ability to offer more training to Alaskans than previously possible under the former cap. In addition, no sunset language removes some uncertainty about longer term planning for the program and recipients.

- **Removal of the Administrative Cap:**

HB 148 eliminated the previous statutory administrative cap of 5%, and grantees are now able to allocate any percentage of their funding toward administrative costs. While some administrative expenses are necessary to operate programs effectively, and reasonable costs have crept into the 6%-7% range, this change has introduced the possibility of disproportionate administrative allocations. While not likely to be overt, this may divert resources away from participant-focused activities such as training, support services, or job placement initiatives. This shift could theoretically reduce the direct benefits received by participants, which could diminish the program's impact on workforce development.