



30th Alaska State Legislature
 House Finance Budget Subcommittee
 Department of Labor
 FY19 Operating Budget

Chair:

Rep. Neal Foster
 Capitol Room 410
 465-3789

Members:

Rep. Sam Kito
 Capitol Room 403
 465-4766

Rep. Adam Wool
 Capitol Room 412
 465-4976

Rep. Andy Josephson
 Capitol Room 102
 465-4939

Rep. Louise Stutes
 Capitol Room 408
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Rep. Gary Knopp
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Rep. Chris Birch
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Rep. Colleen Sullivan-
 Leonard
 Capitol Room 420
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Rep. Lance Pruitt
 Capitol Room 410
 465-3438

Committee Aide:
 Brodie Anderson
 465-3789

**HOUSE FINANCE DEPARTMENT OF LABOR
 FY2019 HOUSE FINANCE BUDGET SUBCOMMITTEE
 NARRATIVE REPORT
 February 21, 2018**

SUBCOMMITTEE MEETINGS:

The House Finance Budget Subcommittee for the Department of Labor and Workforce Development scheduled 4 meetings and held 3 meetings with the Department during the review of the FY19 budget request.

RECOMMENDATIONS:

The Chair of the House Finance Budget Subcommittee for the Department of Labor submits a recommended operating budget for FY2019 to the House Finance Committee as follows:

Fund Source: (dollars are in thousands)

Unrestricted General Funds (UGF)	\$20,624.2
Designated General Funds (DGF)	\$35,586.3
Other Funds	\$17,002.1
Federal Funds	<u>\$73,897.1</u>
Total	\$147,109.7

The Unrestricted General Fund (UGF) difference from the FY2015 Management Plan to the FY2019 House Subcommittee budget recommendation is a reduction of \$12,792.4, a 38.3% decrease.

The Subcommittee recommendation reflects a total decrease in Unrestricted General Funds of \$367.8, a 1.8% reduction from the FY2018 Management Plan.

Positions:

Permanent Full-time	691
Permanent Part-time	51
<u>Temporary</u>	<u>12</u>
Total	754

GOVERNOR'S AMENDMENTS:

There were no Governor amendments for the Department of Labor and Workforce Development.

BUDGET AMENDMENTS:

The Department of Labor and Workforce Development Budget House Finance Subcommittee did not have any amendments for the Department of Labor and Workforce Development Budget.

ATTACHED LEGISLATIVE FINANCE REPORTS:

The House Finance Budget Subcommittee for the Department of Labor and Workforce Development adopts the attached reports:

- 1) Allocation Summary – House Structure
- 2) Multi-Year Agency Allocation Summary – Operating Budget

Respectfully submitted,



Representative Neal Foster, Chair
House Finance Budget Subcommittee for the Department of Labor

**2018 Legislature - Operating Budget
Allocation Summary - House Structure**

Numbers and Language

Agency: Department of Labor and Workforce Development

<u>Allocation</u>	<u>[1] 19GovAdj</u>	<u>[2] HSub Rec</u>	<u>[2] - [1] 19GovAdj to HSub Rec</u>
Commissioner and Admin Svcs			
Commissioner's Office	1,002.3	1,002.3	0.0
Workforce Investment Board	476.0	476.0	0.0
Alaska Labor Relations Agency	538.6	538.6	0.0
Management Services	3,792.4	3,792.4	0.0
Leasing	2,687.5	2,687.5	0.0
Data Processing	5,606.9	5,606.9	0.0
Labor Market Information	4,230.5	4,230.5	0.0
Appropriation Total	18,334.2	18,334.2	0.0
 Workers' Compensation			
Workers' Compensation	5,671.0	5,671.0	0.0
Workers' Comp Appeals Comm	421.6	421.6	0.0
WC Benefits Guaranty Fund	774.9	774.9	0.0
Second Injury Fund	3,244.8	3,244.8	0.0
Fishermen's Fund	1,387.1	1,387.1	0.0
Appropriation Total	11,499.4	11,499.4	0.0
 Labor Standards and Safety			
Wage and Hour Administration	2,371.1	2,371.1	0.0
Mechanical Inspection	2,847.6	2,847.6	0.0
Occupational Safety and Health	5,417.9	5,417.9	0.0
Alaska Safety Advisory Council	160.8	160.8	0.0
Appropriation Total	10,797.4	10,797.4	0.0
 Employment & Training Services			
DETS Administration	1,126.8	1,126.8	0.0
Workforce Services	17,211.3	17,211.3	0.0
Workforce Development	26,106.5	26,106.5	0.0
Unemployment Insurance	23,070.9	23,070.9	0.0

**2018 Legislature - Operating Budget
Allocation Summary - House Structure**

Numbers and Language

Agency: Department of Labor and Workforce Development

Allocation	[1] 19GovAdj	[2] HSub Rec	[2] - [1] 19GovAdj to HSub Rec
Employment & Training Services (continued)			
Appropriation Total	67,515.5	67,515.5	0.0
Vocational Rehabilitation			
Voc Rehab Administration	1,216.0	1,216.0	0.0
Client Services	16,671.3	16,671.3	0.0
Disability Determination	5,012.3	5,012.3	0.0
Special Projects	1,473.3	1,473.3	0.0
Appropriation Total	24,372.9	24,372.9	0.0
AVTEC			
Alaska Vocational Tech Center	12,728.8	12,728.8	0.0
AVTEC Facilities Maintenance	1,861.5	1,861.5	0.0
Appropriation Total	14,590.3	14,590.3	0.0
Agency Total	147,109.7	147,109.7	0.0
Funding Summary			
Unrestricted General (UGF)	20,624.2	20,624.2	0.0
Designated General (DGF)	35,586.3	35,586.3	0.0
Other State Funds (Other)	17,002.1	17,002.1	0.0
Federal Receipts (Fed)	73,897.1	73,897.1	0.0

Multi-year Allocation Summary - Operating Budget - FY 2019 House Structure

Numbers and Language

Agency: Department of Labor and Workforce Development

Allocation	ID=> Session=> Column=>	[1] 2015 15MgtP1n	[2] 2018 18MgtP1n	[3] 2018 19GovAdj	[4] 2018 HSub Rec	[4] - [1] 2018 15MgtP1n to HSub Rec	[4] - [2] 2018 18MgtP1n to HSub Rec	[4] - [3] 2018 19GovAdj to HSub Rec
	Commissioner and Admin Svcs							
Commissioner's Office		1,463.4	1,002.3	1,002.3	1,002.3	-461.1 -31.5 %	0.0	0.0
Workforce Investment Board		675.9	557.8	476.0	476.0	-199.9 -29.6 %	-81.8 -14.7 %	0.0
Alaska Labor Relations Agency		596.5	538.6	538.6	538.6	-57.9 -9.7 %	0.0	0.0
Management Services		3,798.6	3,965.7	3,792.4	3,792.4	-6.2 -0.2 %	-173.3 -4.4 %	0.0
Human Resources		277.9	0.0	0.0	0.0	-277.9 -100.0 %	0.0	0.0
Leasing		3,892.8	2,828.9	2,687.5	2,687.5	-1,205.3 -31.0 %	-141.4 -5.0 %	0.0
Data Processing		7,958.2	6,696.7	5,606.9	5,606.9	-2,351.3 -29.5 %	-1,089.8 -16.3 %	0.0
Labor Market Information		4,823.0	4,519.3	4,230.5	4,230.5	-592.5 -12.3 %	-288.8 -6.4 %	0.0
Appropriation Total		23,486.3	20,109.3	18,334.2	18,334.2	-5,152.1 -21.9 %	-1,775.1 -8.8 %	0.0
Workers' Compensation								
Workers' Compensation		5,741.1	5,653.0	5,671.0	5,671.0	-70.1 -1.2 %	18.0 0.3 %	0.0
Workers' Comp Appeals Comm		584.6	443.3	421.6	421.6	-163.0 -27.9 %	-21.7 -4.9 %	0.0
WC Benefits Guaranty Fund		772.6	774.4	774.9	774.9	2.3 0.3 %	0.5 0.1 %	0.0
Second Injury Fund		4,008.1	3,414.9	3,244.8	3,244.8	-763.3 -19.0 %	-170.1 -5.0 %	0.0
Fishermen's Fund		1,652.3	1,458.9	1,387.1	1,387.1	-265.2 -16.1 %	-71.8 -4.9 %	0.0
Appropriation Total		12,758.7	11,744.5	11,499.4	11,499.4	-1,259.3 -9.9 %	-245.1 -2.1 %	0.0
Labor Standards and Safety								
Wage and Hour Administration		2,512.3	2,393.8	2,371.1	2,371.1	-141.2 -5.6 %	-22.7 -0.9 %	0.0
Mechanical Inspection		2,952.8	2,992.5	2,847.6	2,847.6	-105.2 -3.6 %	-144.9 -4.8 %	0.0
Occupational Safety and Health		5,911.9	5,760.9	5,417.9	5,417.9	-494.0 -8.4 %	-343.0 -6.0 %	0.0
Alaska Safety Advisory Council		125.8	160.8	160.8	160.8	35.0 27.8 %	0.0	0.0
Appropriation Total		11,502.8	11,308.0	10,797.4	10,797.4	-705.4 -6.1 %	-510.6 -4.5 %	0.0
Employment Security								
Adult Basic Education		3,412.2	0.0	0.0	0.0	-3,412.2 -100.0 %	0.0	0.0
Appropriation Total		3,412.2	0.0	0.0	0.0	-3,412.2 -100.0 %	0.0	0.0

Multi-year Allocation Summary - Operating Budget - FY 2019 House Structure

Numbers and Language

Agency: Department of Labor and Workforce Development

Allocation	ID=> Session=> Column=>	[1] 2015 15MgtPln	[2] 2018 18MgtPln	[3] 2018 19GovAdj	[4] 2018 HSub Rec	2015	[4] - [1] 2018	2018	[4] - [2] 2018	2018	[4] - [3] 2018
						15MgtPln to	HSub Rec	18MgtPln to	HSub Rec	19GovAdj to	HSub Rec
Business Partnerships											
Business Services		28,470.6	0.0	0.0	0.0	-28,470.6	-100.0 %	0.0		0.0	
AK Technical Center (Kotzebue)		1,645.4	0.0	0.0	0.0	-1,645.4	-100.0 %	0.0		0.0	
SW AK Voc Educ Ctr Ops Grant		543.5	0.0	0.0	0.0	-543.5	-100.0 %	0.0		0.0	
Yuut Operations Grant		1,045.4	0.0	0.0	0.0	-1,045.4	-100.0 %	0.0		0.0	
Northwest Alaska Center		748.5	0.0	0.0	0.0	-748.5	-100.0 %	0.0		0.0	
Partners for Progress In Delta		348.5	0.0	0.0	0.0	-348.5	-100.0 %	0.0		0.0	
Amundsen Educational Center		232.3	0.0	0.0	0.0	-232.3	-100.0 %	0.0		0.0	
Construction Academy Training		3,400.0	0.0	0.0	0.0	-3,400.0	-100.0 %	0.0		0.0	
Rural Apprenticeship Outreach		150.0	0.0	0.0	0.0	-150.0	-100.0 %	0.0		0.0	
Appropriation Total		36,584.2	0.0	0.0	0.0	-36,584.2	-100.0 %	0.0		0.0	
Employment & Training Services											
DETS Administration		0.0	1,369.7	1,126.8	1,126.8	1,126.8	>999 %	-242.9	-17.7 %	0.0	
Workforce Services		26,415.6	18,076.9	17,211.3	17,211.3	-9,204.3	-34.8 %	-865.6	-4.8 %	0.0	
Workforce Development		0.0	31,288.5	26,106.5	26,106.5	26,106.5	>999 %	-5,182.0	-16.6 %	0.0	
Unemployment Insurance		28,351.8	28,463.6	23,070.9	23,070.9	-5,280.9	-18.6 %	-5,392.7	-18.9 %	0.0	
Appropriation Total		54,767.4	79,198.7	67,515.5	67,515.5	12,748.1	23.3 %	-11,683.2	-14.8 %	0.0	
Vocational Rehabilitation											
Voc Rehab Administration		1,274.1	1,277.9	1,216.0	1,216.0	-58.1	-4.6 %	-61.9	-4.8 %	0.0	
Client Services		17,356.4	16,791.8	16,671.3	16,671.3	-685.1	-3.9 %	-120.5	-0.7 %	0.0	
Independent Living Rehab		1,811.2	0.0	0.0	0.0	-1,811.2	-100.0 %	0.0		0.0	
Disability Determination		5,209.0	5,264.4	5,012.3	5,012.3	-196.7	-3.8 %	-252.1	-4.8 %	0.0	
Special Projects		1,338.1	1,541.9	1,473.3	1,473.3	135.2	10.1 %	-68.6	-4.4 %	0.0	
Appropriation Total		26,988.8	24,876.0	24,372.9	24,372.9	-2,615.9	-9.7 %	-503.1	-2.0 %	0.0	
AVTEC											
Alaska Vocational Tech Center		13,947.2	12,934.4	12,728.8	12,728.8	-1,218.4	-8.7 %	-205.6	-1.6 %	0.0	
AVTEC Facilities Maintenance		1,859.1	1,861.5	1,861.5	1,861.5	2.4	0.1 %	0.0		0.0	
Appropriation Total		15,806.3	14,795.9	14,590.3	14,590.3	-1,216.0	-7.7 %	-205.6	-1.4 %	0.0	

Multi-year Allocation Summary - Operating Budget - FY 2019 House Structure

Numbers and Language

Agency: Department of Labor and Workforce Development

Allocation	ID=> Session=> Column=>	[1] 2015 15MgtPln	[2] 2018 18MgtPln	[3] 2018 19GovAdj	[4] 2018 HSub Rec	[4] - [1] 2018 15MgtPln to HSub Rec	[4] - [2] 2018 18MgtPln to HSub Rec	[4] - [3] 2018 19GovAdj to HSub Rec		
Agency Unallocated Approp										
Agency Unallocated Approp		0.0	0.0	0.0	0.0	0.0	0.0	0.0		
Appropriation Total		0.0	0.0	0.0	0.0	0.0	0.0	0.0		
Agency Total		185,306.7	162,032.4	147,109.7	147,109.7	-38,197.0	-20.6 %	-14,922.7	-9.2 %	0.0
Funding Summary										
Unrestricted General (UGF)		33,448.0	20,992.0	20,624.2	20,624.2	-12,823.8	-38.3 %	-367.8	-1.8 %	0.0
Designated General (DGF)		34,847.5	36,292.4	35,586.3	35,586.3	738.8	2.1 %	-706.1	-1.9 %	0.0
Other State Funds (Other)		21,773.6	20,410.1	17,002.1	17,002.1	-4,771.5	-21.9 %	-3,408.0	-16.7 %	0.0
Federal Receipts (Fed)		95,237.6	84,337.9	73,897.1	73,897.1	-21,340.5	-22.4 %	-10,440.8	-12.4 %	0.0

Column Definitions

15MgtPln (FY15 Management Plan) - Authorized level of expenditures at the beginning of FY15 plus position adjustments and transfers (made at an agency's discretion) within appropriations.

18MgtPln (FY18 Management Plan) - Authorized level of expenditures at the beginning of FY18 plus position adjustments and transfers (made at an agency's discretion) within appropriations.

19GovAdj (FY19 Governor w/LFD Adjust) - FY19 Governor's Request with LFD Adjustments for proposed legislation and budget actions that require a supermajority vote.

HSub Rec (House Subcom Recommend) - House Finance Subcommittee Recommendations to the House Finance Committee.