

A large bronze sculpture of a humpback whale leaping from the water, creating a massive splash. The sculpture is set in a circular basin. In the background, a small town is nestled at the foot of a steep, forested mountain. Another snow-capped mountain peak is visible in the distance under a clear blue sky.

FY2027 Department Budget Overview

House Finance Committee

January 28, 2026

Presented by:

Cathy Muñoz, Commissioner

Dan DeBartolo, Administrative Services Director

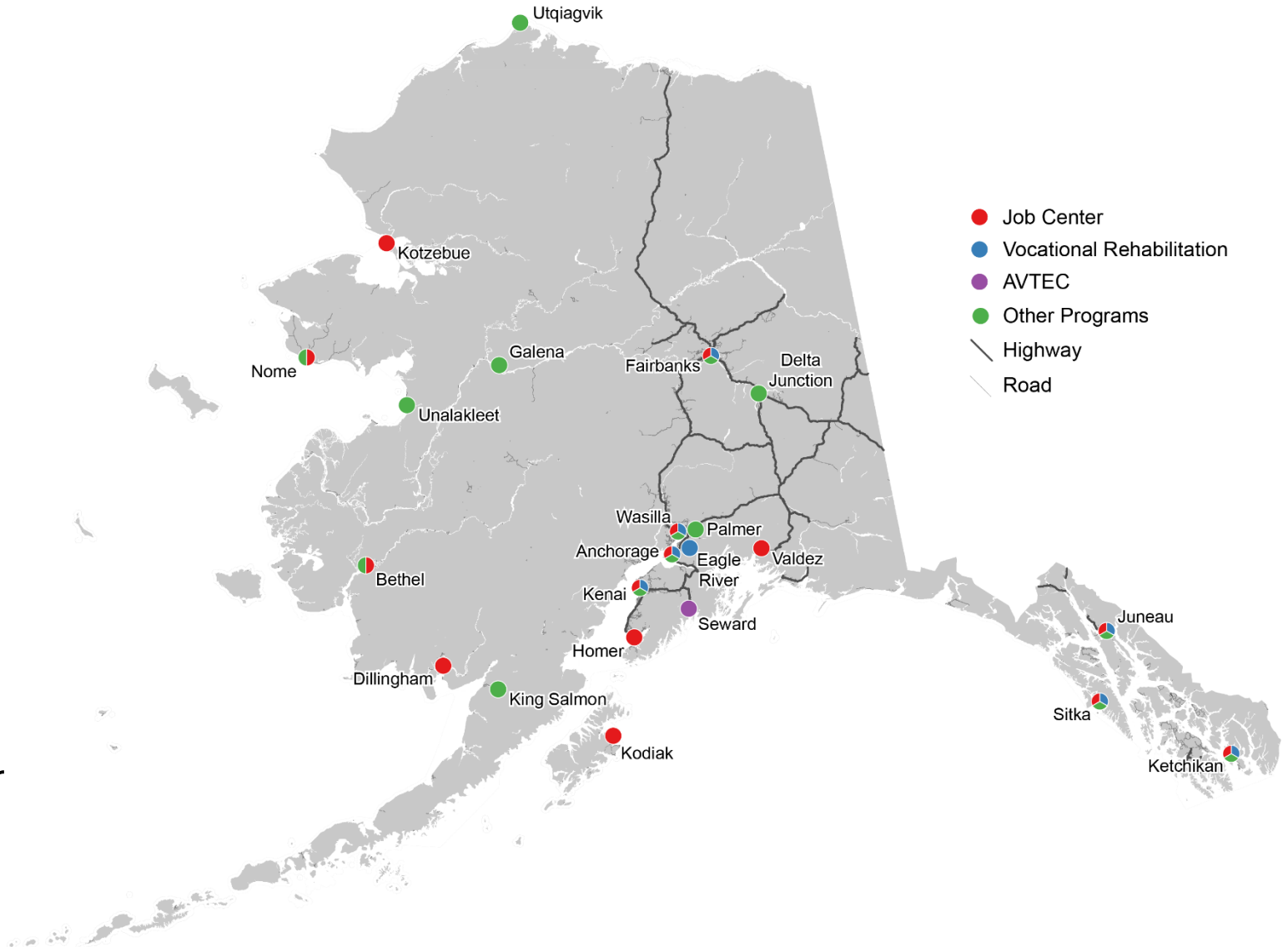


ALASKA DEPARTMENT OF LABOR AND WORKFORCE DEVELOPMENT
Cathy Muñoz, Commissioner



Our Reach in Alaska

- 14 Job Centers
(includes satellite in Kotzebue)
- 9 Vocational Rehabilitation (DVR)
Client Services Offices
- 9 Regional TVEP Recipients
Alaska Technical Vocational Education Program
- 37 STEP Grantees
State Training and Employment Program
- 7 Construction Academies
- Alaska Vocational Technical Center
(AVTEC)



Highlights of FY2025

- Expanded popular AVTEC programs
- Led nation with Alaska Occupational Safety and Health (AKOSH) Diversionary program
- Successful launch of the Office of Citizenship Assistance (OCA)
- Increased Certificate of Fitness licensure
- Lowered Workers' Compensation system cost



Organization and Mission Delivery

(\$ Thousands)



Leadership and Support

\$20,456.8
10.5%

- Commissioner's Office
- Management Services
- Labor Market Information
- Technology Services



Protect Workers

\$28,769.8
14.8%

- Alaska Labor Relations Agency
- Workers' Compensation
- Labor Standards and Safety



Income Replacement

\$33,737.6
17.4%

- Unemployment Insurance
- Disability Determinations



Workforce Development

\$111,018.5
57.2%

- Alaska Workforce Investment Board
- Employment and Training Services
- Vocational Rehabilitation
- Alaska Vocational Technical Center
- Office of Citizenship Assistance

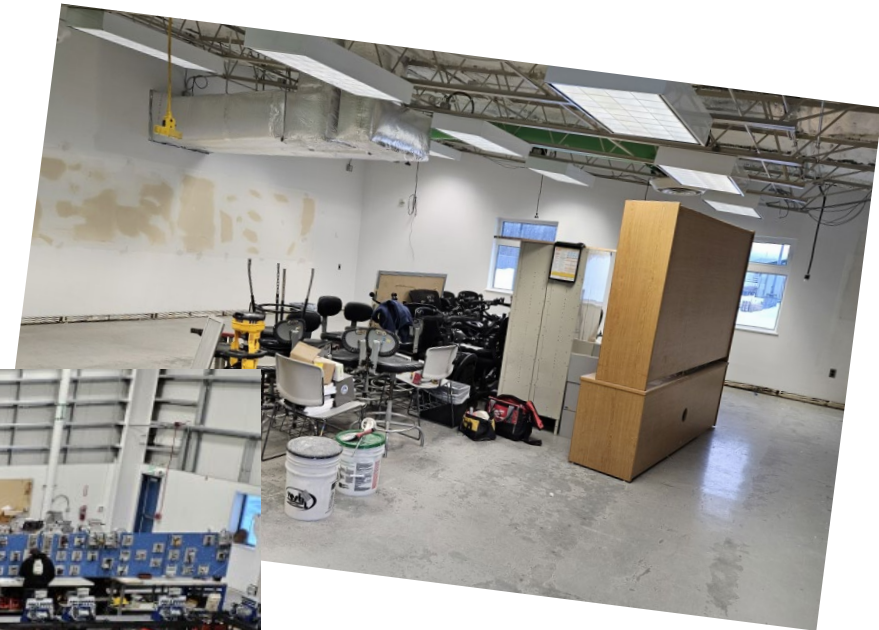
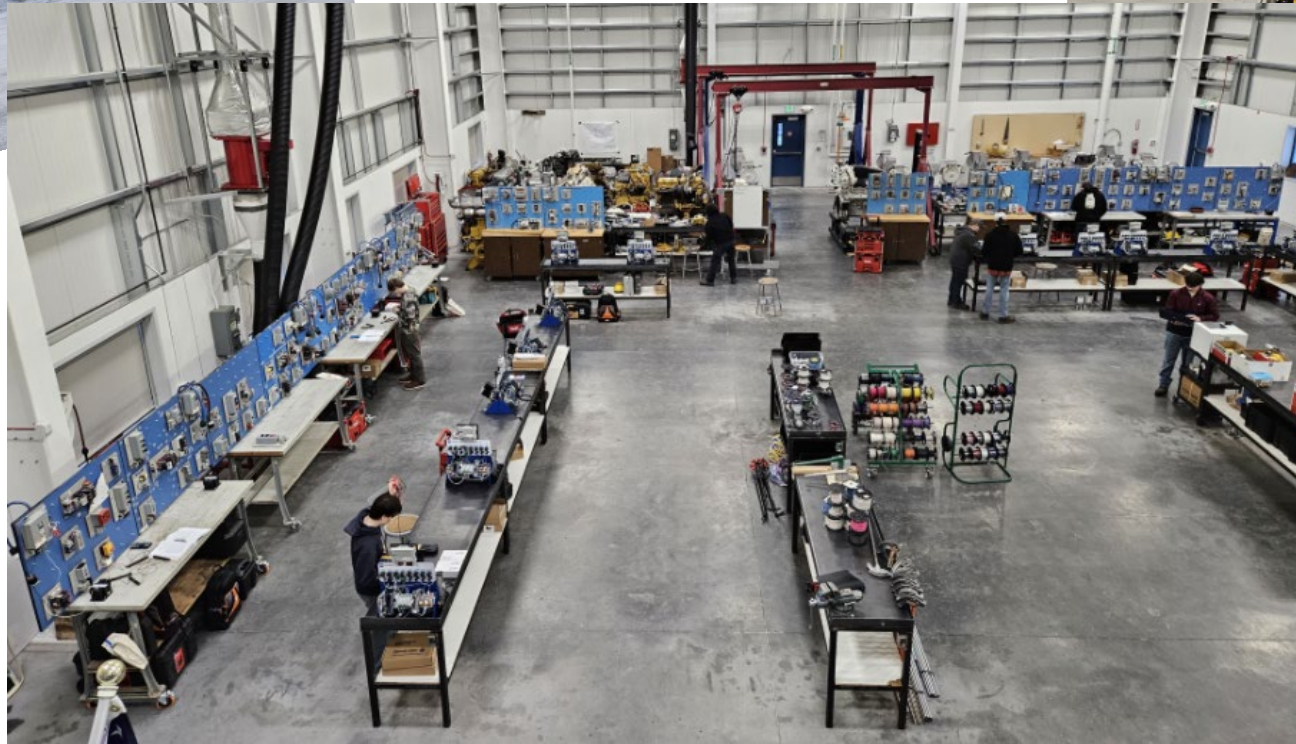
FY2026 - Current Year Implementation Status

	Component	Type	\$ in Thousands	Fund Source	Description
1	AVTEC	Inc	\$ 182.3	STEP	Industrial Electricity Instructor
2	AVTEC	Sup	\$ 660.0	UGF	Expand Industrial Electricity & Plumbing Programs
3	Alaska Workforce Investment Board (AWIB)	Inc	\$ 3,100.0	FED	Refugee Support Services (RSS) Grant Authority
4	Alaska Safety Advisory Program (ASAP)	Inc	\$ 290.0	UGF	Executive Order 135 - Creating the Alaska Safety Advisory Program
5	Mechanical Inspection	Inc	\$ 58.8	UGF	Support for Certificate of Fitness (COF) Program - SB204 changed the COF fee structure
6	Workers' Compensation	Inc	\$ 125.4	UGF	Support for Stay-at-Work Program - SB147

*Does not include technical changes

Items 4 – 6 were part of the FY2026 GOV request, but funding was not approved

AVTEC Industrial Electricity Expansion

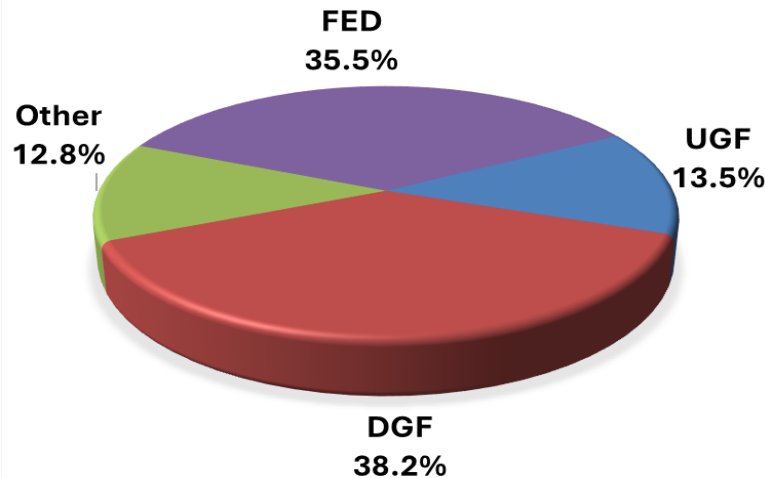


FY2027 Fund Source Allocation by RDU

(\$ Thousands)

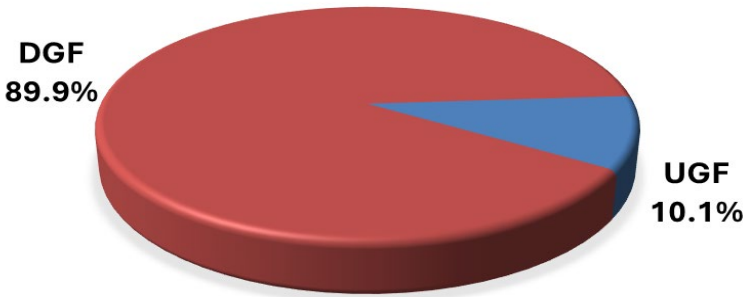
Commissioner & Administrative Services

UGF: \$7,561.2, DGF: \$21,310.8, Other: \$7,138.0, FED: \$19,837.4



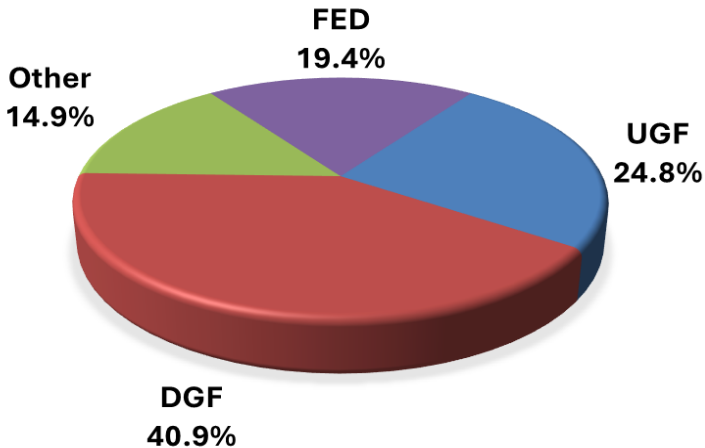
Workers' Compensation

UGF (OTI): \$1,455.5, DGF: \$13,010.2



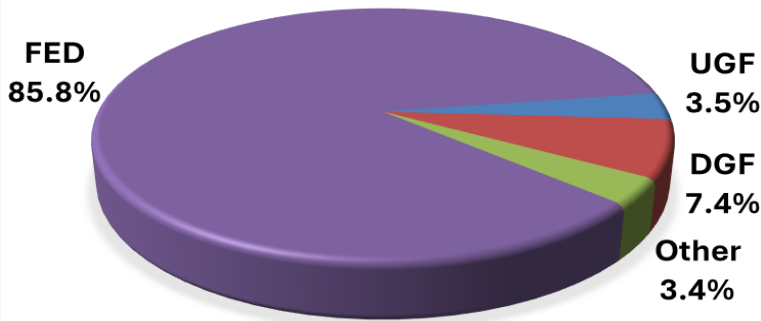
Labor Standards and Safety

UGF: \$3,384.2, DGF: \$5,578.5, Other: \$2,029.6, FED: \$2,647.2



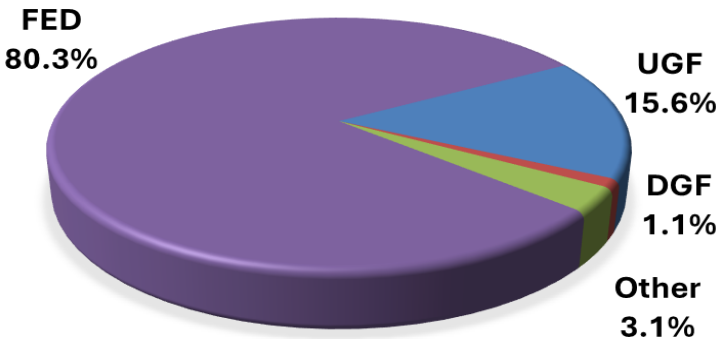
Employment and Training Services

UGF: \$2,005.7, DGF: \$4,270.4, Other: \$1,946.2, FED: \$49,660.9



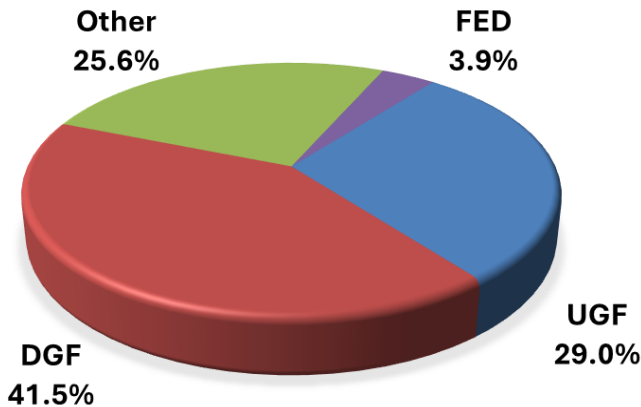
Vocational Rehabilitation

UGF: \$4,866.0, DGF: \$330.0, Other: \$969.4, FED: \$25,070.9



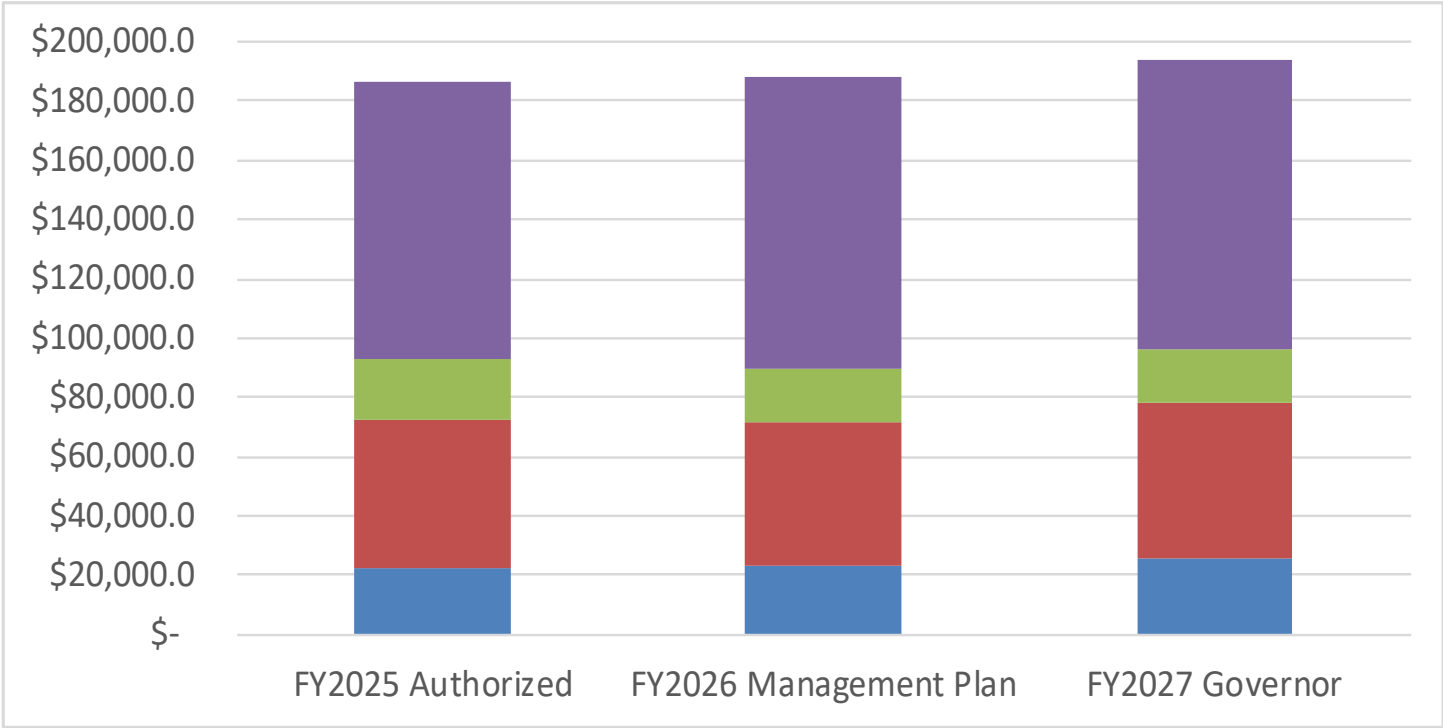
AVTEC

UGF: \$6,060.4, DGF: \$8,680.0, Other: \$5,354.9, FED: \$815.3



FY2025-2027 Operating Budget Comparison

(\$ Thousands)



	FY2025 Authorized		FY2026 Management Plan		FY2027 Governor		FY2025 Auth-FY2027 Gov	% Change
Fed	\$	93,747.5	\$	98,454.7	\$	98,031.7	\$ 4,284.2	4.6%
Other	\$	20,569.6	\$	18,147.1	\$	17,438.1	\$ (3,131.5)	-15.2%
Designated General Funds	\$	49,736.3	\$	48,298.6	\$	53,179.9	\$ 3,443.6	6.9%
Unrestricted General Funds	\$	22,584.9	\$	23,356.2	\$	25,333.0	\$ 2,748.1	12.2%
Total	\$	186,638.3	\$	188,256.6	\$	193,982.7	\$ 7,344.4	3.9%



FY2027 GOV Operating Budget Request

	Component	Type	\$ in Thousands	Fund Source	Description
1a	Workforce Investment Board	Dec	\$ (6,538.8)	STEP	Move State Training and Employment Program (STEP) Appropriation to Language
		Inc	\$ 6,930.8	STEP	
1b	Workforce Services	Dec	\$ (1,267.5)	STEP	
		Inc	\$ 1,732.7	STEP	
2	Workers' Compensation	OTI	\$ 1,405.0	UGF	Maintain Workers' Compensation Operations

*Does not include technical changes

FY2027 Estimated TVEP Distribution

(\$ Thousands)

Entity	Percent	FY2026 TVEP Distribution (0.25% ² Employee Contribution) Published 07/01/2025	FY2027 Estimated TVEP Distribution (0.25% ² Employee Contribution) Projected as of 11/13/2025 ³
Alaska Technical Center	9%	\$ 2,290.8	\$ 2,415.4
Fairbanks Pipeline Training Center ¹	7%	\$ 1,781.7	\$ 1,878.7
Ilisagvik College	6%	\$ 1,527.2	\$ 1,610.3
Northwestern Alaska Career and Technical Center	4%	\$ 1,018.1	\$ 1,073.5
Partners for Progress in Delta, Inc.	3%	\$ 763.6	\$ 805.1
Prince of Wales Community Learning Center ¹	5%	\$ 1,272.7	\$ 1,341.9
Sealaska Heritage Institute ¹	2%	\$ 509.1	\$ 536.8
Southwest Alaska Vocational and Education Center	4%	\$ 1,018.1	\$ 1,073.5
Yuut Elitnaurviat, Inc. People's Learning Center	9%	\$ 2,290.8	\$ 2,415.4
Alaska Vocational Technical Center	17%	\$ 4,327.1	\$ 4,562.5
Galena Interior Learning Academy	4%	\$ 1,018.1	\$ 1,073.5
University of Alaska	25%	\$ 6,363.4	\$ 6,709.6
University of Alaska Southeast ¹	5%	\$ 1,272.7	\$ 1,341.9

1. New in FY2026 following TVEP reauthorization
2. In FY2026, this changed from 0.16% to 0.25%
3. A revised estimate is targeted for the FY2027 Governor Amended scenario



PREPARING ALASKANS FOR THE JOBS OF TODAY — AND TOMORROW

Cathy Muñoz

Commissioner

Email: Cathy.Munoz@Alaska.gov

Phone: (907) 465-2702

Dan DeBartolo

Administrative Services Director

Email: Dan.DeBartolo@Alaska.gov

Phone: (907) 465-5984

