

A large, dark sculpture of a whale leaping from the water, creating a massive splash. The whale is positioned in the center-right of the frame. In the background, there are forested mountains and a small town with houses visible along the shoreline. The sky is clear and blue.

FY2027 Operating Budget Overview

House Finance Subcommittee

January 28, 2026

Cathy Muñoz, Commissioner

Dan DeBartolo, Administrative Services Director

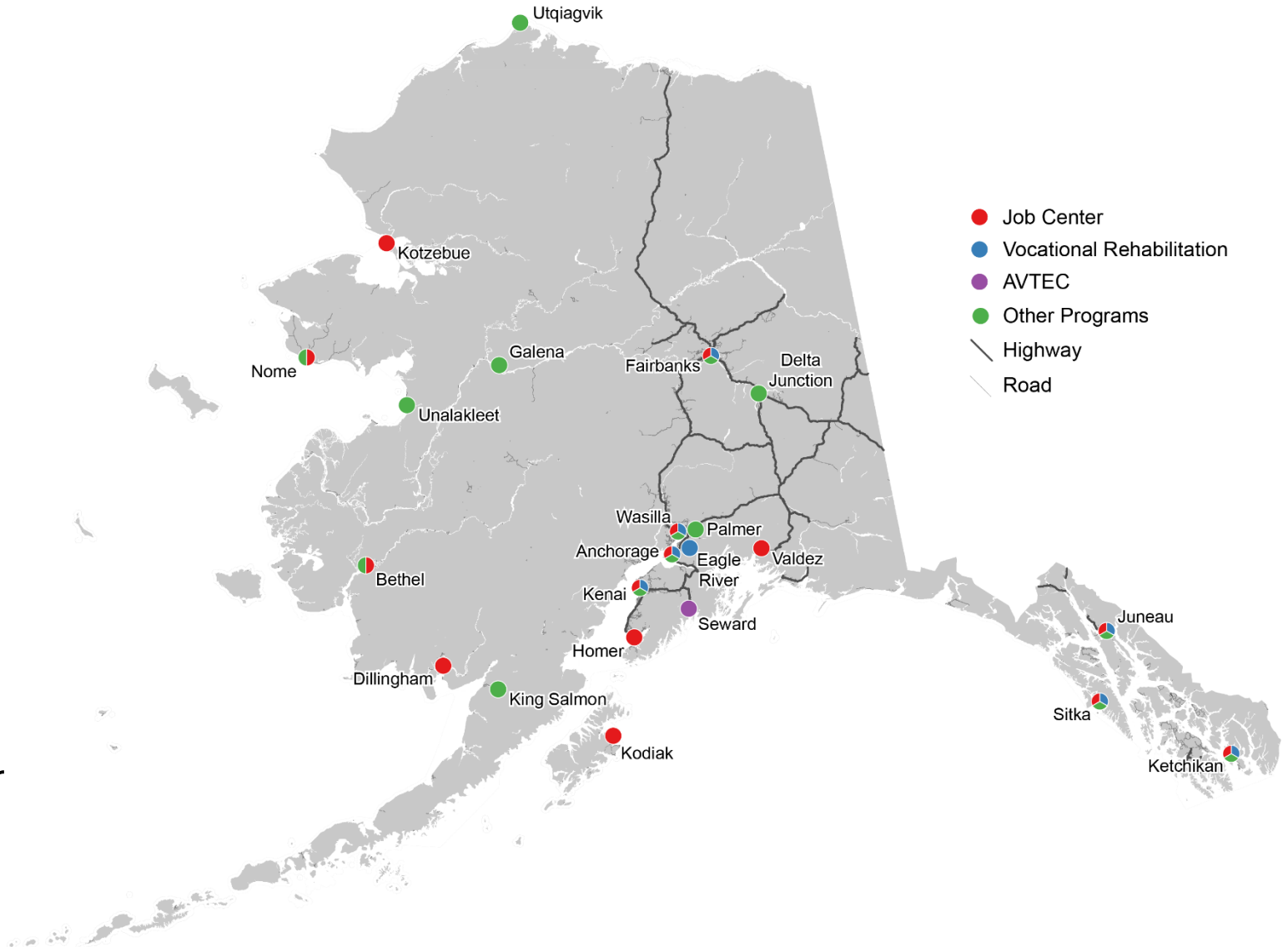


ALASKA DEPARTMENT OF LABOR AND WORKFORCE DEVELOPMENT
Cathy Muñoz, Commissioner



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

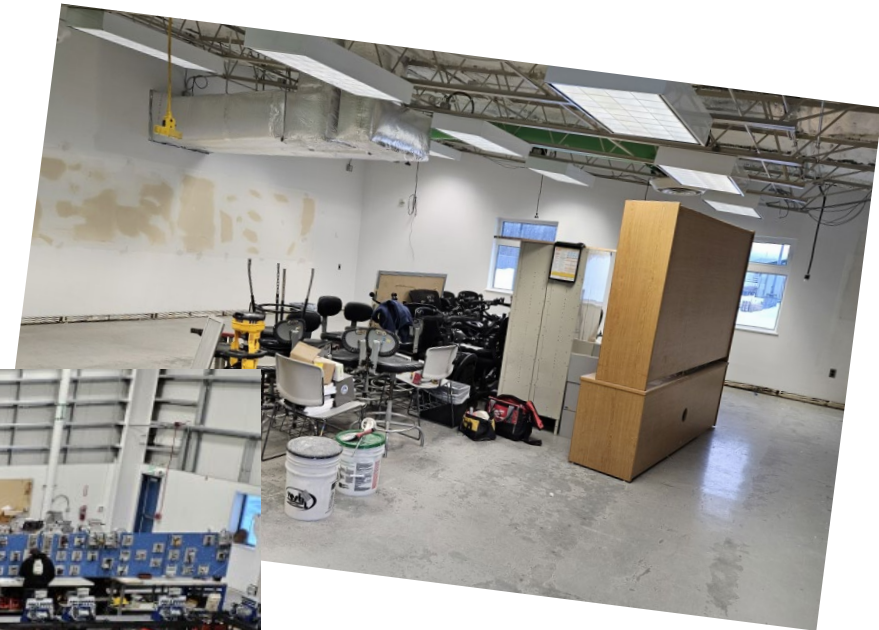
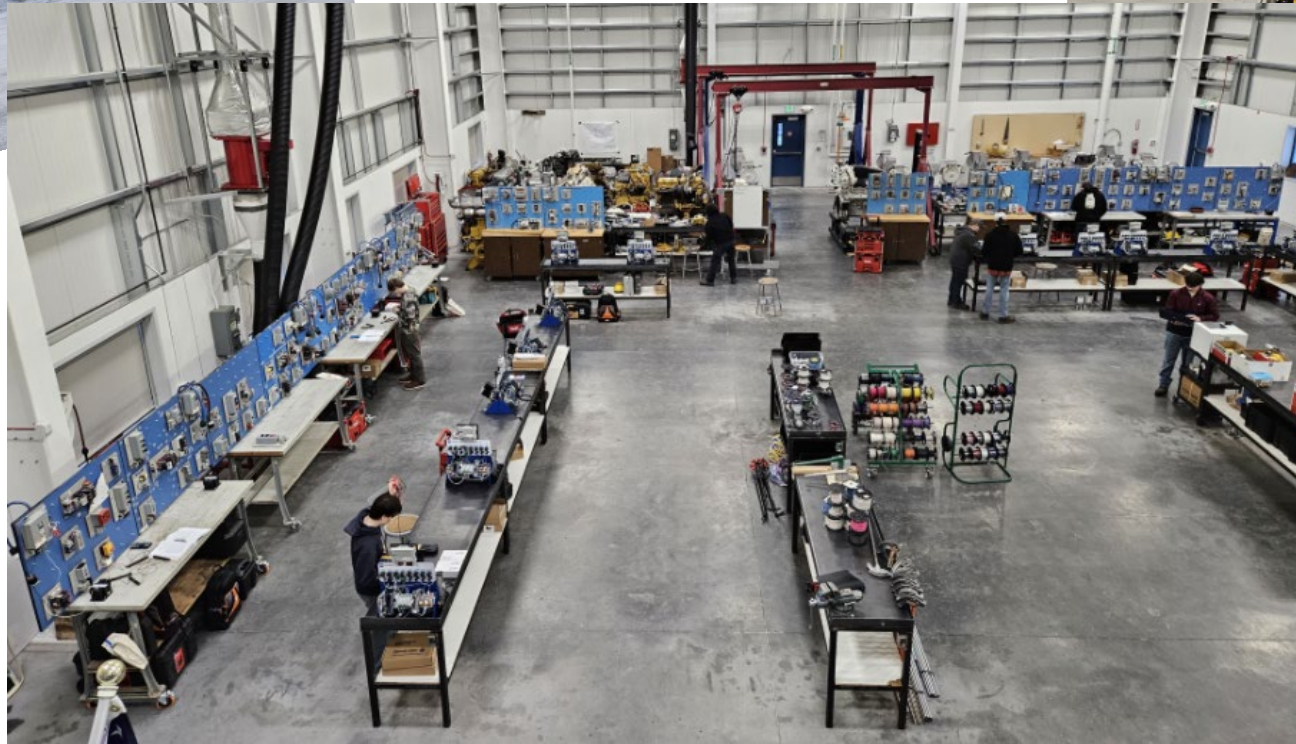
	Component	Type	\$ in Thousands	Fund Source	Description
1	AVTEC	Inc	\$ 182.3	STEP	Industrial Electricity Instructor
2	AVTEC	Sup	\$ 660.0	UGF	Expand Industrial Electricity & Plumbing Programs
3	Alaska Workforce Investment Board (AWIB)	Inc	\$ 3,100.0	FED	Refugee Support Services (RSS) Grant Authority
4	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

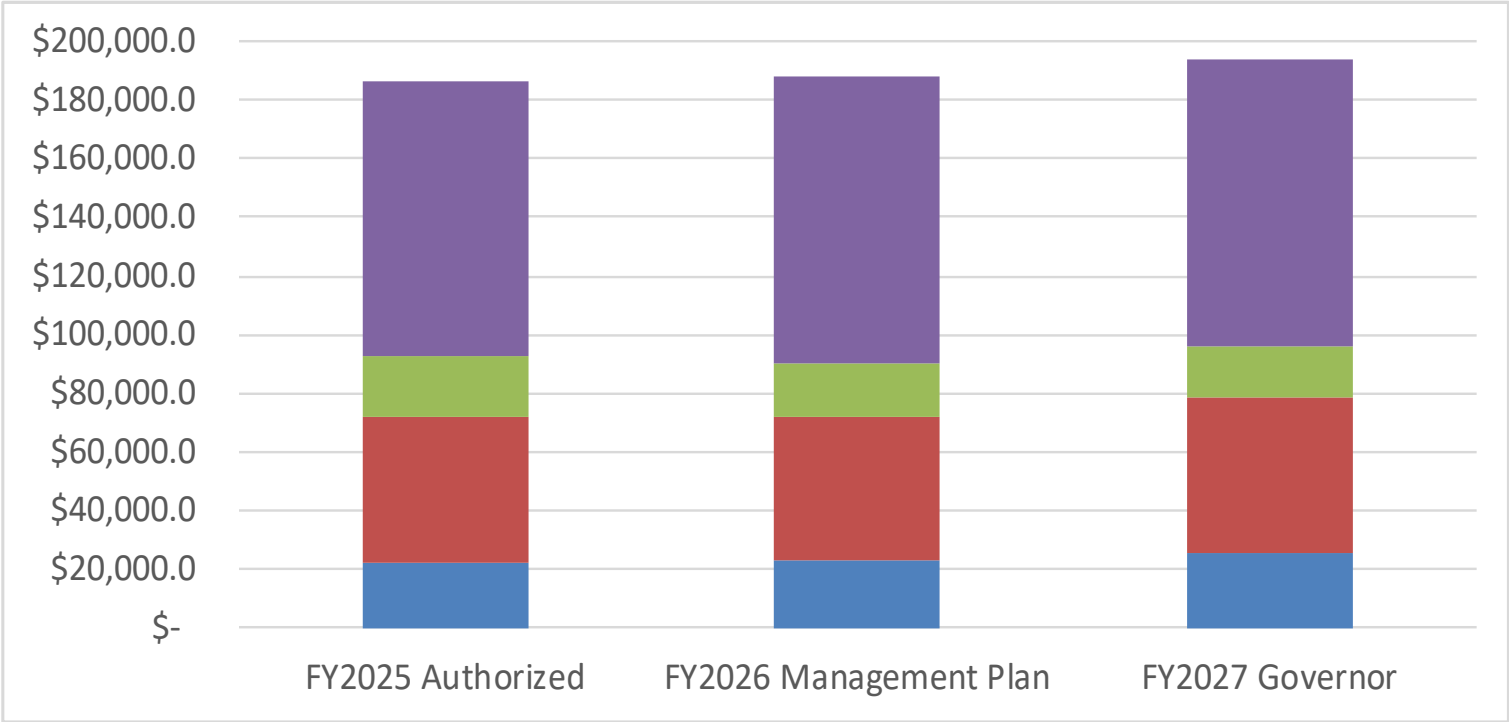


AVTEC Industrial Electricity Expansion



FY2025-2027 Operating Budget Comparison

(\$ Thousands)



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

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