

Alaska Department of Labor and Workforce Development

**House Finance
Department Overview
Commissioner Dianne Blumer
January 29, 2014**



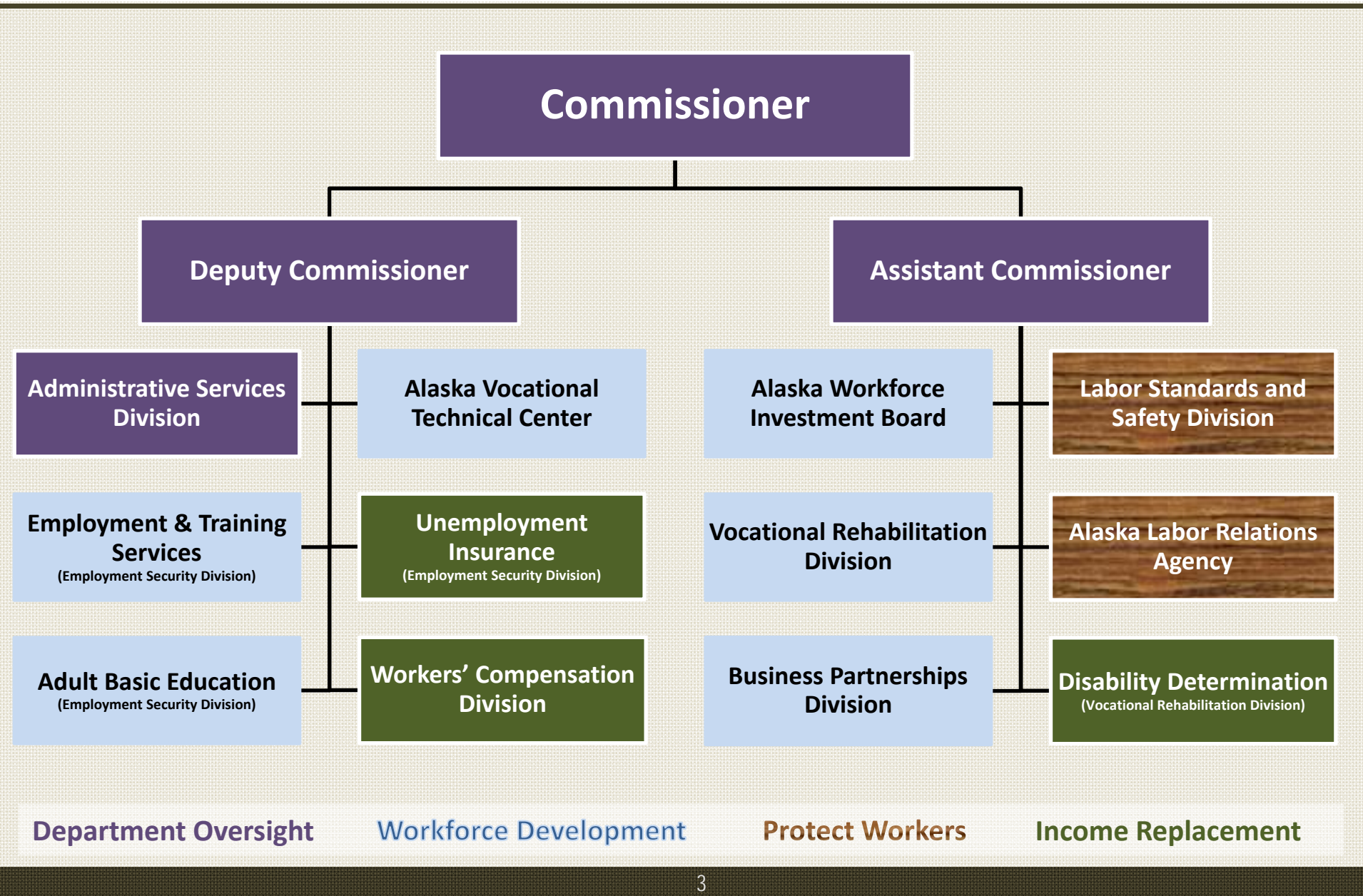
Department of Labor and Workforce Development

Mission: Provide safe and legal working conditions and advance opportunities for employment.

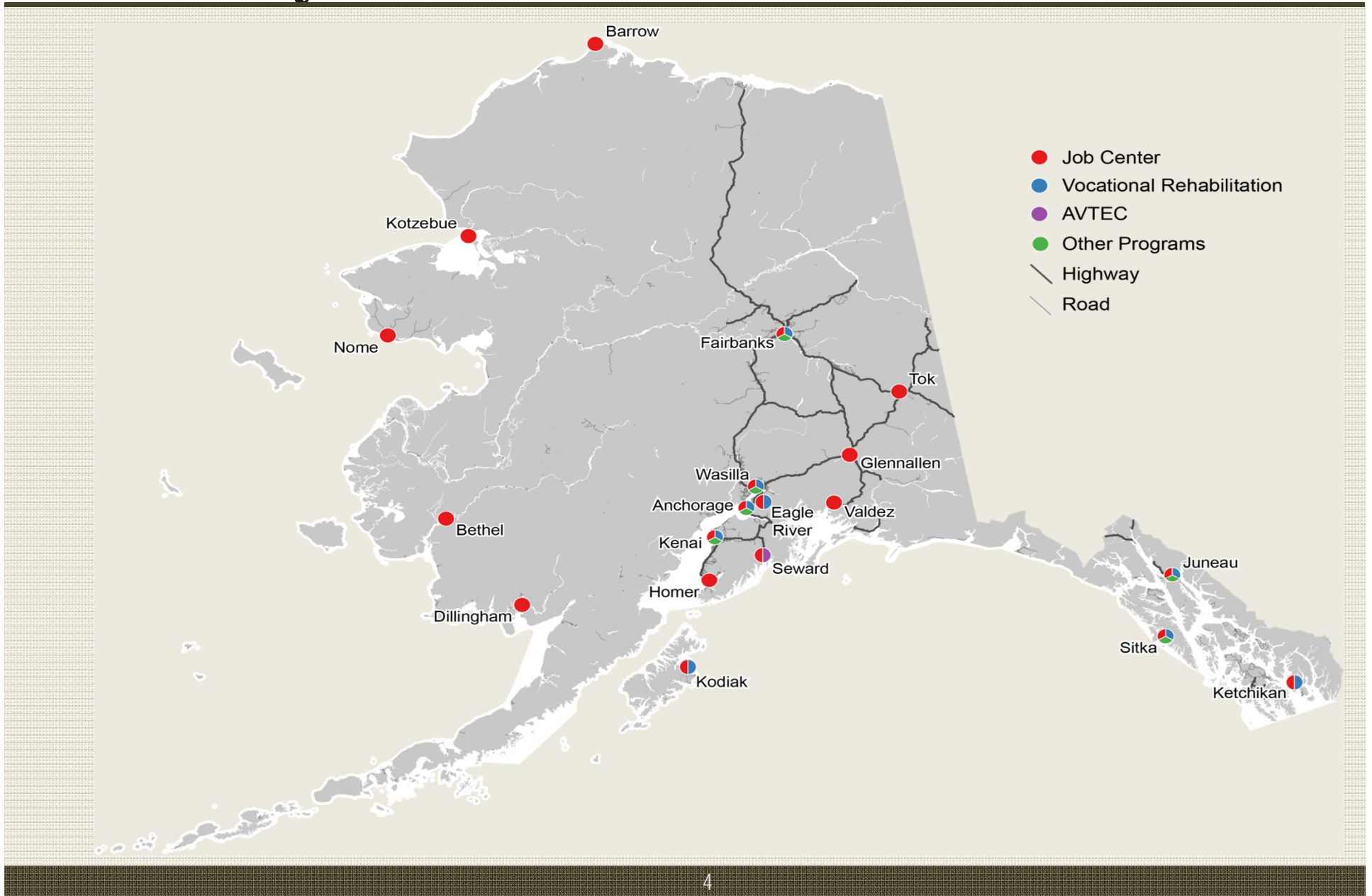
Core Services:

- **Protect Alaska's workers** through statutory and regulatory assistance and enforcement.
- **Income replacement** for injured, unemployed, and permanently disabled workers.
- **Workforce development** to support Alaska hire and economic development.

Organization Chart



Services by Location



State and Private Partnerships

State Partners

- **Veteran Services**
 - Department of Military and Veterans Affairs
- **Economic and Demographic Data Production**
 - Department of Health and Social Services
 - Department of Commerce, Community and Economic Development
 - Department of Education and Early Development
- **Prisoner Reentry**
 - Department of Corrections
- **Training and Education Program Outcomes**
 - Department of Education and Early Development
 - University of Alaska
 - Commission on Postsecondary Education

State and Private Partnerships

Private Partners

- **Training and Education**
 - Tribal Vocational Rehabilitation Programs
 - Community Rehabilitation Programs
 - Construction Education Foundation
 - Alaska Works Partnership
 - School Districts
 - Association of General Contractors
 - Home Building Associations
 - Regional Training Centers
 - Other Private Training Providers
 - Employers
- **Private Sector Membership on Boards and Commissions**
- **Centers for Independent Living**

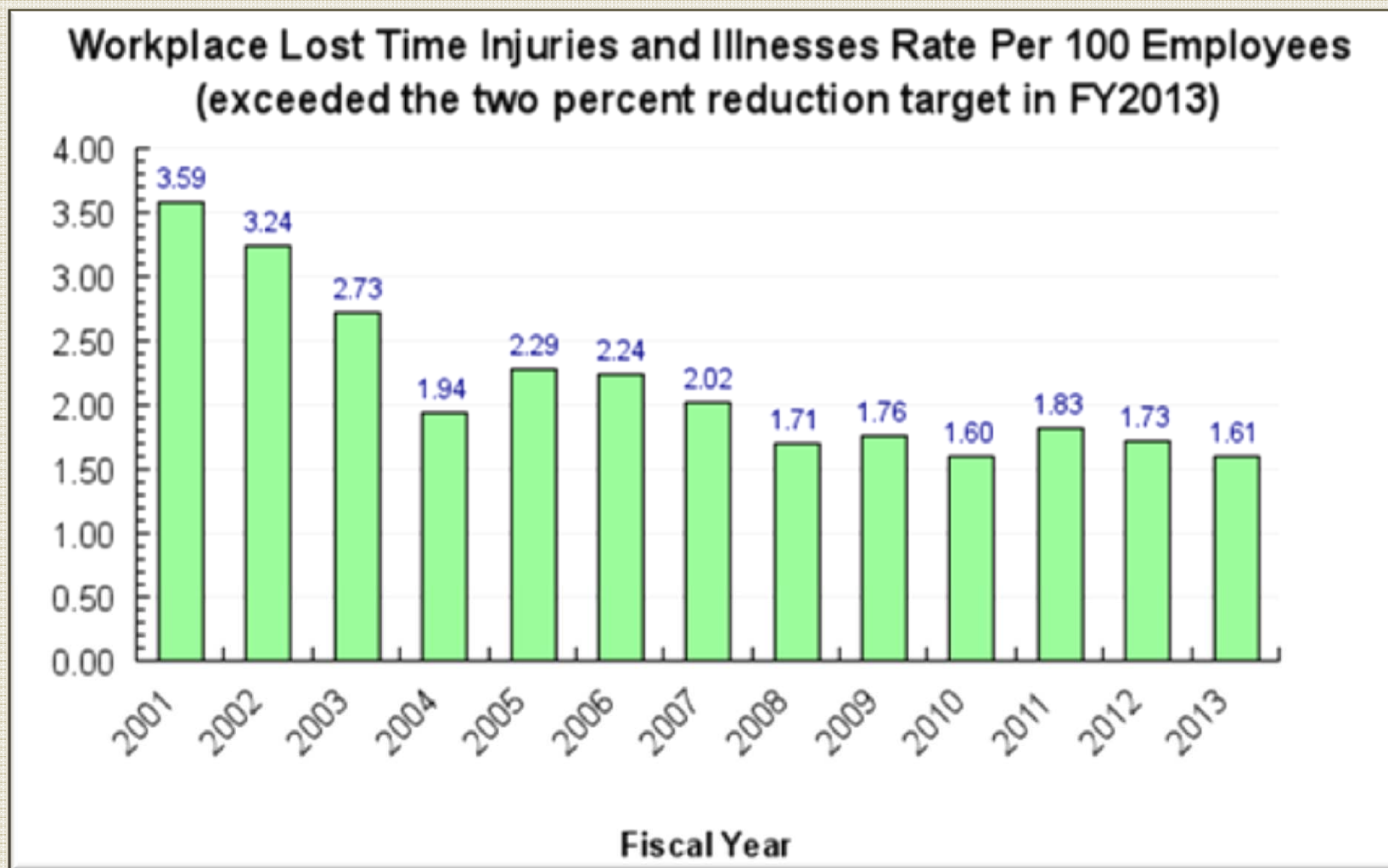
Development Challenges

Maintaining services to Alaskans while managing:

- **A trained Alaskan labor force for new projects**
- **Flat or declining federal revenue**
- **Increasing operating expenses**

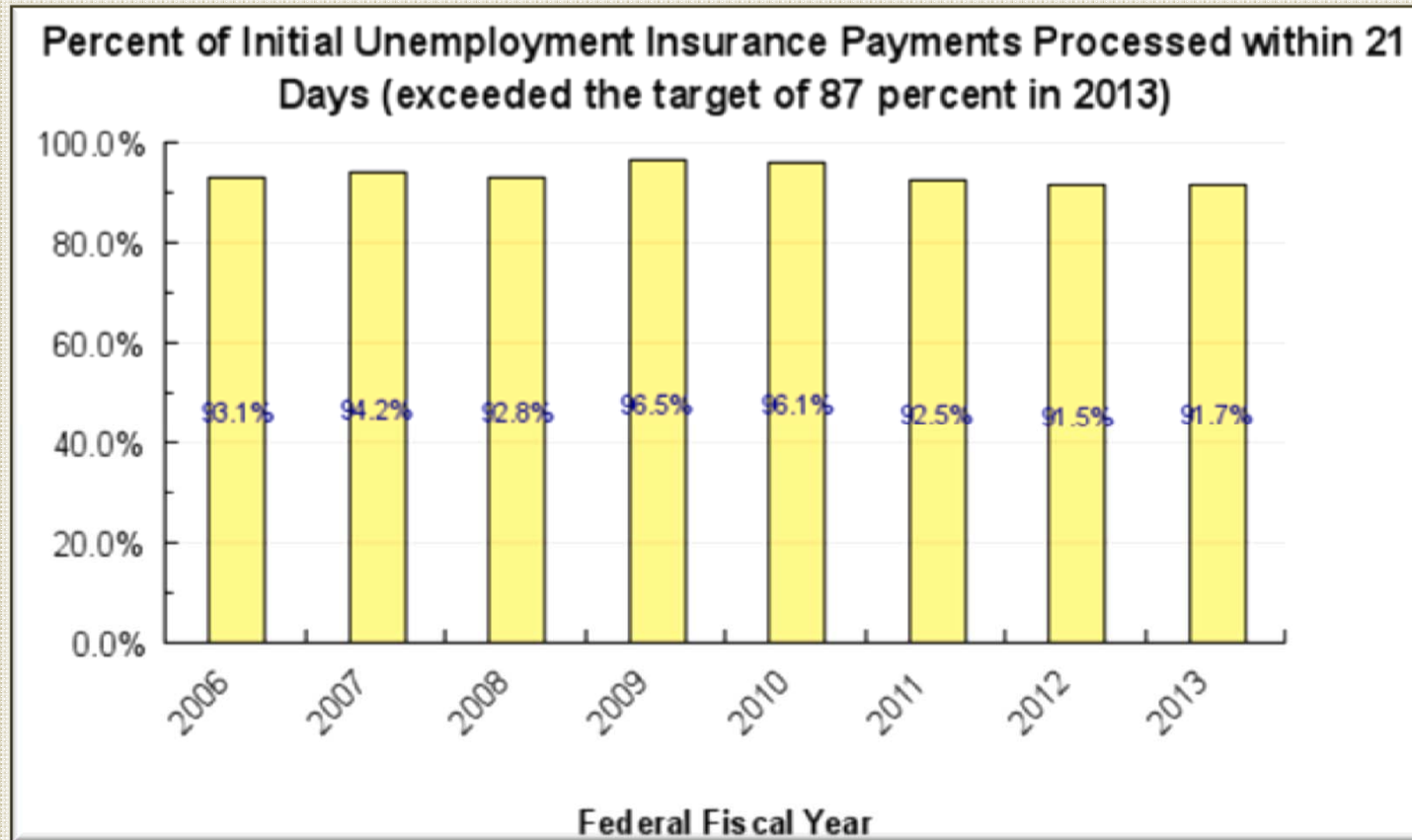


Protect Workers





Income Replacement





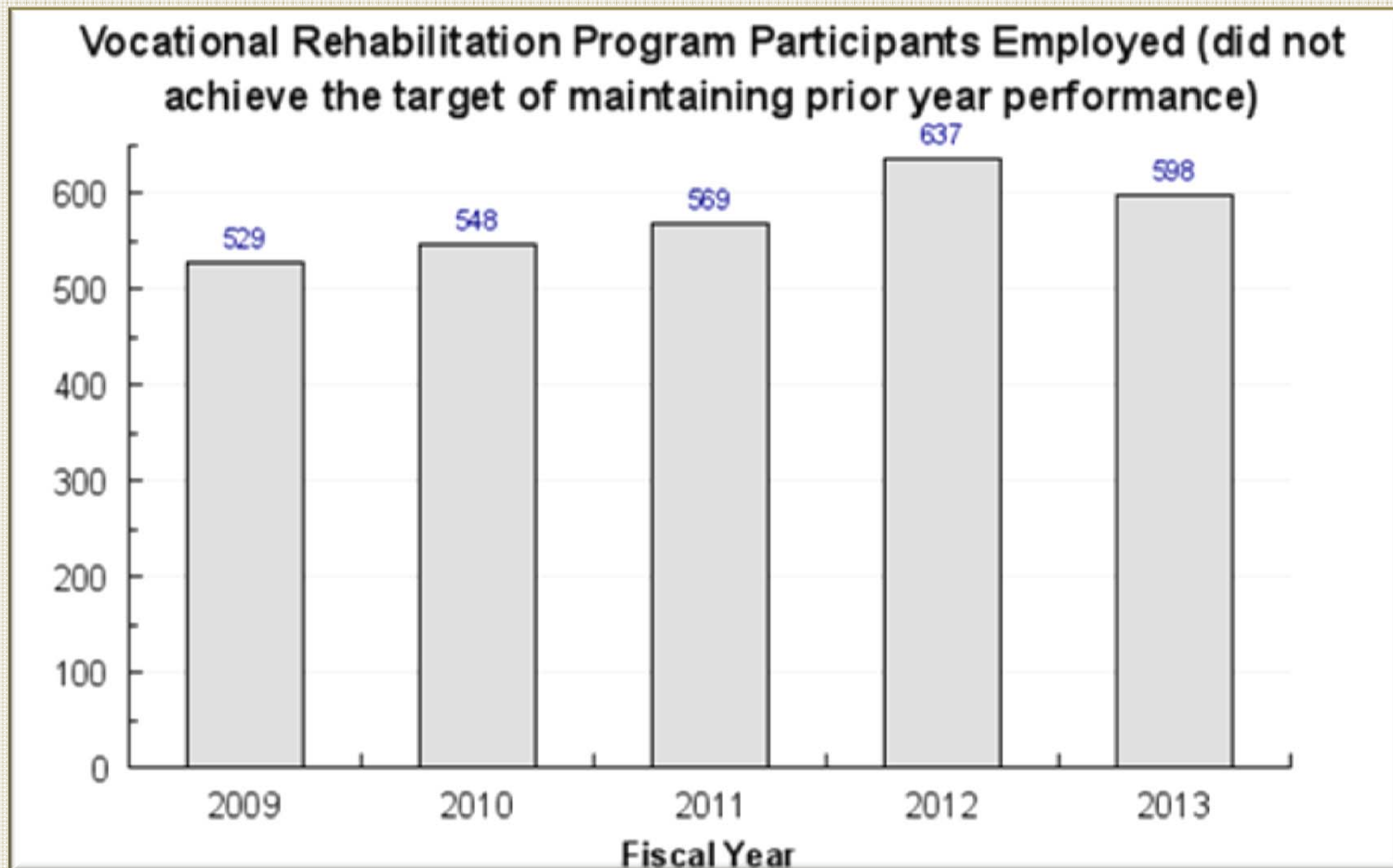
Department of Labor and Workforce Development

Workforce Development





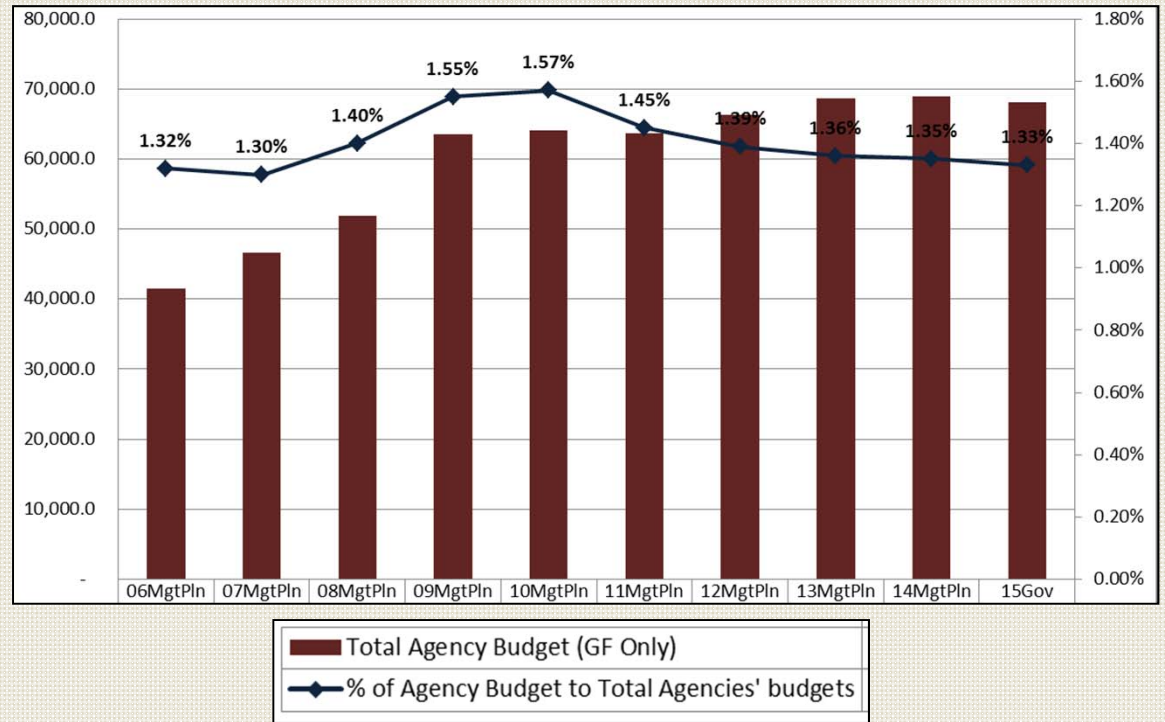
Workforce Development



Share of Total Agency Operations

- The department's general fund budget grew by \$26.5 million between FY06 and the FY15 Governor's Request – an average annual growth rate of 7.1%.
- Growth since FY09 has been \$4.5 million (1.2% growth rate).
- The department continues to represent a small portion of the overall statewide budget (six straight years of decline).

General Funds Only (thousands)



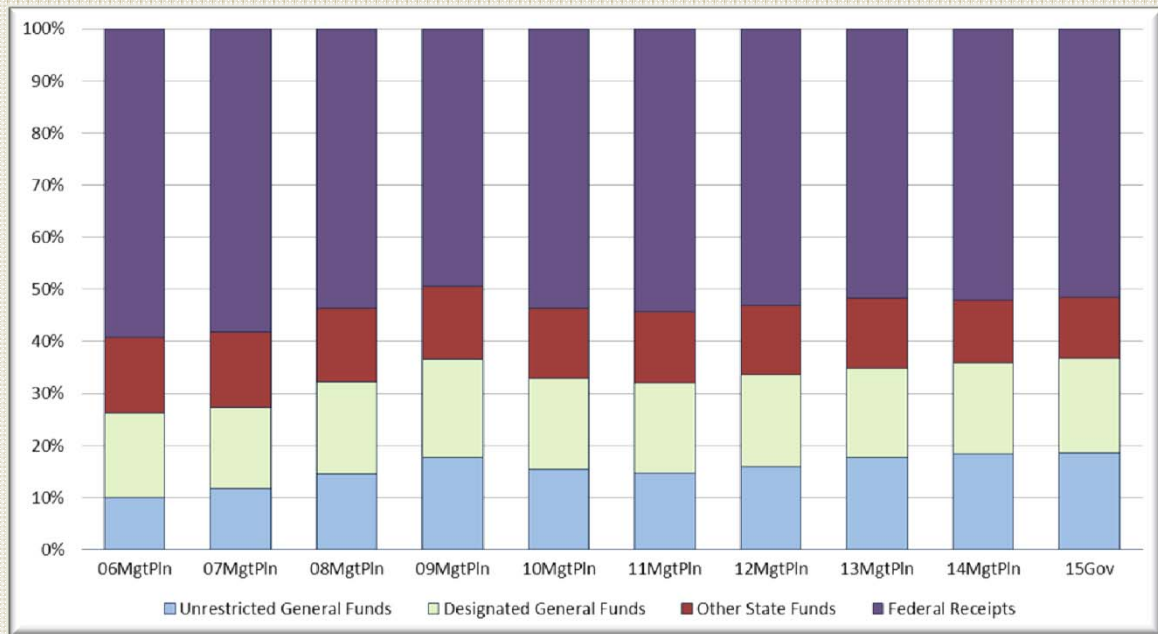
Total Funding Comparison by Fund Group

Between FY06 & FY15:

- Federal Funds remained relatively flat, increasing by \$1.4 million (1.5%)
- Other funds decreased by \$1.4 million (-6.2%)
- DGF increased by \$7.9 million (30.9%)
- UGF increased by \$18.6 million (117.8%)

Thus state funds have increased as a percentage of the total

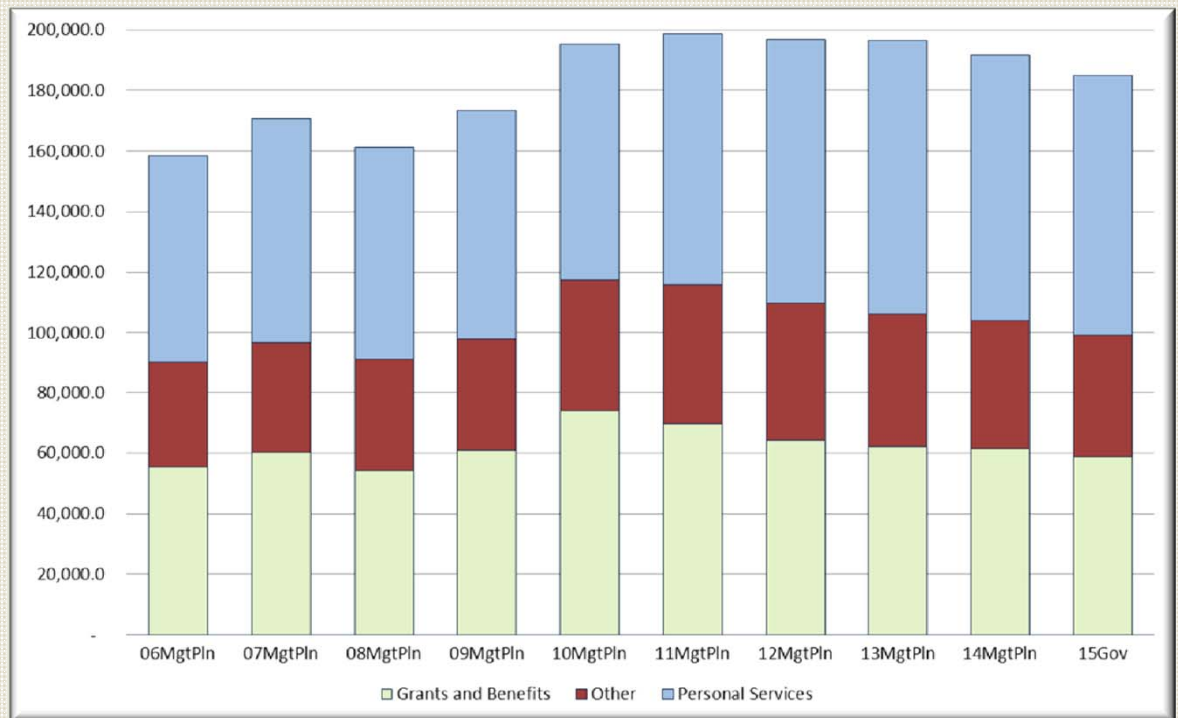
All Funds (thousands)



Line Item Distribution

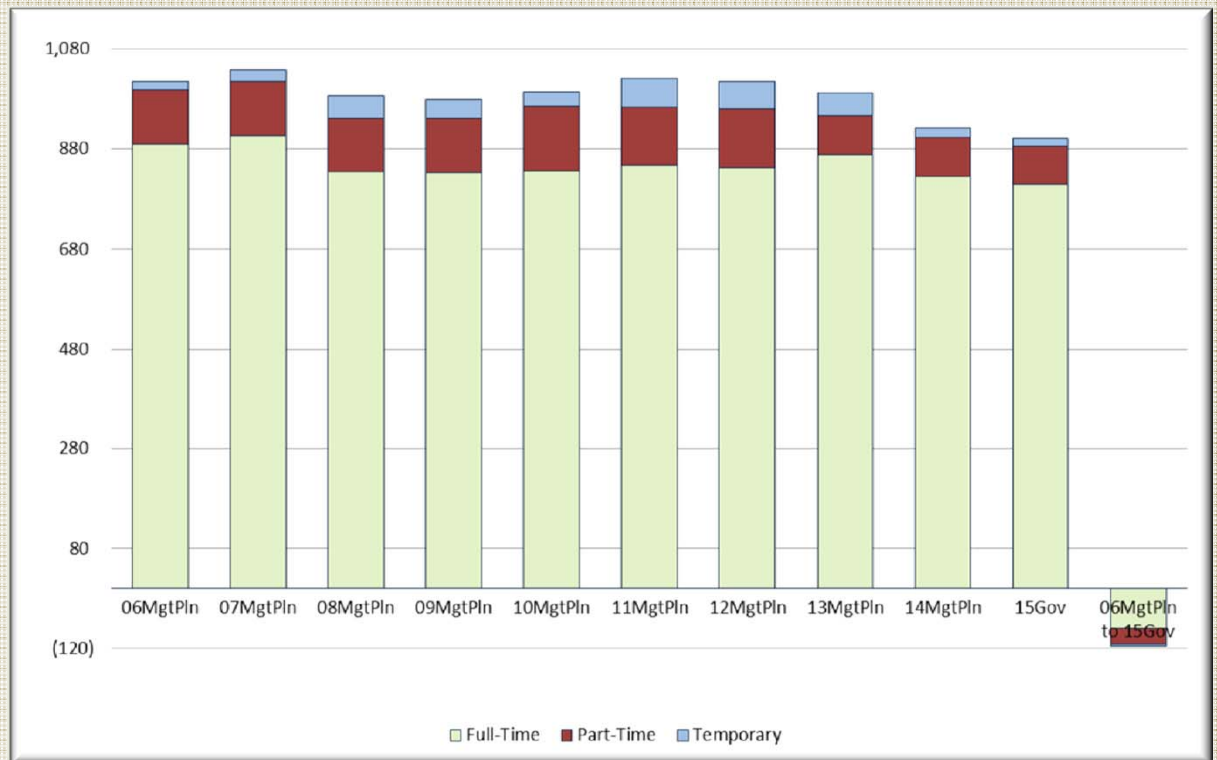
- The majority of funding in FY15 is in the following line items:
 - Personal Services: 46%
 - Grants: 32%
- About 54% (\$31.5 million) of the grants funding is in the Business Partnerships appropriation (with the majority housed in two allocations):
 - \$23.4 million in Business Services
 - \$3.2 million in the Construction Academy

All Funds (thousands)



Budgeted Positions

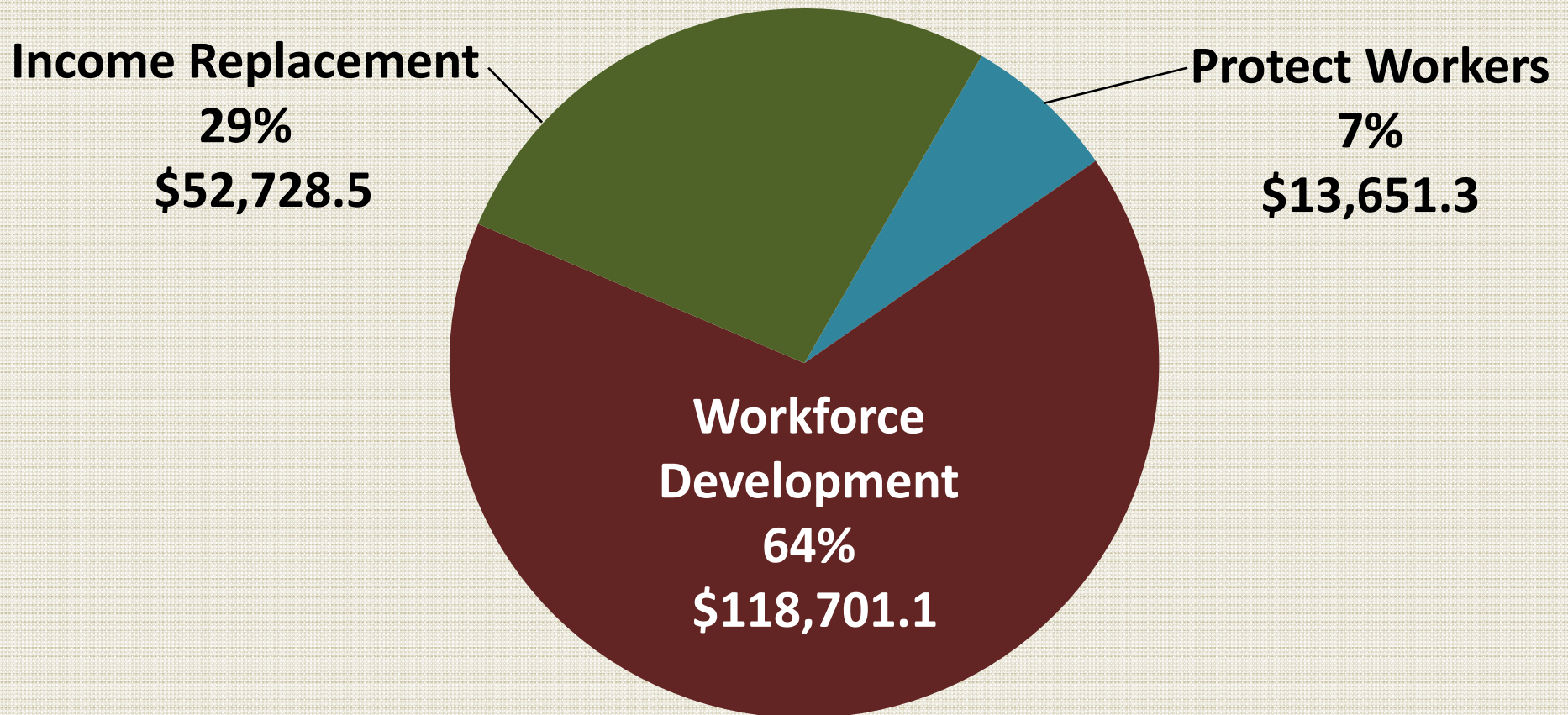
- Between FY06 & FY15 the total number of budgeted positions decreased by 115.
- Reduction in positions is due to flat or declining base operating federal funds and the expiration of one-time federal grant funds.



FY2015 Budget Request: \$185,080.9

UGF:	\$34,404.4
DGF:	\$34,069.8
Other:	\$21,769.1
Federal:	\$94,837.6

Budget by Priority Program



- 809 Full-Time Positions
- 77 Part-Time Positions
- 14 Temporary Positions

Governor's Budget Overview

FY2015 Operating Budget

Department-wide Long Term Vacant Position deletions

- -\$975.5 total reduction for deleting 20 positions including 10 vacant for more than two years

Department-wide uncollectible receipt authority reduction

- -\$4,900.0 Fed/Other reduction to reflect decreased receipt collection due to federal sequestration

Employment Security Division (ESD)

- \$125.0 DGF increase in Training and Building fund receipts for support of Job Centers

Business Partnerships (DBP)

- -\$159.6 UGF decrease by deleting one vacant Gasline position

TVEP funding distribution change

- \$47.6 DGF increase to distribution amounts based on available fund balance

Governor's Budget Overview

FY2015 Capital Budget

Heavy Equipment/Diesel/Pipe Welding Relocation Phase 2 of 3

- \$8,000.0 this phase, \$15,000.0 all three phases, replaces a training facility with safety issues

Deferred Maintenance

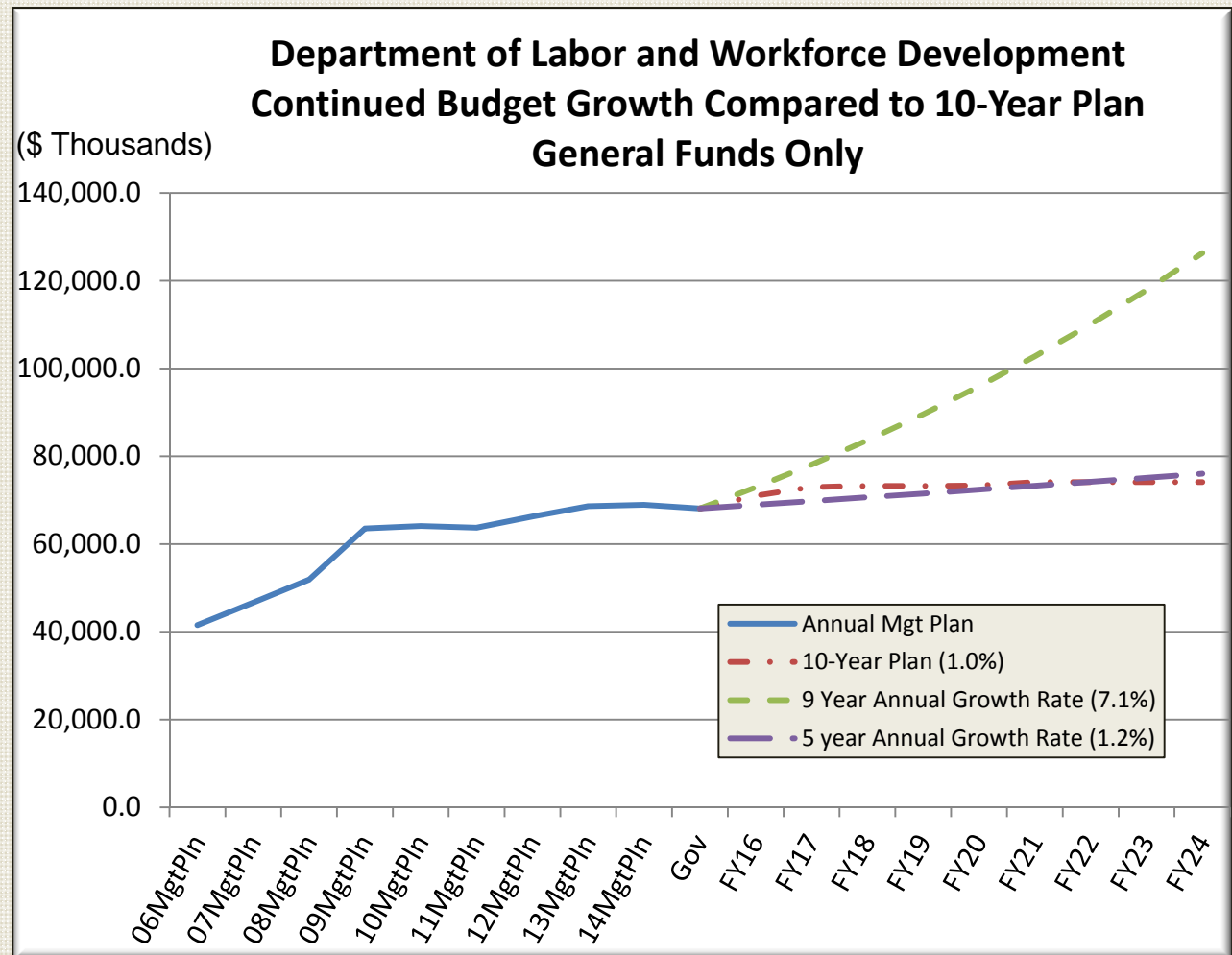
- \$1,000.0 UGF for reducing the backlog of maintenance needs on the Alaska Vocational Technical Center's (AVTEC) aging infrastructure

Public Access Network

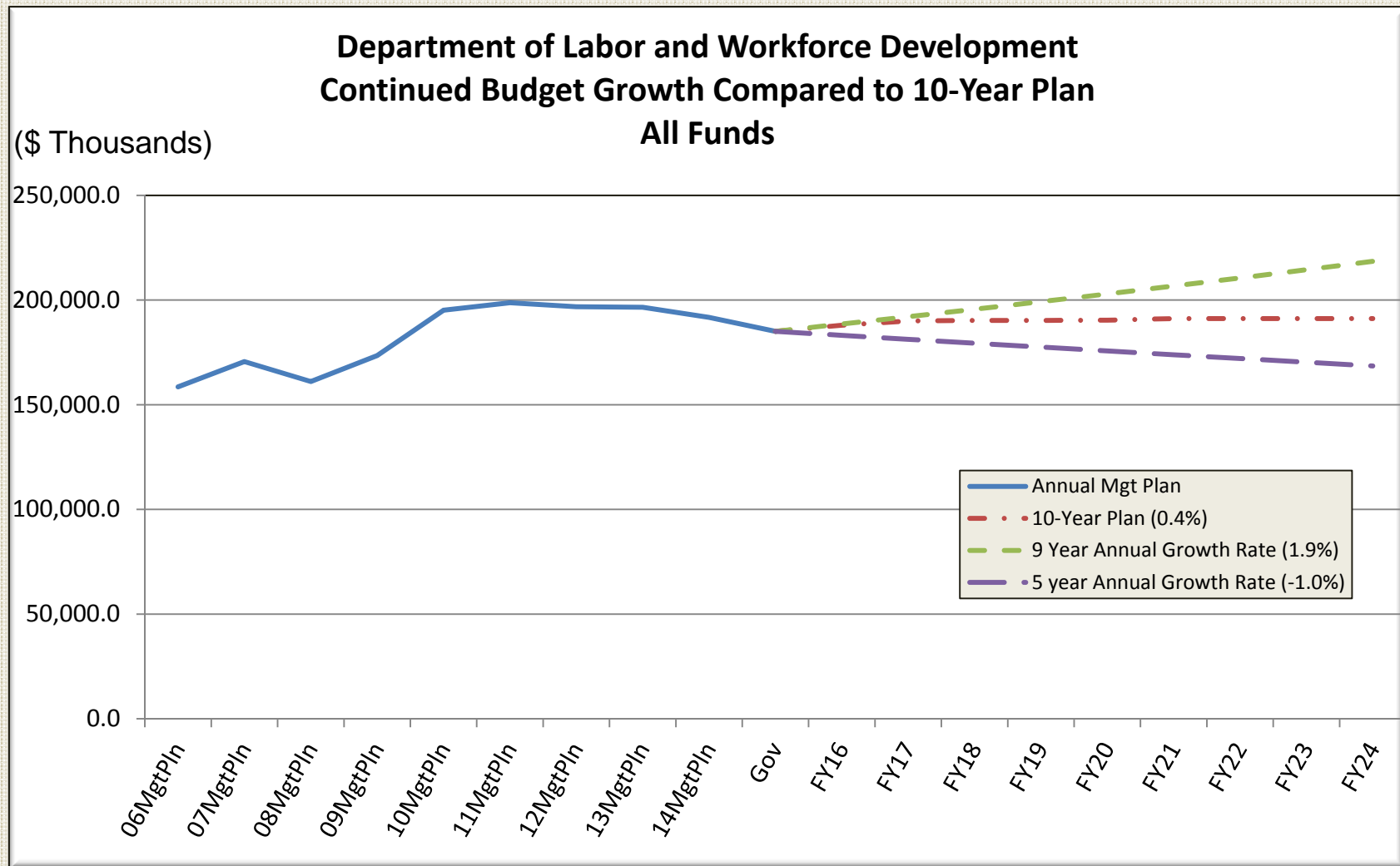
- \$170.0 UGF for development of a public access network across statewide Job Centers

Ten Year Plan- General Funds Only

- The department's general fund budget grew by \$26.6 million between FY06 and the FY15 Governor's Request - an average annual growth rate of 7.1%.
- Growth since FY10 has been \$4.0 million (1.2% growth rate).
- The department's ten year plan equates to an average annual growth rate of 1.0%.



Ten Year Plan- All Funds



For More Information Please Contact

**Commissioner Dianne Blumer
PO Box 111149
Juneau, AK 99811-1149
Phone: 465-2700**

FY2015 TVEP Distribution

Entity	Percent	FY2012 Distribution	FY2013 Distribution	FY2014 Distribution	FY2015 Distribution	Change from Prior Year
U of A	45%	4538.3	4904.2	4,842.0	\$ 4,888.6	\$ 46.6
UAS	5%	504.3	544.9	538.0	\$ 543.2	\$ 5.2
Galena	4%	403.4	435.9	430.4	\$ 434.5	\$ 4.1
Kotzebue	9%	907.7	980.8	968.4	\$ 977.7	\$ 9.3
AVTEC	17%	1714.5	1852.7	1,829.2	\$ 1,846.8	\$ 17.6
NACTEC	3%	302.6	326.9	322.8	\$ 325.9	\$ 3.1
SAVEC	3%	302.6	326.9	322.8	\$ 325.9	\$ 3.1
Yuut	9%	907.7	980.8	968.4	\$ 977.7	\$ 9.3
Delta	3%	302.6	326.9	322.8	\$ 325.9	\$ 3.1
New Frontier	2%	201.7	218	215.2	\$ 217.3	\$ 2.1
Total	100%	\$ 10,085.4	\$ 10,898.0	\$ 10,760.0	\$ 10,863.5	\$ 103.5

Governor's Budget Overview

FY2014 Operating Increment Statuses

Department-wide lease cost increases

- \$492.3 UGF for increasing ongoing lease expenses with a department-wide impact, has already been expended on a lease costs.

Department-wide core service cost increases

- \$65.0 UGF for increasing ongoing core services provided by the Department of Administration with a department-wide impact, has already been expended on core service chargebacks.

Division of Vocational Rehabilitation

- \$50.0 UGF to strengthen the Independent Living network in Alaska, has been granted and will result in increased rural independent living services. Year-to-date services in rural communities is up from prior years.

Alaska Vocational Technical Center (AVTEC)

- \$200.0 UGF one-time FY2014 appropriation for increasing operating expenses at AVTEC; this funding is being expended to support operating expenses.

Governor's Budget Overview

FY2014 Capital Budget

Heavy Equipment/Diesel/Pipe Welding Relocation Phase 1 of 3

- \$6,000.0 this phase, \$15,000.0 all three phases, replaces a training facility with safety issues; this project is in the design and planning phase with construction anticipated to begin in June.

Deferred Maintenance

- \$968.4 UGF for reducing the backlog of maintenance needs on the Alaska Vocational Technical Center's (AVTEC) aging infrastructure; this funding is being used to address deferred maintenance needs, though regular DM projects were delayed slightly due to the new dormitory coming online earlier this month.

Fund Balance Projections as of 12/31/2014

Department of Labor and Workforce Development FY2014 and FY2015 Projected Fund Balances Prepared January 15, 2014							
Fund	FY2013 Ending Balance	FY2014 Expected Revenue *1	FY2014 Expected Expend *2	FY2014 Projected Balance	FY2015 Expected Revenue *3	FY2015 Expected Expend *4	FY2015 Projected Balance
Second Injury Fund	4,467.9	3,108.3	4,008.3	3,567.9	3,046.2	4,008.1	2,606.0
Fishermen's Fund	11,833.5	1,100.0	1,653.3	11,280.2	1,066.2	1,652.3	10,694.1
Worker Safety & Compensation Account	5,732.9	7,606.7	8,090.7	5,248.9	7,331.6	7,586.4	4,994.1
Workers' Compensation Benefits Guaranty Fund	1,874.8	895.0	1,173.1	1,596.7	895.0	772.6	1,719.1
Training & Building Fund *5	99.9	896.4	665.0	331.3	789.3	789.3	331.3
State Training & Employment Program	3,394.2	7,591.3	8,424.6	2,560.9	7,732.1	8,423.5	1,869.5
Technical Vocational Education Program	1,691.8	11,387.0	11,290.6	1,788.2	11,598.1	11,399.4	1,986.9
Building Safety Account	197.1	1,964.8	1,900.0	261.9	1,964.8	2,115.8	110.9
Small Business Enterprise Fund	140.8	101.0	96.0	145.8	101.0	96.0	150.8
Randolph Sheppard Small Business Fund	430.8	95.0	92.0	433.8	95.0	92.0	436.8
Notes: *1. FY2014 expected revenue is based on 12/31 current year projections *2. FY2014 expected expend is based on authorized expenditure levels except for the Small Business Enterprise, Randolph Shepard Small Business, and Building Safety Account funds *3. FY2015 expected revenue is based on 12/31 future year projections *4. FY2015 expected expend is based on the Governor's budget *5. Any Training & Building fund balance over \$100.0 is returned to the Unemployment Insurance Trust Fund.							