

# **Alaska Department of Labor and Workforce Development**

**House Finance Subcommittee  
Department Overview  
Commissioner Dianne Blumer  
February 4, 2013**





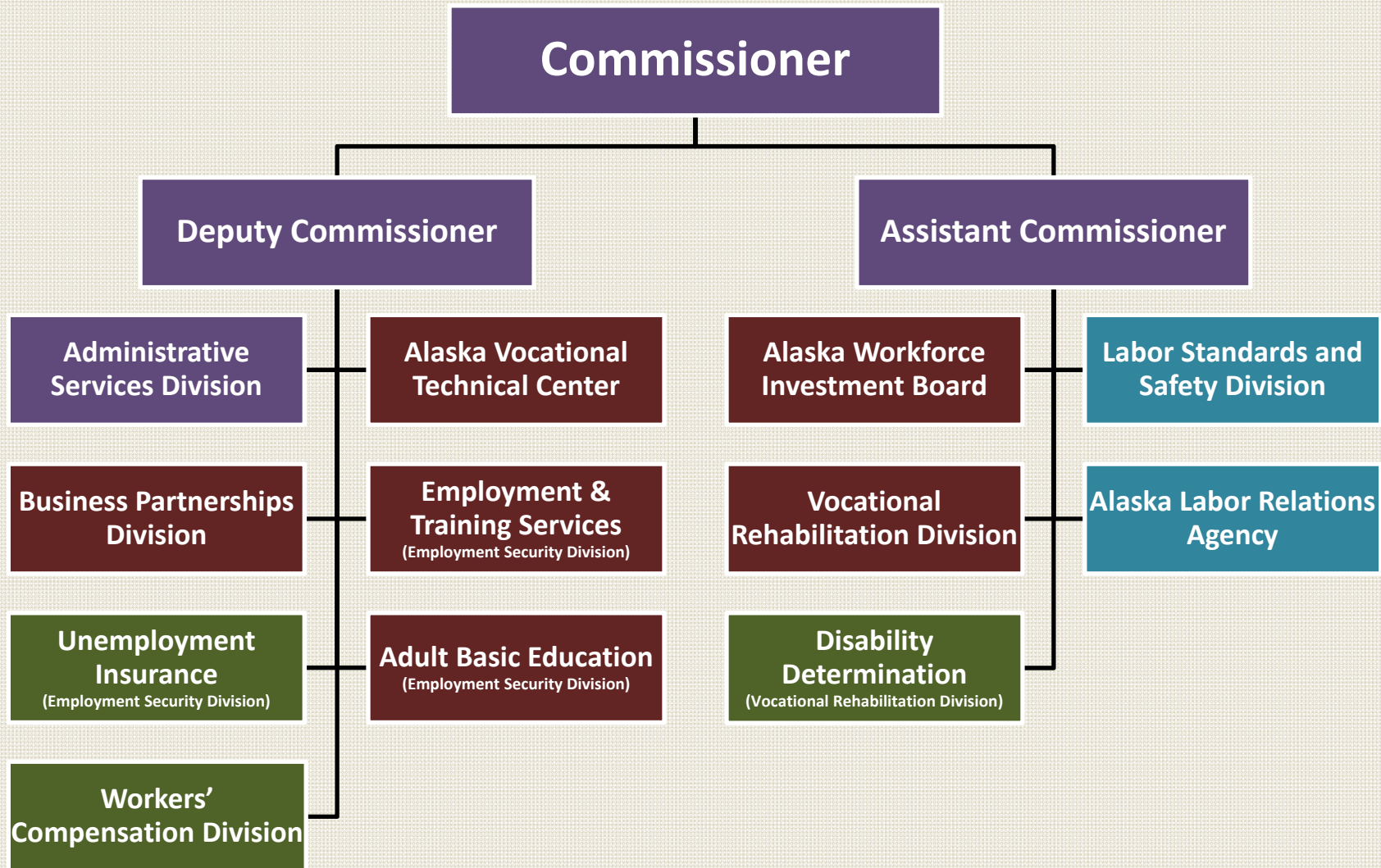
# Department of Labor and Workforce Development

**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



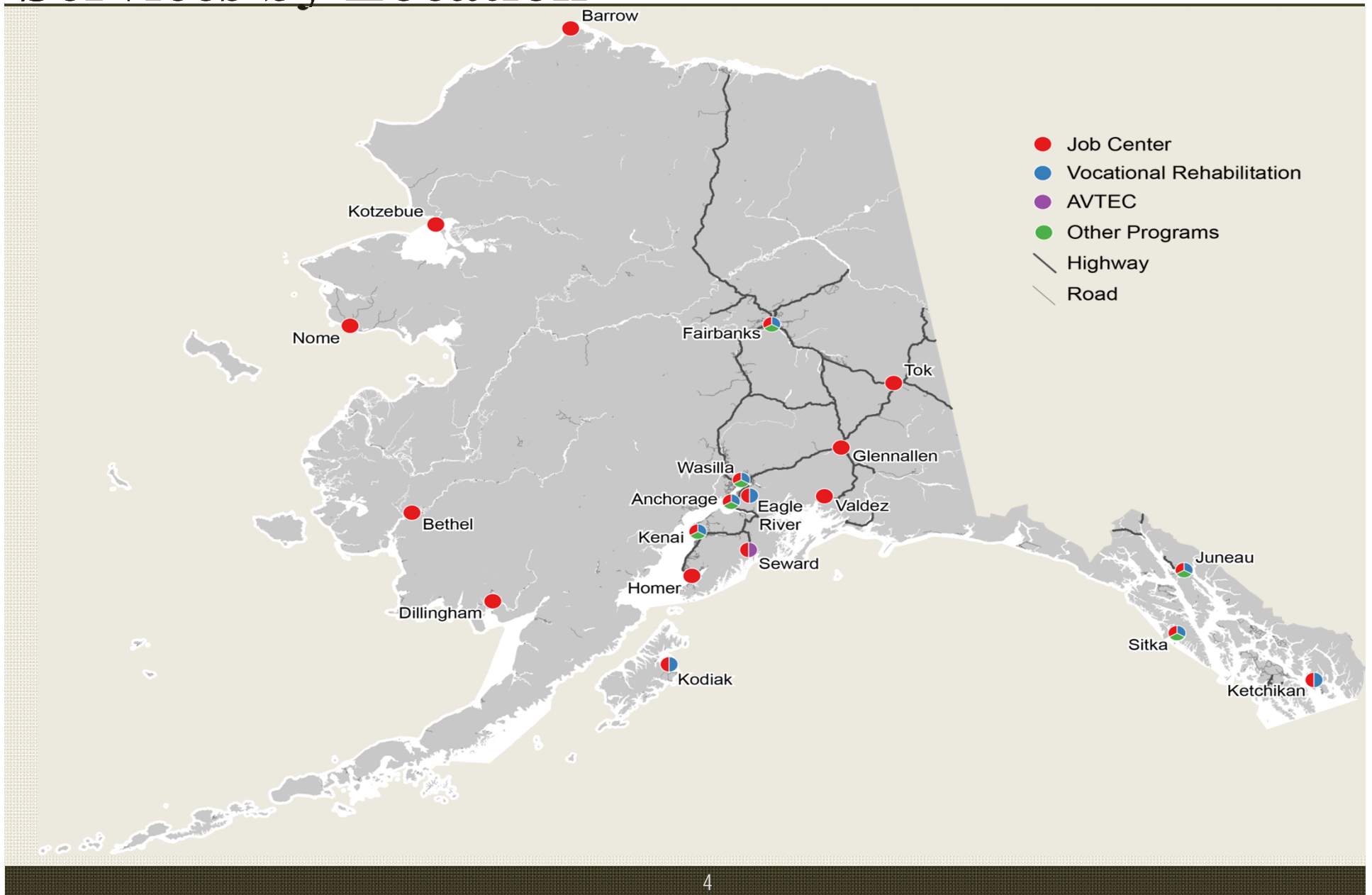
Department Oversight

Workforce Development

Protect Workers

Income Replacement

# 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**
  - Construction Education Foundation
  - Alaska Works Partnership
  - School Districts
  - Association of General Contractors
  - Home Building Associations
  - Regional Training Centers
  - Employers
- **Private Sector Membership on Boards and Commissions**
  - Alaska Labor Relations Agency Board
  - Alaska Safety Advisory Council
  - Alaska Workers' Compensation Board
  - Alaska Workforce Investment Board
  - Fishermen's Fund Advisory and Appeals Council
  - Occupational Safety and Health Review Board
  - State Vocational Rehabilitation Committee
  - Statewide Independent Living Council
  - Workers' Compensation Appeals Commission
  - Workers' Compensation Medical Services Review Committee



# Department of Labor and Workforce Development Challenges

## **Maintaining services to Alaskans while managing:**

- Flat or declining federal revenue
- Increasing operating expenses



# Protect Workers



## Labor Standards and Safety Division

Grey Mitchel, Director

- Wage and Hour Administration
- Mechanical Inspection
- Occupational Safety and Health

## Alaska Labor Relations Agency

Mark Torgerson, Administrator





## Performance

- ❖ The five-year moving average rate of workplace fatalities per 100,000 employees declined from 1.61 (FY2007-FY2011) to 1.48 (FY2008-FY2012)



# Income Replacement



## Workers' Compensation Division

Michael Monagle, Director

- Workers' Compensation
- Workers' Compensation Appeals Commission
- Workers' Compensation Benefits Guaranty Fund
- Second Injury Fund
- Fishermen's Fund

## Employment Security Division

Paul Dick, Director

- Unemployment Insurance

## Vocational Rehabilitation Division

Cheryl Walsh, Director

- Disability Determination



# Income Replacement



## Performance

- ❖ In FY2012, the number of employers brought into compliance with the Workers' Compensation Act was 387. This was an increase from the prior year total of 319.
- ❖ In calendar year 2011, Alaska processed 92.5 percent of initial unemployment insurance payments within 21 days.



# Workforce Development



## Vocational Rehabilitation Division

Cheryl Walsh, Director

- Client Services
- Independent Living
- Special Projects

## Employment Security Division

Paul Dick, Director

- Employment and Training Services
- Adult Basic Education

## Business Partnerships Division

Corine Geldhof, Director

## Alaska Workforce Investment Board

Jeff Selvey, Executive Director

## Alaska Vocational Technical Center

Fred Esposito, Director



# Workforce Development



## Performance

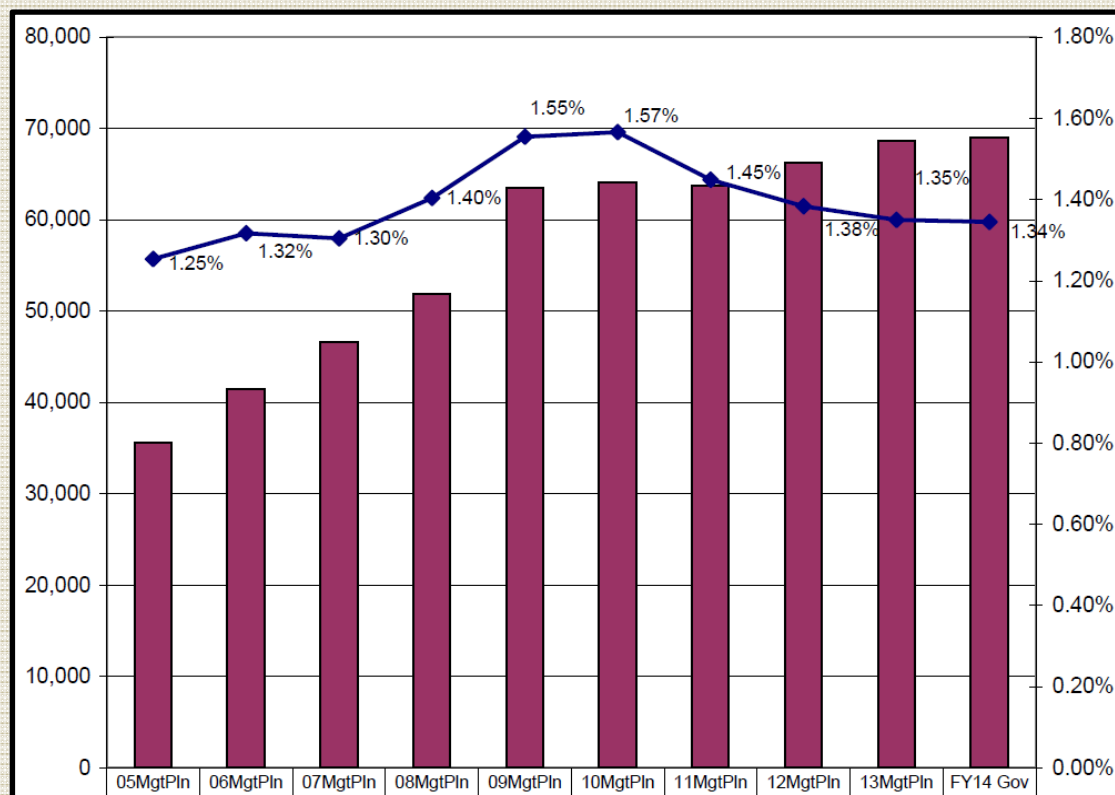
- ❖ In FY2012, 637 of the individuals exiting the vocational rehabilitation program were employed upon exit. This represents a record level and exceeds the prior year performance of 569 individuals by 12 percent.
- ❖ In FY2012, 85 percent of Alaska Vocational Technical Center (AVTEC) long-term (longer than six weeks) program students graduated. This exceeded the target graduation rate of 80 percent and the accrediting benchmark of 60 percent.



# Share of Total Agency Operations

- The department's general fund budget grew by \$33.4 million between FY05 and the FY14 Governor's Request – an average annual growth rate of 7.6%.
- Growth since FY09 has been \$5.5 million (1.7% growth rate).
- The department continues to represent a small portion of the overall statewide budget.

General Funds Only (thousands)

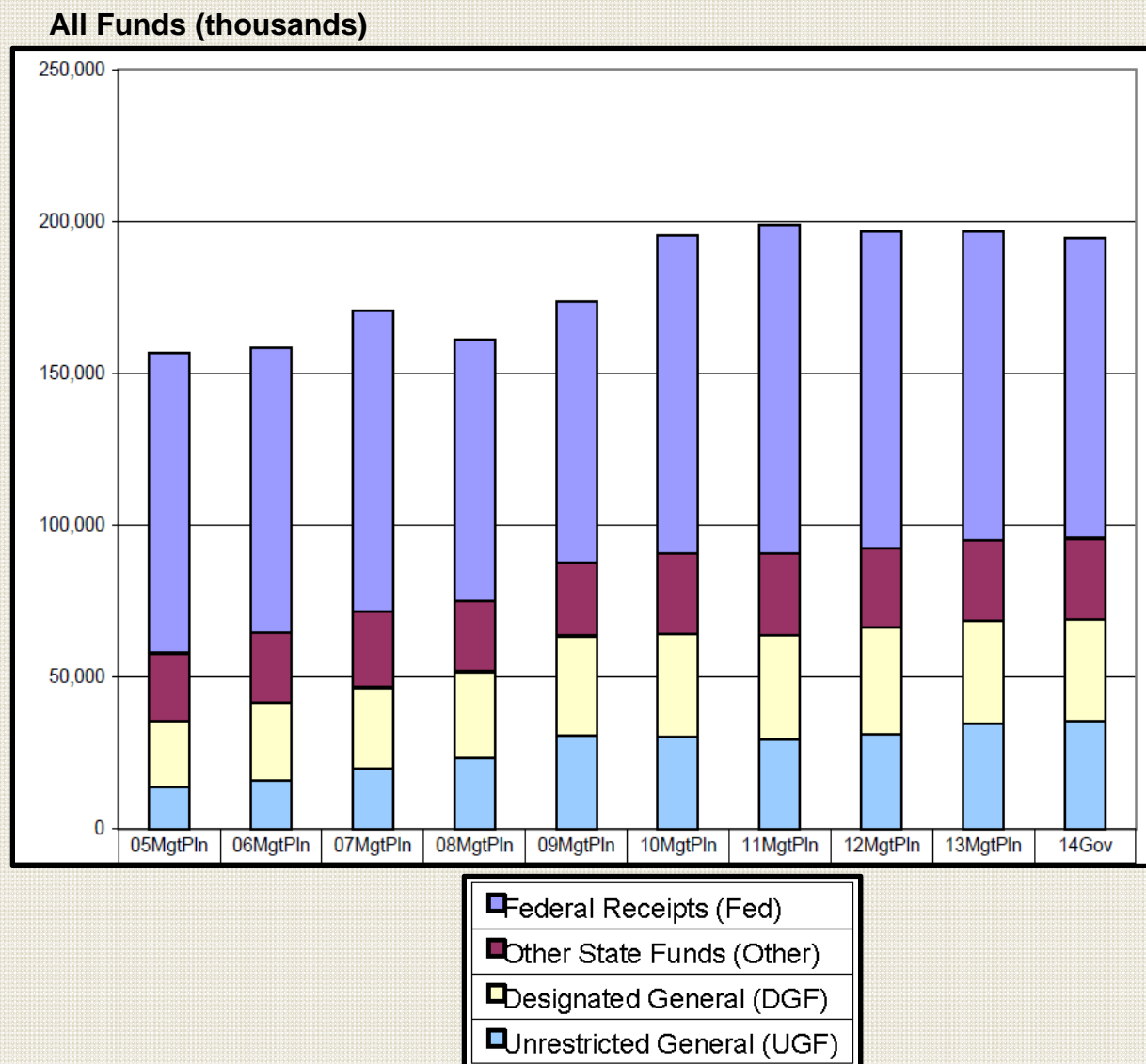


■ Total Agency Budget (GF Only)  
◆ % of Agency Budget to Total Agencies' budgets



# Total Funding Comparison by Fund Group

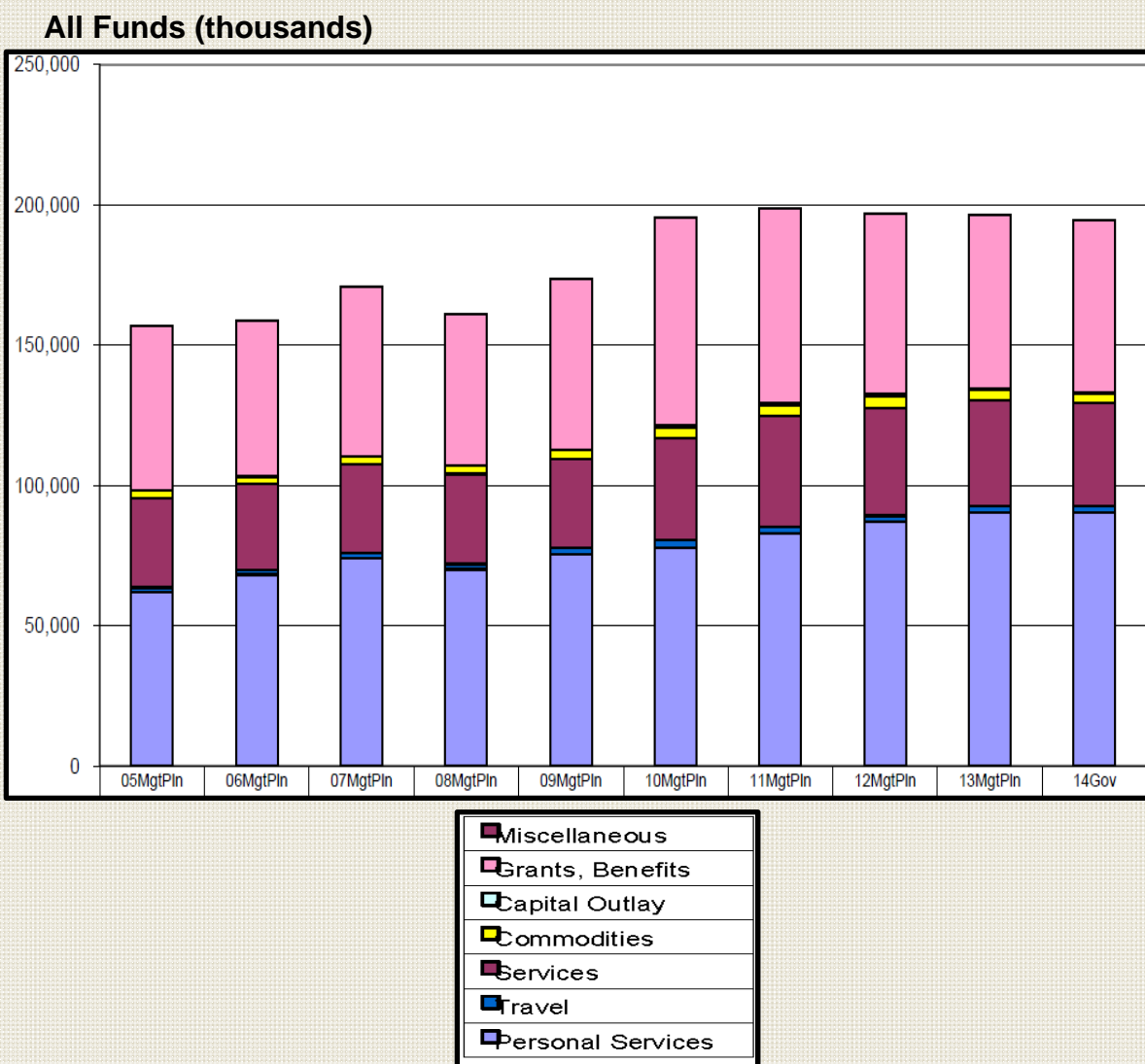
- Between FY05 & FY14:
  - UGF increased by \$21.6 million (156.5%)
  - DGF increased by \$11.8 million (54.2%)
  - Other funds increased by \$4.3 million (19%)
  - Federal Funds remained relatively flat, increasing by \$0.1 million (0.1%)





# Line Item Distribution

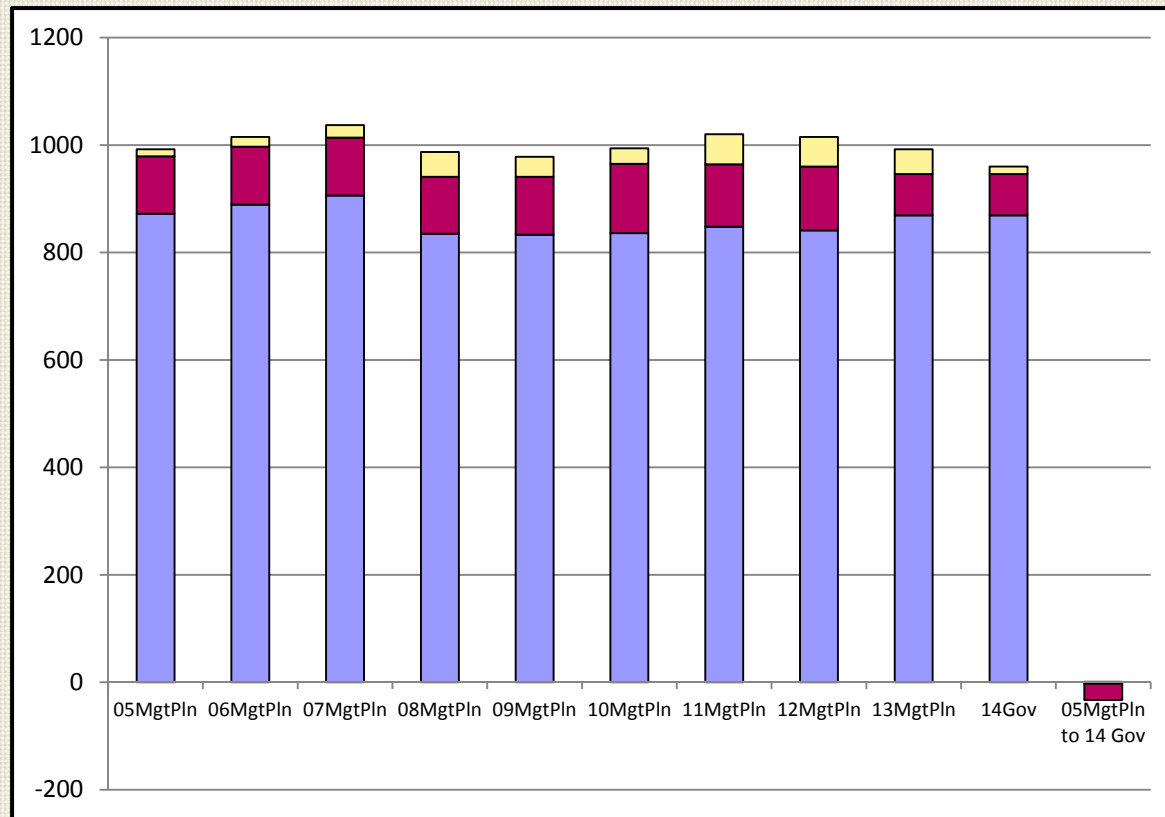
- The majority of funding in FY14 is in the following line items:
  - Personal Services: 46%
  - Grants: 31%
- About 55% (\$34 million) of the grants funding is in the Business Partnerships appropriation (with the majority housed in two allocations):
  - \$25.6 million in Business Services
  - \$3.2 million in the Construction Academy





# Budgeted Positions

- Between FY05 & FY14 the total number of budgeted positions decreased by 32.
- Reduction in permanent full-time and part-time positions since FY05 is due to flat or declining base operating federal funds and the expiration of one-time federal grant funds.



Total Budgeted Positions				
	PFT	PPT	NP	Total
FY05 Mgt Plan	872	107	13	992
FY14 Gov	869	77	14	960
Change	(3)	(30)	1	(32)

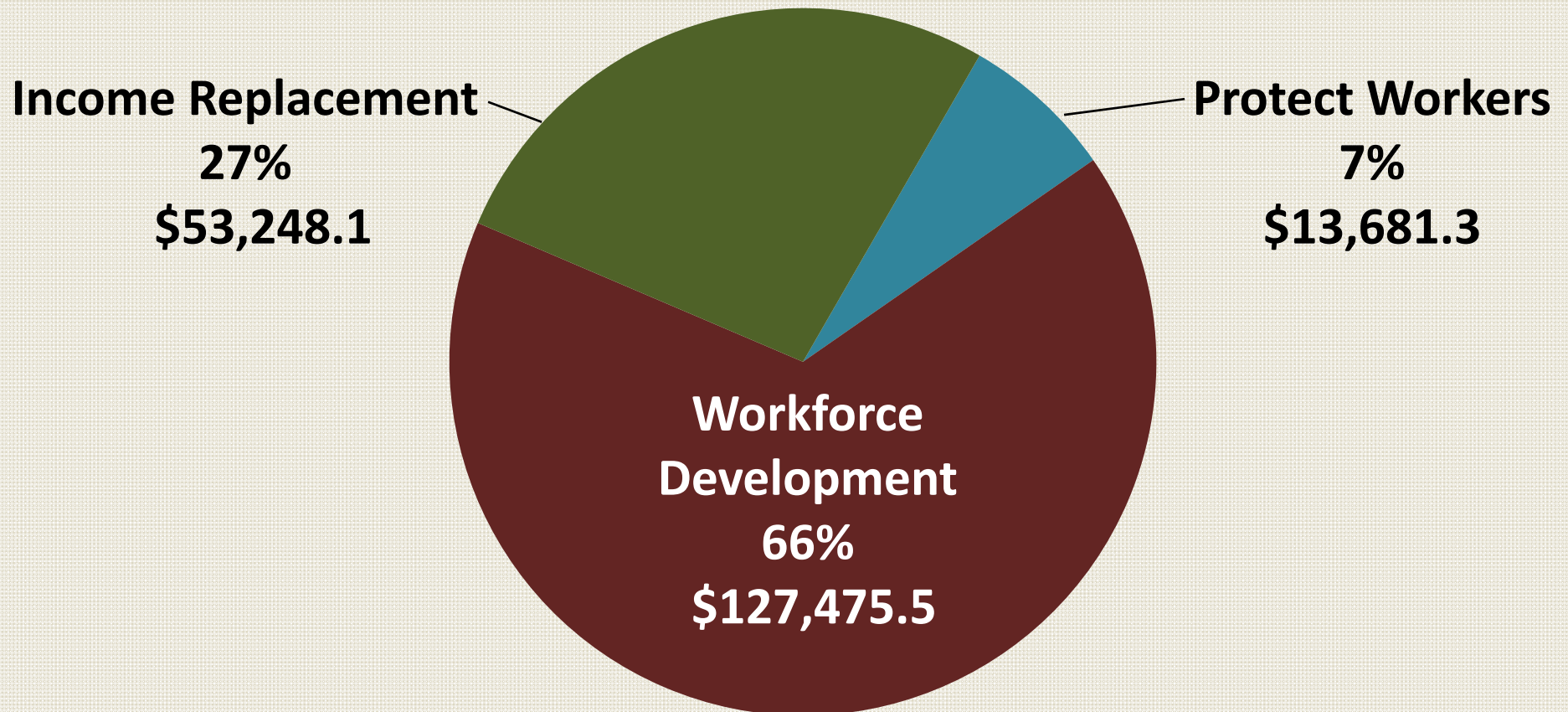
Temporary
Perm Part Time
Perm Full Time



# FY2014 Budget Request: \$194,404.9

(\$35,363.0 UGF; \$33,696.4 DGF; \$26,566.7 Other; \$98,778.8 Federal)

## Budget by Priority Program



• 869 Full-Time Positions

• 77 Part-Time Positions

• 14 Temporary Positions



# Governor's Budget Overview

## **FY2013 Operating Supplemental**

### **Department-wide lease cost increases**

- \$942.9 UGF for increasing ongoing lease expenses with a department-wide impact

## **FY2014 Operating Budget**

### **Department-wide lease cost increases**

- \$984.5 UGF for increasing ongoing lease expenses with a department-wide impact

### **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

### **Division of Vocational Rehabilitation**

- \$100.0 UGF to strengthen the Independent Living network in Alaska

### **Alaska Vocational Technical Center (AVTEC)**

- \$200.0 UGF continuation of one-time FY2013 appropriation for increasing operating expenses at AVTEC



# 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

### **Deferred Maintenance**

- \$968.4 UGF for reducing the backlog of maintenance needs on the Alaska Vocational Technical Center's (AVTEC) aging infrastructure

### **Mobile Mine Machine Simulator**

- \$1,800.0 UGF grant to the University of Alaska's Mining and Petroleum Training Services program to train across Alaska

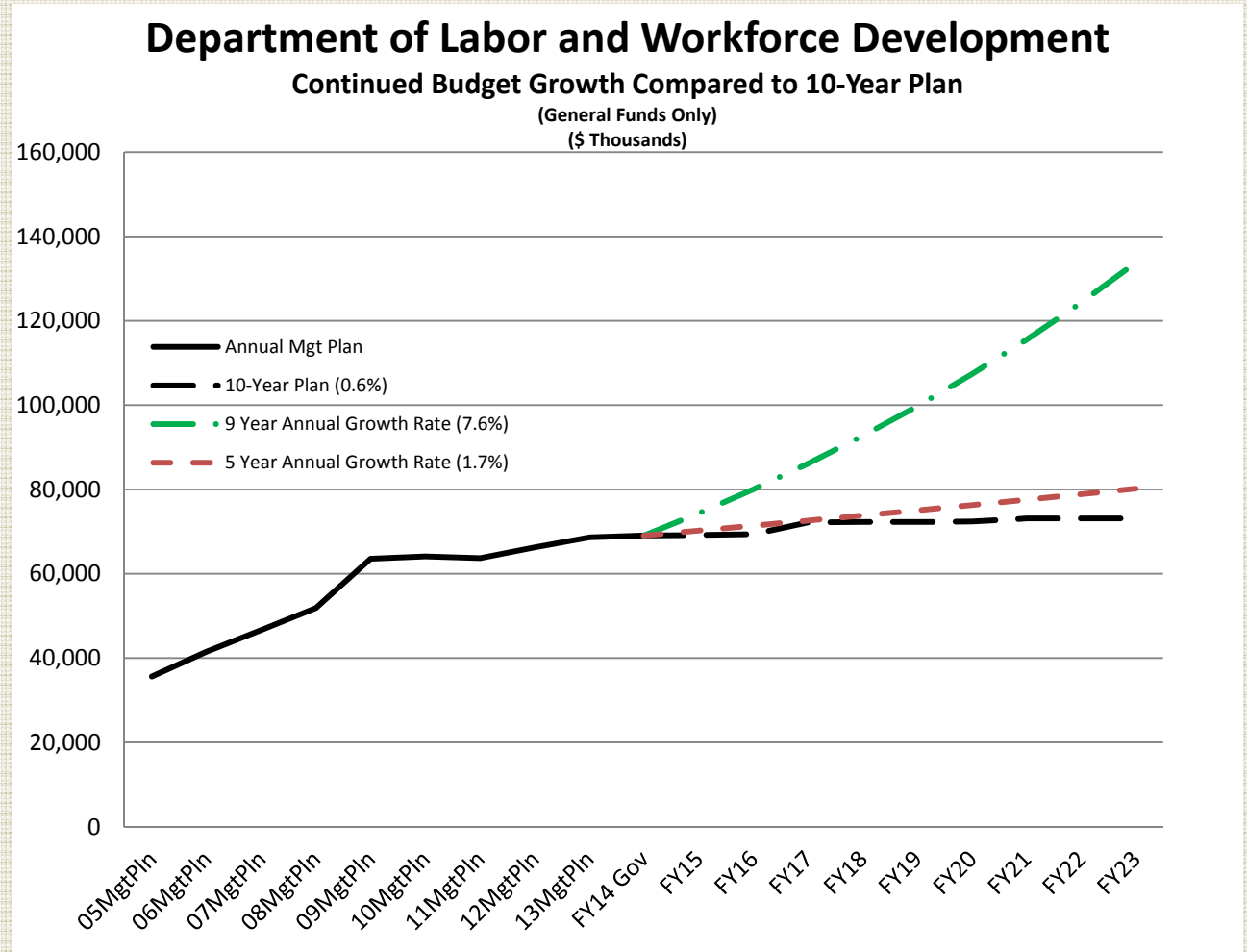
### **Maritime Simulator Ice Navigation Upgrade Phase 1 of 3**

- \$375.0 UGF this phase, \$1,050.0 all three phases, hardware upgrades are required to support this software



# Ten Year Plan

- The department's general fund budget grew by \$33.4 million between FY05 and the FY14 Governor's Request - an average annual growth rate of 7.6%.
- Growth since FY09 has been \$5.5 million (1.7% growth rate).
- The department's ten year plan equates to an average annual growth rate of 0.6%.





# **For More Information Please Contact**

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