

DEPARTMENT OF LABOR AND
WORKFORCE DEVELOPMENT

DEPARTMENT OVERVIEW

HOUSE FINANCE
SUBCOMMITTEE
JANUARY 29, 2015



ALASKA DEPARTMENT OF LABOR & WORKFORCE DEVELOPMENT
COMMISSIONER HEIDI DRYGAS

DEPARTMENT OVERVIEW



MISSION:

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

KEY PROGRAM PRIORITIES:

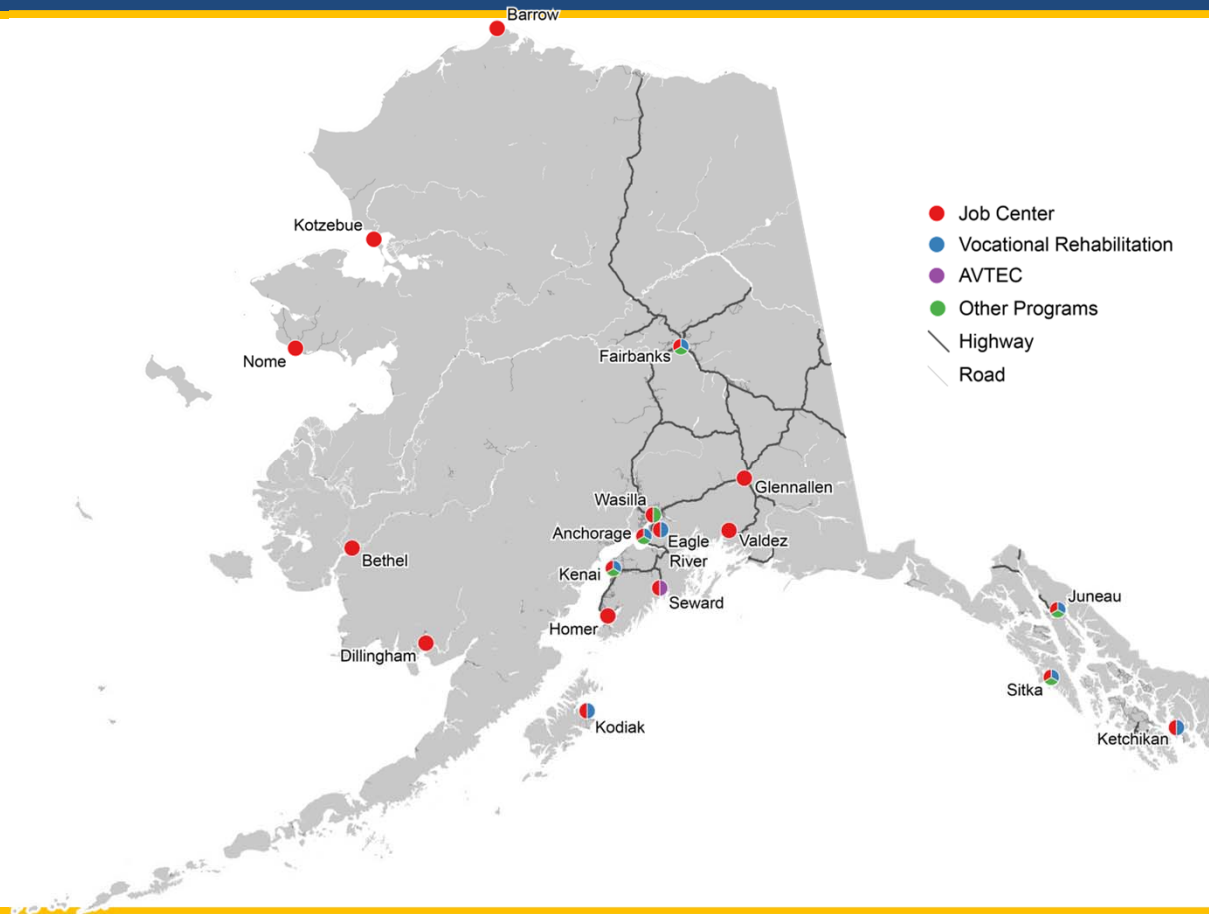
- **Protect Alaska's workers** through statutory and regulatory assistance and enforcement.
- **Workforce development** to support Alaska hire and economic development.
- **Income replacement** for injured, unemployed, and permanently disabled workers.



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OFFICES BY LOCATION



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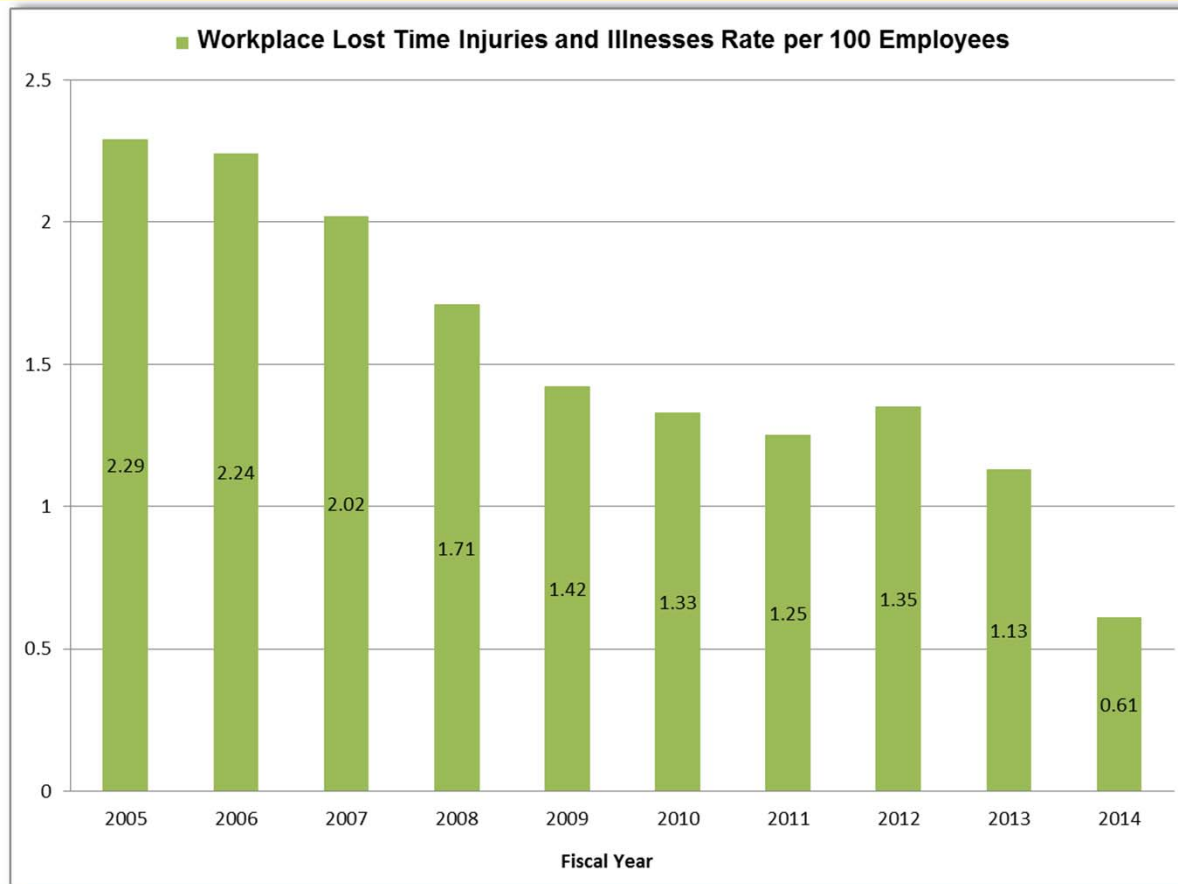
ORGANIZATION CHART



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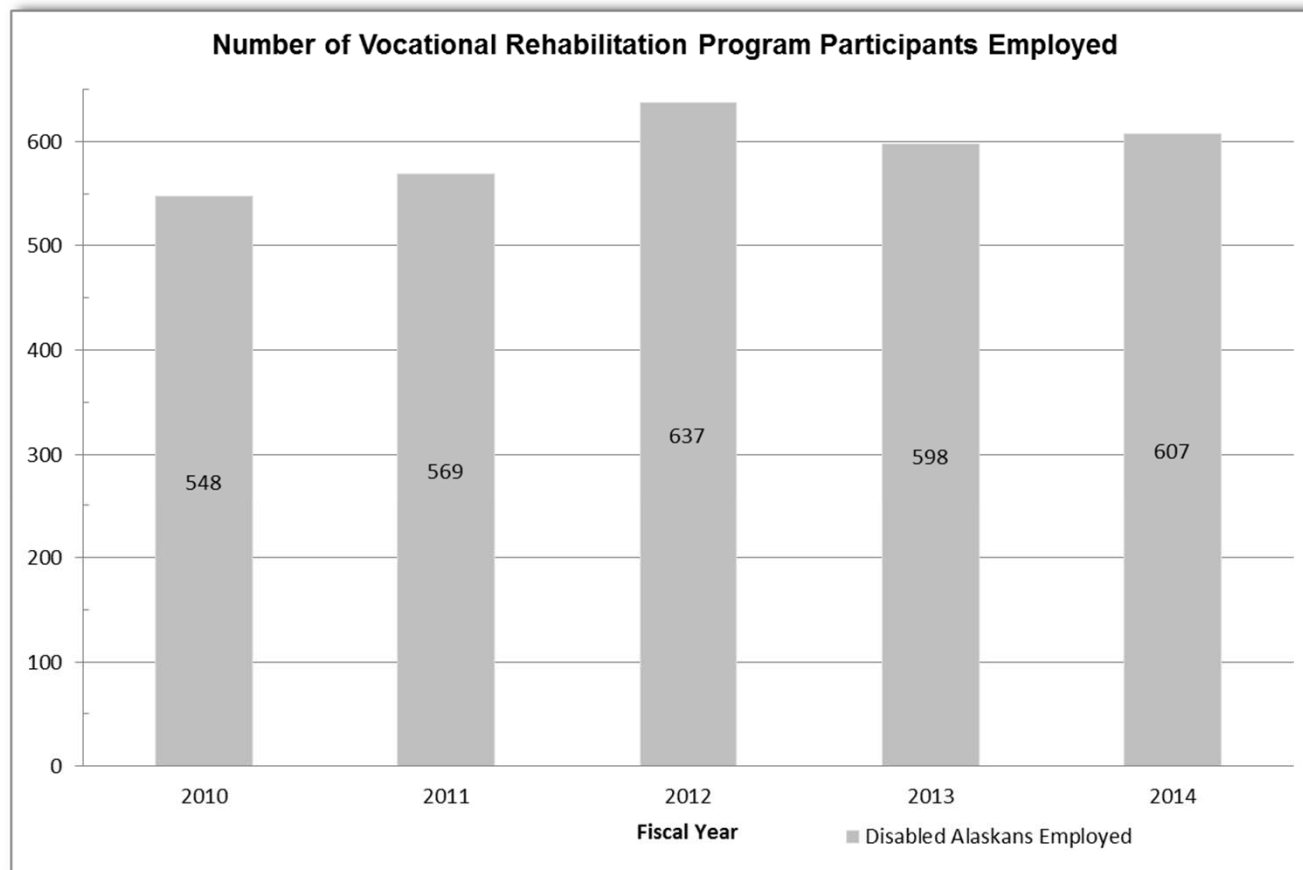
PROTECT WORKERS



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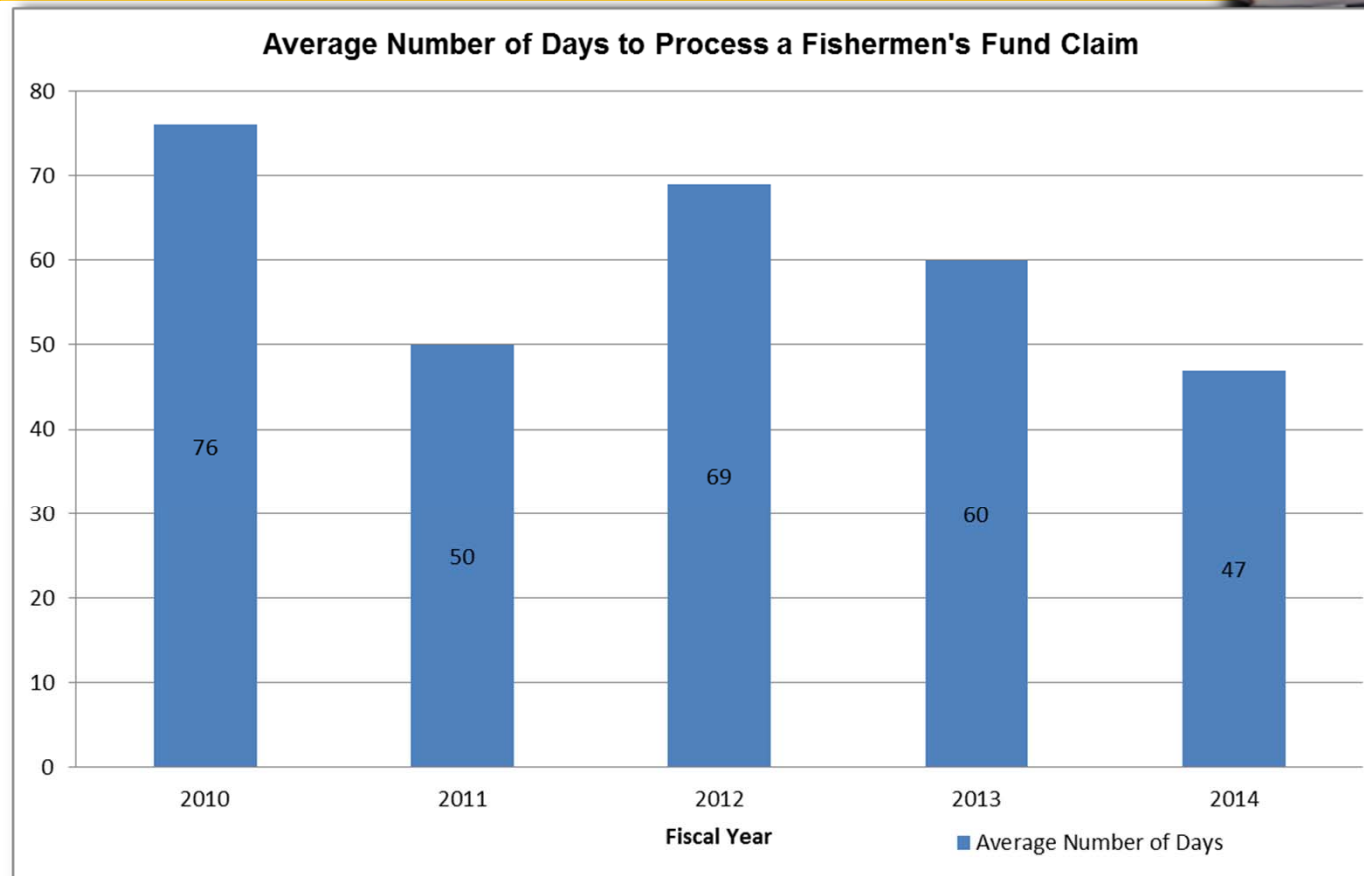
WORKFORCE DEVELOPMENT



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INCOME REPLACEMENT



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STATE PARTNERSHIPS



Work Readiness Assessments

- Alaska Military Youth Academy
- Department of Corrections
- Department of Education and Early Development

Economic and Demographic Data and Training and Education Program Outcomes

- Department of Health and Social Services
- Department of Commerce, Community and Economic Development
- Department of Education and Early Development
- University of Alaska
- Commission on Postsecondary Education

Apprenticeship, Training and Employment Services

- Department of Corrections
- Division of Juvenile Justice



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PRIVATE/NON-PROFIT PARTNERSHIPS



Apprenticeship, Training and Employment Services

- Alaska Employers
- Tribal and Community Vocational Rehabilitation Programs
- Construction Education Foundation
- Alaska Works Partnership
- Regional Training Centers and Private Training Providers

Private Sector Membership on Boards and Councils

- Workers' Compensation Boards
- Alaska Safety Advisory Council
- Alaska Workforce Investment Board
- Alaska Labor Relations Agency Board
- Fishermen's Fund Council



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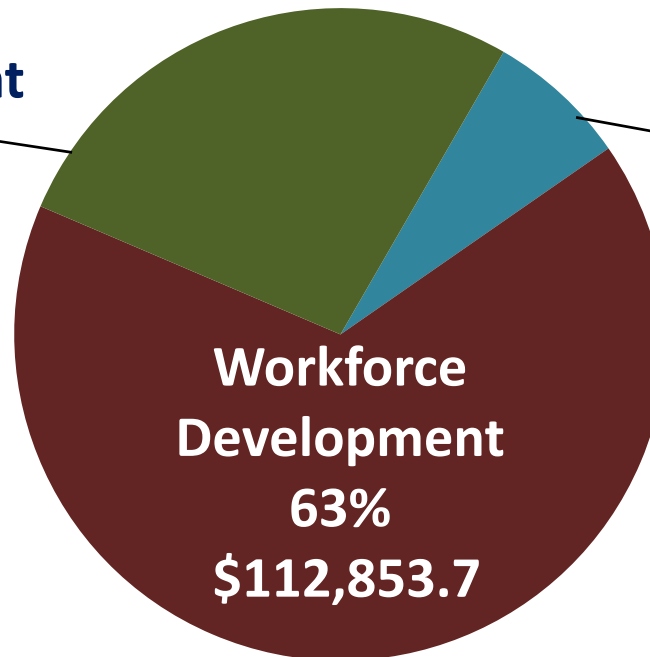
FY2016 ENDORSED BUDGET: \$179,412.8

UGF: \$29,169.9
DGF: \$35,275.5
Other: \$20,580.8
Federal: \$94,386.6

Budget by Priority Program

Income Replacement
29%
\$52,989.5

Protect Workers
8%
\$13,569.6



FY2015: \$185.3m
UGF: \$33,448.0
DGF: \$34,847.5
Other: \$21,773.6
Federal: \$95,237.6

FY2016 Positions:

Full-time	774
Part-time	71
<u>Temporary</u>	<u>8</u>
Total	853



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GOVERNOR'S ENDORSED BUDGET OVERVIEW

Operating Budget

One-time and Temporary Increment Reversals

- -\$1.4 million UGF for the Alaska Youth First/Compass Alaska program
- -\$150.0 DGF for the Rural Apprenticeship Outreach program
- -\$226.8 UGF and -\$100.0 DGF for the Alaska Vocational Technical Center (AVTEC) Registered Nurse program

Designated General Fund Increases

- Additional program receipt authority for the Alaska Safety Advisory Council (\$35.0) and AVTEC (\$110.0)
- \$429.0 in additional Technical and Vocational Education Program (TVEP) funding to regional training centers specified in Alaska Statute 23.15.835

Known Federal and Other Funding Reductions

- -\$3.0 million less in federal and other funding that supports the state's job center network



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TECHNICAL AND VOCATIONAL EDUCATION PROGRAM

Entity	FY2014 Distribution	FY2015 Distribution	FY2016 Distribution
University of Alaska	\$ 4,842.0	\$ 5,226.9	\$ 5,630.0
University of Alaska Southeast	\$ 538.0	-	-
Galena Interior Learning Academy	\$ 430.4	\$ 464.6	\$ 500.4
Alaska Technical Center	\$ 968.4	\$ 1,045.4	\$ 1,126.0
Alaska Vocational Technical Center (AVTEC)	\$ 1,829.2	\$ 1,974.5	\$ 2,126.9
Northwestern Alaska Career and Technical Center (NACTEC)	\$ 322.8	\$ 348.5	\$ 375.3
Southwest Alaska Vocational and Education Center (SAVEC)	\$ 322.8	\$ 348.5	\$ 375.3
Yuut Elitnaurviat, Inc. People's Learning Center	\$ 968.4	\$ 1,045.4	\$ 1,126.0
Partners for Progress in Delta, Inc.	\$ 322.8	\$ 348.5	\$ 375.3
Amundsen Educational Center	\$ 215.2	\$ 232.3	\$ 250.2
Ilisagvik College	-	\$ 580.8	\$ 625.5
Total	\$ 10,760.0	\$ 11,615.4	\$ 12,510.9



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GOVERNOR'S ENDORSED BUDGET OVERVIEW

Operating Budget continued

\$300.0 Unallocated Unrestricted General Fund Reduction

- Delete three positions from the Commissioner's Office and the Administrative Services Division to attain the Governor's goal of redesigning administrative infrastructure to maintain maximum program and services delivery

8% Unrestricted General Fund (\$2.5 million) Reduction

- Reduce administrative and support positions, and streamline services to minimize direct service impacts (-\$1,052.2)
- Reduce funding available to offset lease expenses (-\$311.4)
- Closure of the Alaska Vocational Technical Center's Anchorage Campus , which houses AVTEC's Allied Health programs (-\$478.9)



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GOVERNOR'S ENDORSED BUDGET OVERVIEW

Operating Budget continued

8% Unrestricted General Fund (\$2.5 million) Reduction continued

- Reduced Adult Basic Education instructional hours (-\$172.5)
- Eliminate a Wage and Hour Investigator (-\$153.9)
- Less funding for pass-through grants in support of Alaska Construction Academies and Rural Training Centers (-\$367.6)



Capital Budget

Re-appropriation

- \$530.0 unexpended balance of the AVTEC Third Avenue Dormitory project to provide for the replacement and upgrading of AVTEC's information technology (IT) equipment and infrastructure.



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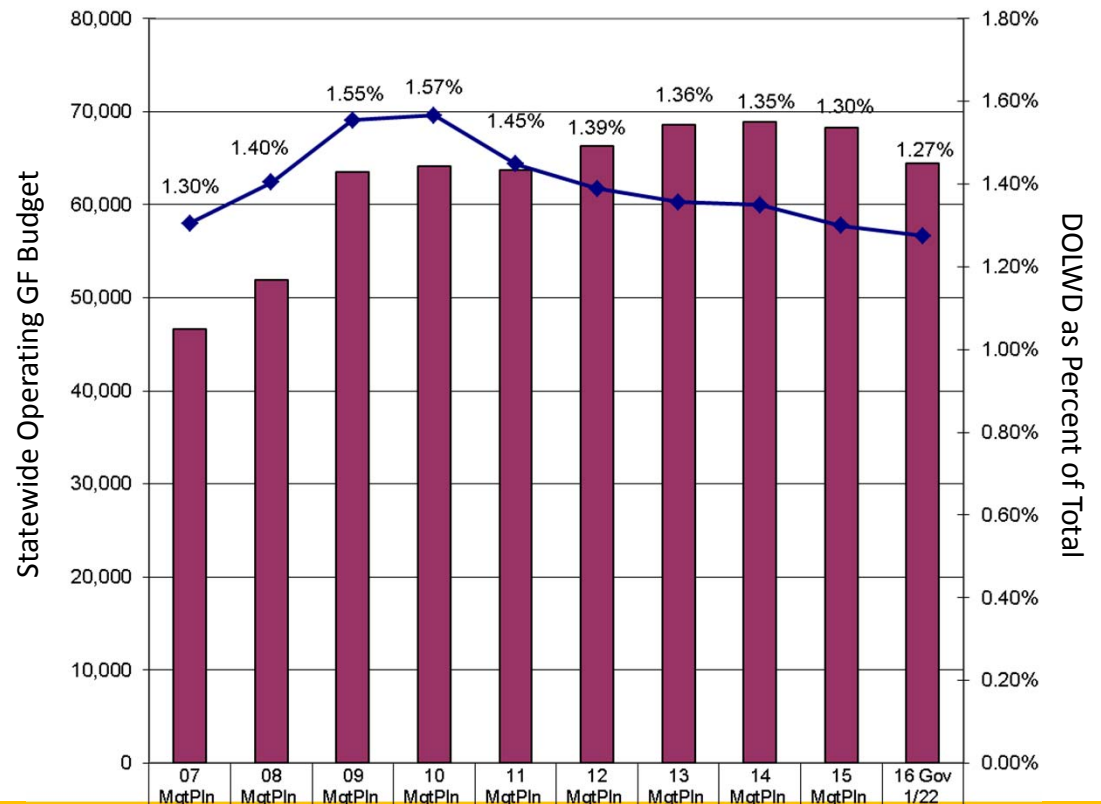


SHARE OF TOTAL AGENCY OPERATIONS

General Funds in this slide is a combination of Designated General Funds and Unrestricted General Funds.

- The department's general funds have increased at an average annual growth rate of 3.7%.
- However, the rest of the state has grown at a faster rate so the department represent a smaller share of the overall statewide budget (six straight years of decline).

Department of Labor & Workforce Development Share of Total Agency Operations
(GF Only)
(\$ Thousands)



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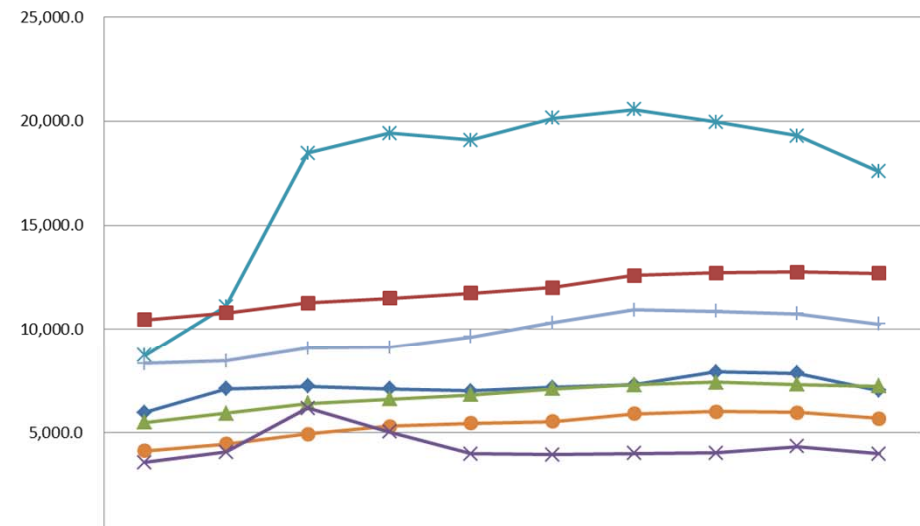


GENERAL FUNDS BY APPROPRIATION

General Funds includes special training funds such as the State Training and Employment Program (STEP), and the Technical and Vocational Education Program (TVEP).

General Funds also includes program receipts from fee-for-service type activities (i.e., student tuition and fees or mechanical inspection fees).

Appropriations within the Department of Labor & Workforce Development
(GF Only)
(\$ Thousands)



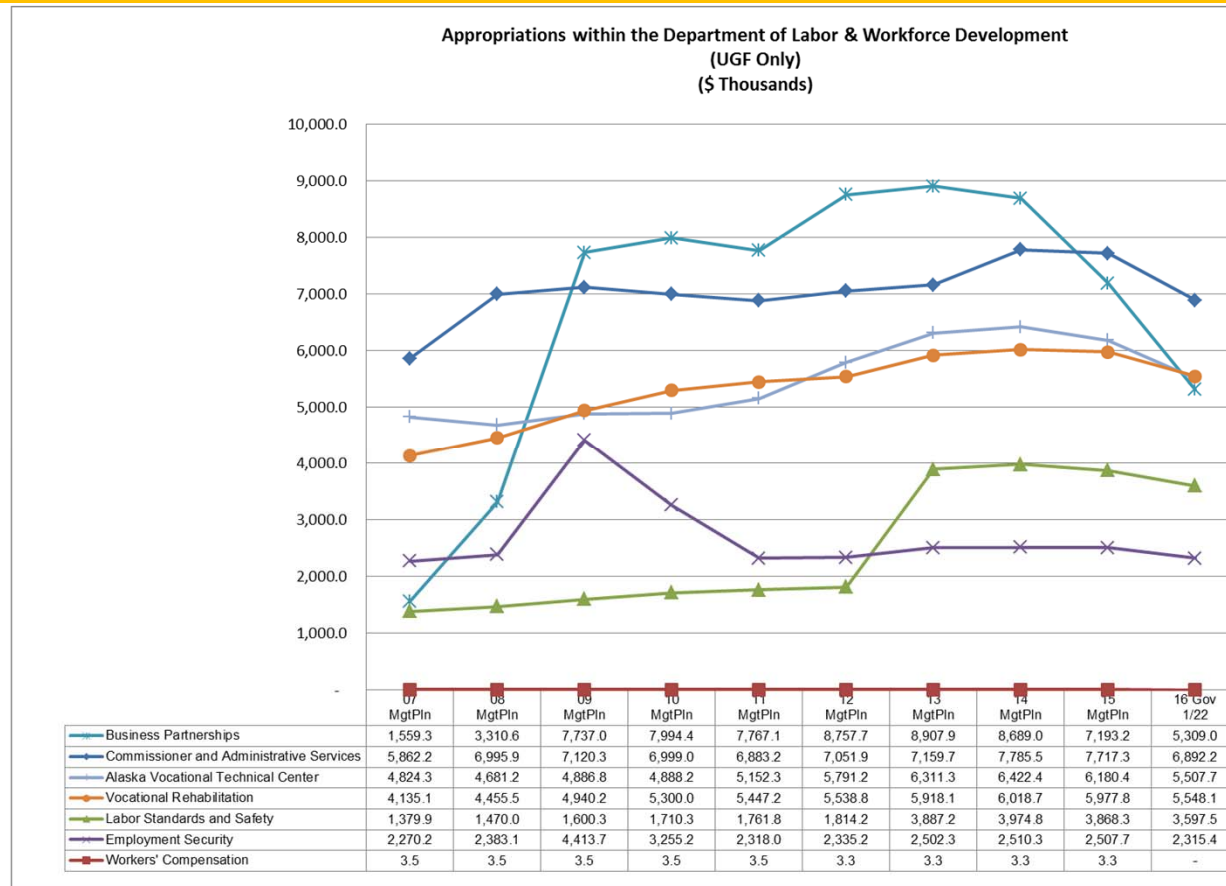
	07 MgtPln	08 MgtPln	09 MgtPln	10 MgtPln	11 MgtPln	12 MgtPln	13 MgtPln	14 MgtPln	15 MgtPln	16 Gov 1/22
Business Partnerships	8,719.8	11,098.7	18,458.9	19,430.5	19,087.2	20,154.0	20,560.1	19,966.2	19,298.7	17,584.7
Workers' Compensation	10,451.6	10,782.9	11,264.9	11,501.9	11,748.3	12,018.7	12,602.2	12,712.1	12,758.7	12,705.7
Alaska Vocational Technical Center	8,333.4	8,447.0	9,067.3	9,106.1	9,631.6	10,322.4	10,942.5	10,877.1	10,758.6	10,248.7
Commissioner and Administrative Services	5,963.5	7,107.0	7,236.5	7,117.5	7,005.2	7,178.8	7,291.2	7,919.0	7,844.2	7,019.5
Labor Standards and Safety	5,495.7	5,923.7	6,412.5	6,616.9	6,809.0	7,111.4	7,295.3	7,419.3	7,320.6	7,238.8
Vocational Rehabilitation	4,135.1	4,455.5	4,940.2	5,300.0	5,447.2	5,538.8	5,918.1	6,018.7	5,977.8	5,973.1
Employment Security	3,564.3	4,067.0	6,172.8	5,039.7	3,978.6	3,945.1	4,009.8	4,028.6	4,336.9	3,974.9



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UNRESTRICTED GENERAL FUNDS BY APPROPRIATION

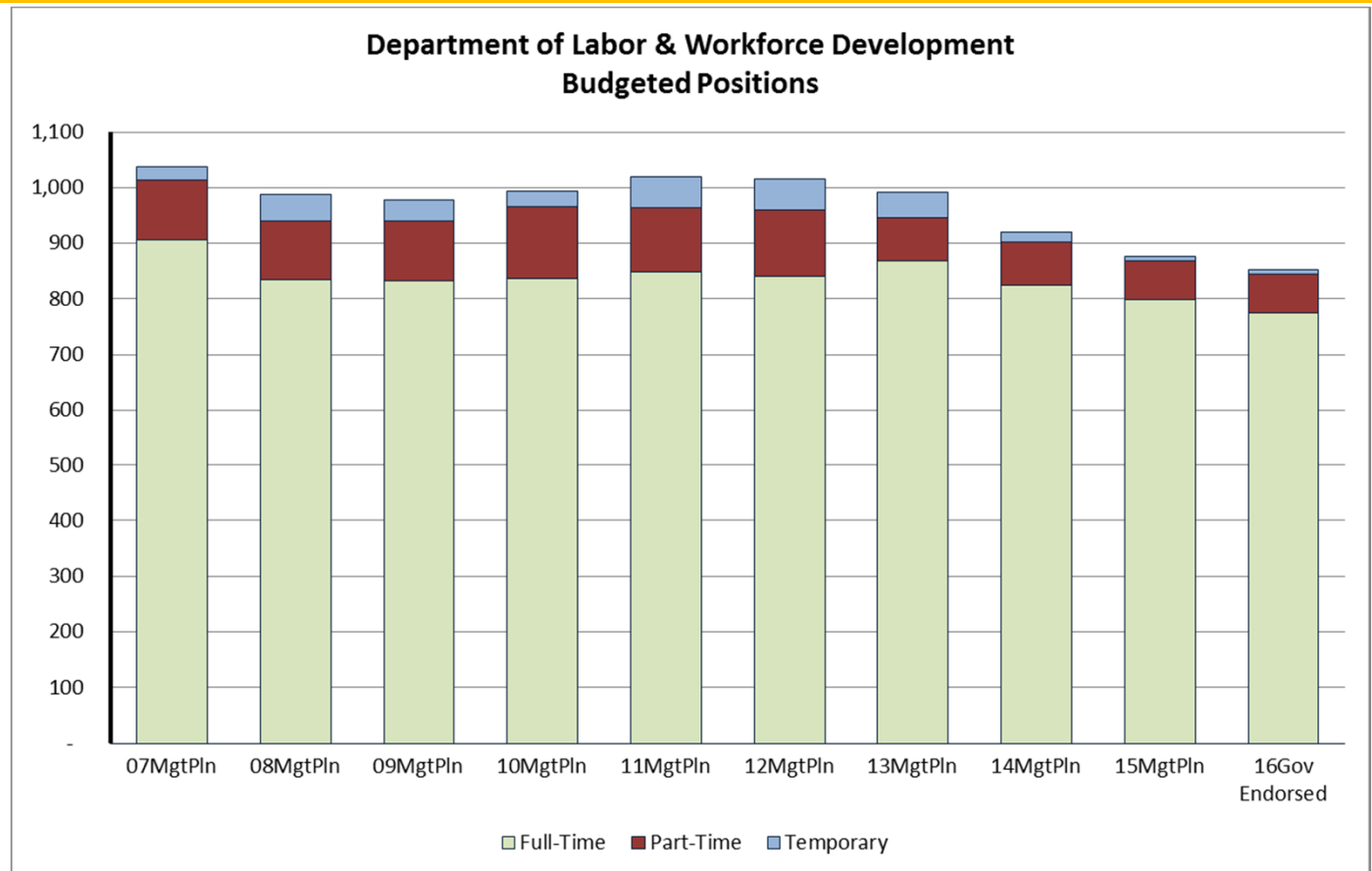


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CHANGE IN POSITIONS

**Between FY07-FY16
the total number of
budgeted positions in
the department
decreased by 184**



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VISION FOR THE DEPARTMENT



Streamline programs and revamp the workforce development system to ensure maximum effectiveness and efficiency within a sustainable budget

Increase Alaska resident hire in priority industries and occupations to ensure Alaskans are getting Alaska's jobs

Ensure economic stability for injured, unemployed and disabled Alaskans



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CONTINUED FEDERAL PROGRAMS

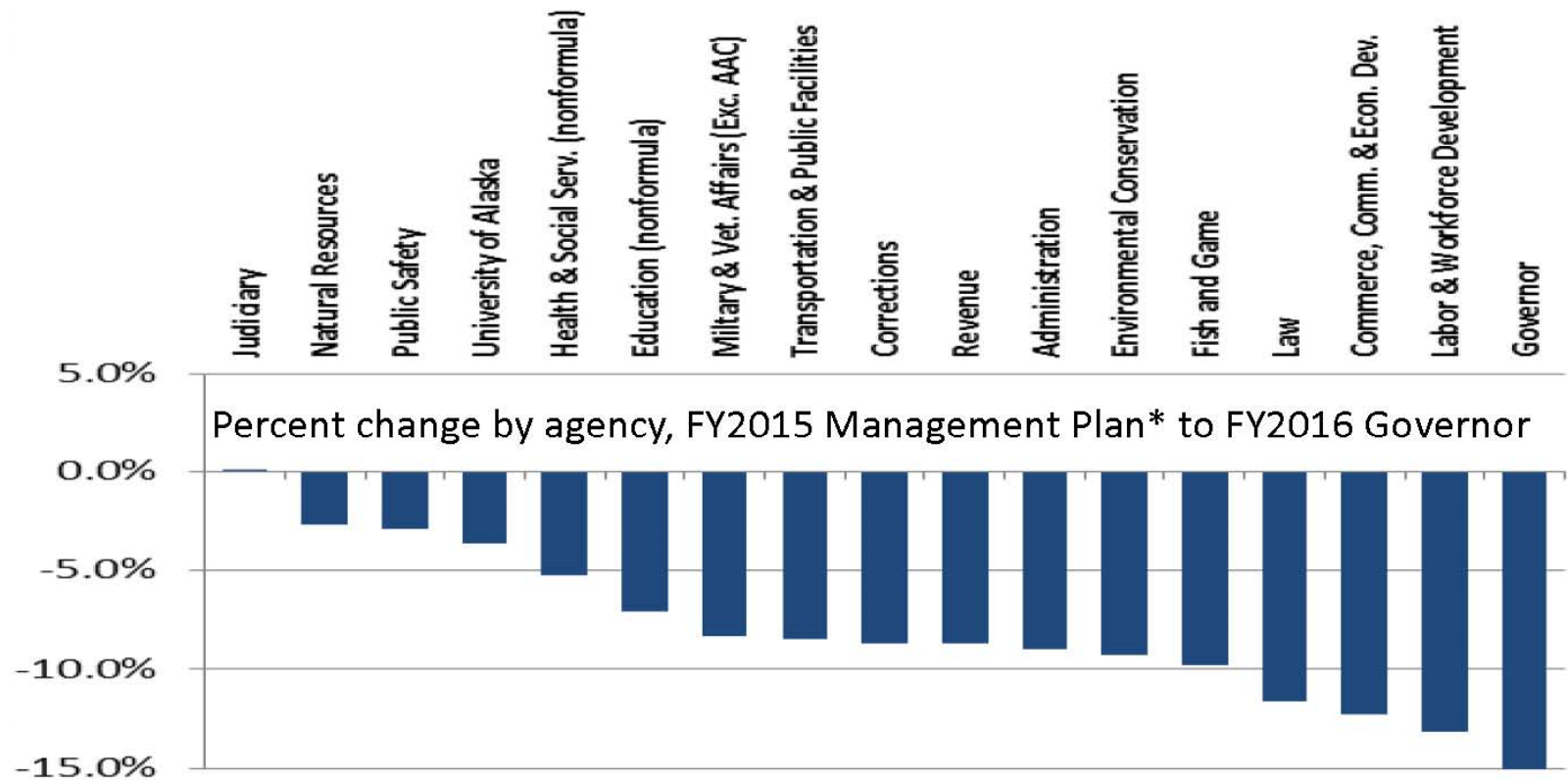
The department does not have any areas where state funds have continued a program that was started with federal funds.



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12.8% CUTS ALREADY TAKEN



*FY2015 Management Plan reflects distribution of fuel allocation to agencies

GOV -30%



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ADDITIONAL CUTS

A 20 percent UGF cut from the FY2016 Work In Progress (WIP) budget released December 15, 2014, will require a reduction of \$3.8 million beyond the \$4.4 million that has already been reduced from the department's budget for FY2016.



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WE'RE PREPARING ALASKANS FOR THE JOBS OF TODAY—AND TOMORROW.

Alaska Department of Labor and Workforce Development

Commissioner Heidi Drygas

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