



THE STATE
of **ALASKA**
GOVERNOR BILL WALKER

**Department of Labor and
Workforce Development**

Office of the Commissioner

Post Office Box 111149
Juneau, Alaska 99811
Main: 907.465.2700
Fax: 907.465.2784

February 6, 2017

The Honorable Paul Seaton
The Honorable Neal Foster
Co-Chairs of House Finance Committee
State Capitol Building
Juneau, AK 99801-1182

Dear Representatives Seaton and Foster,

Thank you for the opportunity to present an Overview of the Department of Labor and Workforce Development to the House Finance Committee on January 27, 2017. Provided below is a response to an inquiry raised during the meeting.

Representative Wilson asked what fund sources made up the Services increase in our budget.

The department's budget for Services increased by \$7.1 million from FY2008 to FY2018. Federal funding for Services in the Unemployment Insurance (UI) component of \$6.35 million made up 89% of the department's overall increase. Designated General Funds supports another \$650,000 (9%) of the increase; this is mostly related to increased legal costs for the Workers' Compensation program and increased utilities and risk management costs for the Alaska Vocational Technical Center's (AVTEC) facilities. The remaining \$125,000 (2%) of the department's Services increase was related to medical consultations for our Vocational Rehabilitation program clients. These expenses are funded 70% with Federal Funds and 30% with Unrestricted General Funds required state match funding.

Several other inquiries were tabled for further discussion during the House Finance Subcommittee process.

Please let me know if you have further questions. I welcome the opportunity to speak with you on this or any other topics related to the department.

Sincerely,

A handwritten signature in blue ink that reads "Heidi Drygas".

Heidi Drygas
Commissioner