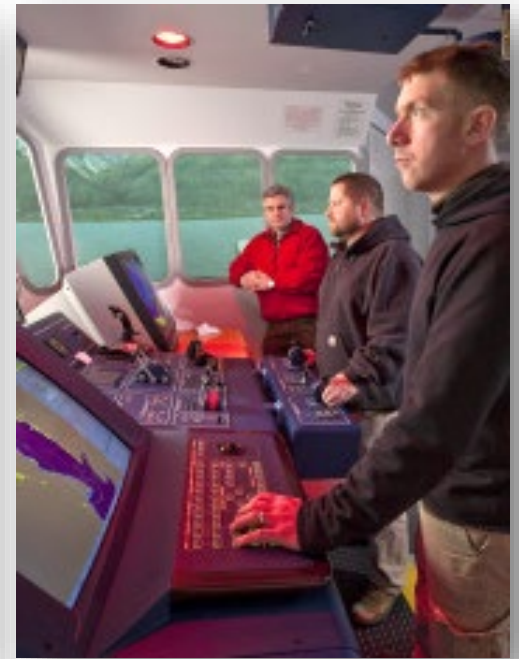


# ALASKA DEPARTMENT OF LABOR AND WORKFORCE

## Department Overview House Finance Sub-Committee



January 24, 2020

# Department Overview

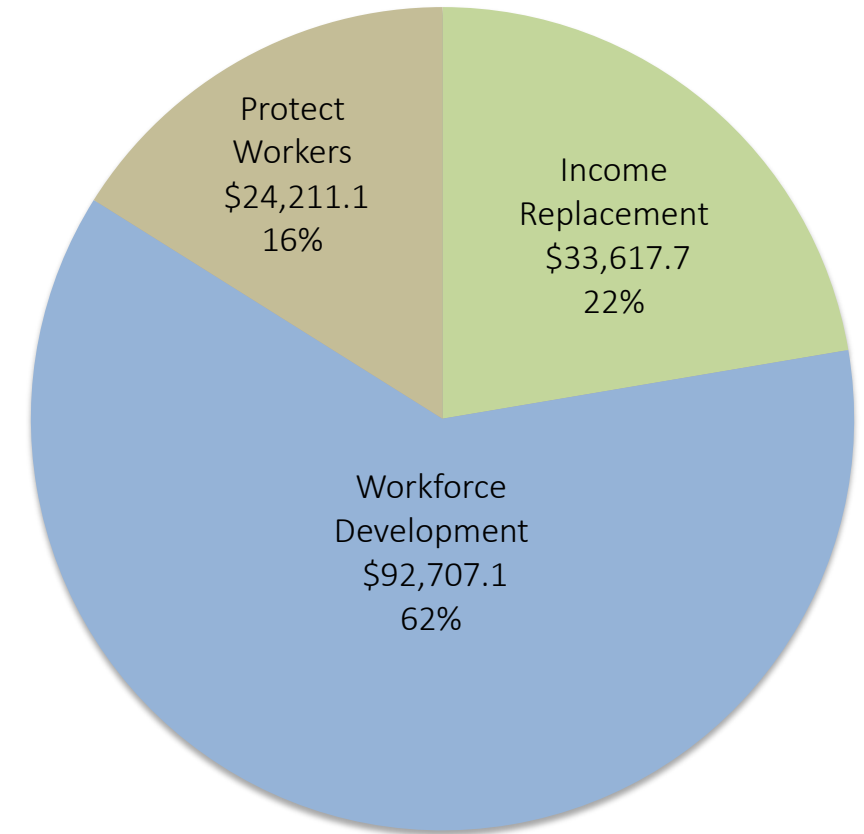
## MISSION:

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

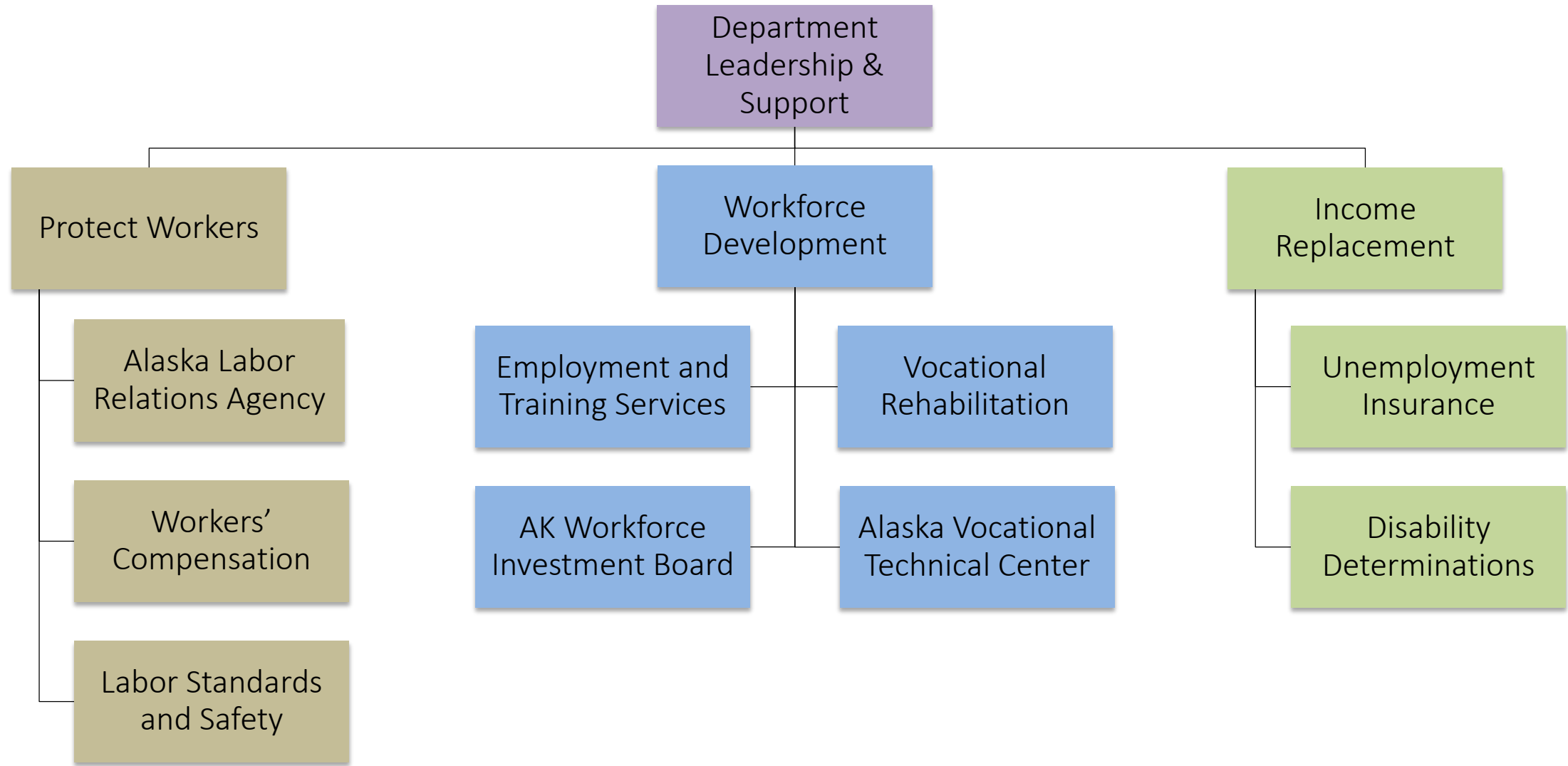
## CORE SERVICES:

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

FY2021 Governor's Budget by Core Service: \$150,535.9  
(Thousands)



# Department Organization by Core Service



# Commissioner's Office & Administrative Services

Department  
Leadership &  
Support

Dr. Tamika L. Ledbetter, Commissioner  
Hannah Lager, Administrative Services Director

## Commissioner's Office

- Departmental leadership and policy.
- Facilitation of cross-divisional and cross-departmental workforce development initiatives.

## Data Processing

- Department information technology planning, development, and implementation.
- Coordination with the Office of Information Technology on statewide initiatives.

## Management Services

- Administrative guidance.
- Budget development and management.
- Fiscal management, including reporting and management of the department's \$76 million in federal funds.
- Departmental procurement and facility management.

## Leasing

- Leasing and facility services for the department.
- 18 leased spaces, 9 state-owned spaces.



# Labor Market Information

Dan Robinson, Chief

Department  
Leadership &  
Support



- Produces and disseminates objective economic and demographic data.
- Responds to requests for information from businesses, media, the legislature, government entities, and the general public.
- Meets federal requirements for six cooperative programs with the U.S. Bureau of Labor Statistics.
- Produces monthly “Alaska Economic Trends” magazine, available online at <http://labor.alaska.gov/trends/>.

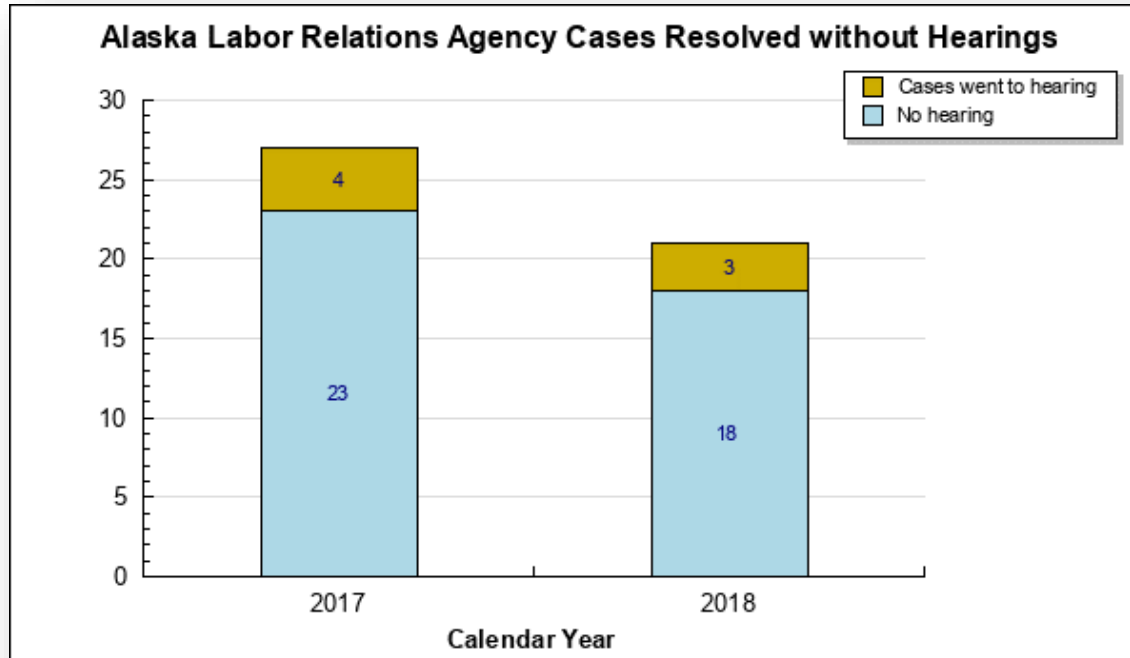




# Alaska Labor Relations Agency

Protect Workers

Nicole Thibodeau, Hearing Examiner / Administrator



- Neutral, quasi-judicial agency whose mission is to facilitate cooperative relations between Alaska's public employers and its labor organizations that represent public employees.
- Administers the Public Employment Relations Act (AS 23.40.070 – 23.40.260) and the labor provisions of the Alaska Railroad Corporation Act (AS 42.40.705 – 42.40.890) pertaining to collective bargaining for public employers.

# Workers' Compensation

Protect Workers

## Grey Mitchell, Director

Helps Alaskans with employment related injuries and illnesses by:

- Administering the Alaska Workers' Compensation Act.
  - Managing Workers' Compensation payments.
  - Adjudications and Special Investigations.
  - Administering reemployment benefits.
  - Supporting the Alaska Workers' Compensation Board and the Medical Services Review Committee.
- Housing the Workers' Compensation Appeals Commission, which hears appeals from decisions of the Alaska Workers Compensation Board.
- Managing special funds:
  - Fishermen's Fund, Second Injury Fund, Workers' Compensation Benefits Guaranty Fund.



# Labor Standards and Safety

Protect Workers

Joseph Knowles, Deputy Director



Provides enforcement, training and monitoring of laws governing:

- Occupational Safety and Health
- Wages and hours
- Child labor
- Electrical and mechanical codes



# Alaska Workforce Investment Board

Workforce  
Development

Louise Dean, Executive Director



- Builds connections that put Alaskans into good jobs.
- Provides policy oversight of state and federally funded job training and vocational education programs.
- Provides an annual report to the legislature on the performance and evaluation of the state's training programs.
- Staff administers the department's competitive and pass-through workforce development grant programs.

# Alaska Vocational Technical Center (AVTEC)

Workforce  
Development

Cathy LeCompte, Director



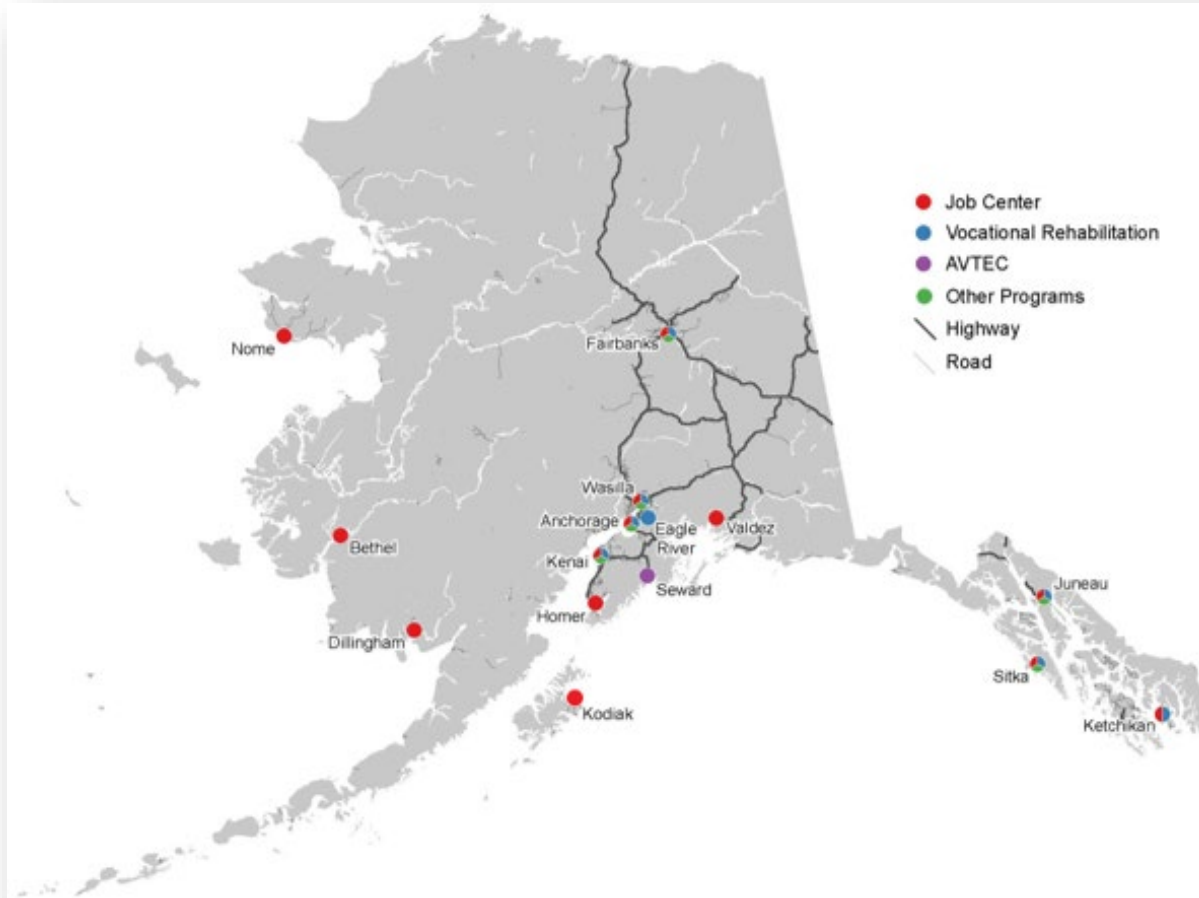
- Provides market-driven vocational and technical training to prepare Alaska residents for jobs.
- Recently ranked in the top 10% nationwide for high financial return on investment for students, and is the highest ranked Alaskan educational institution.  
(<https://cew.georgetown.edu/cew-reports/collegeroi/>)
- AVTEC's FY19 completion rate was 85%, and 88% were employed in their area of training.

# Employment and Training Services

Patsy Westcott, Director

Income  
Replacement

Workforce  
Development



- Provides employment, training and education services through the Alaska Job Center Network across Alaska.
- Administers Workforce Innovation and Opportunity Act (WIOA) federal funding and other federal programs.
- Provides economic stability to unemployed Alaskans through Unemployment Insurance.





# Vocational Rehabilitation

Duane Mayes, Director

Income  
Replacement

Workforce  
Development

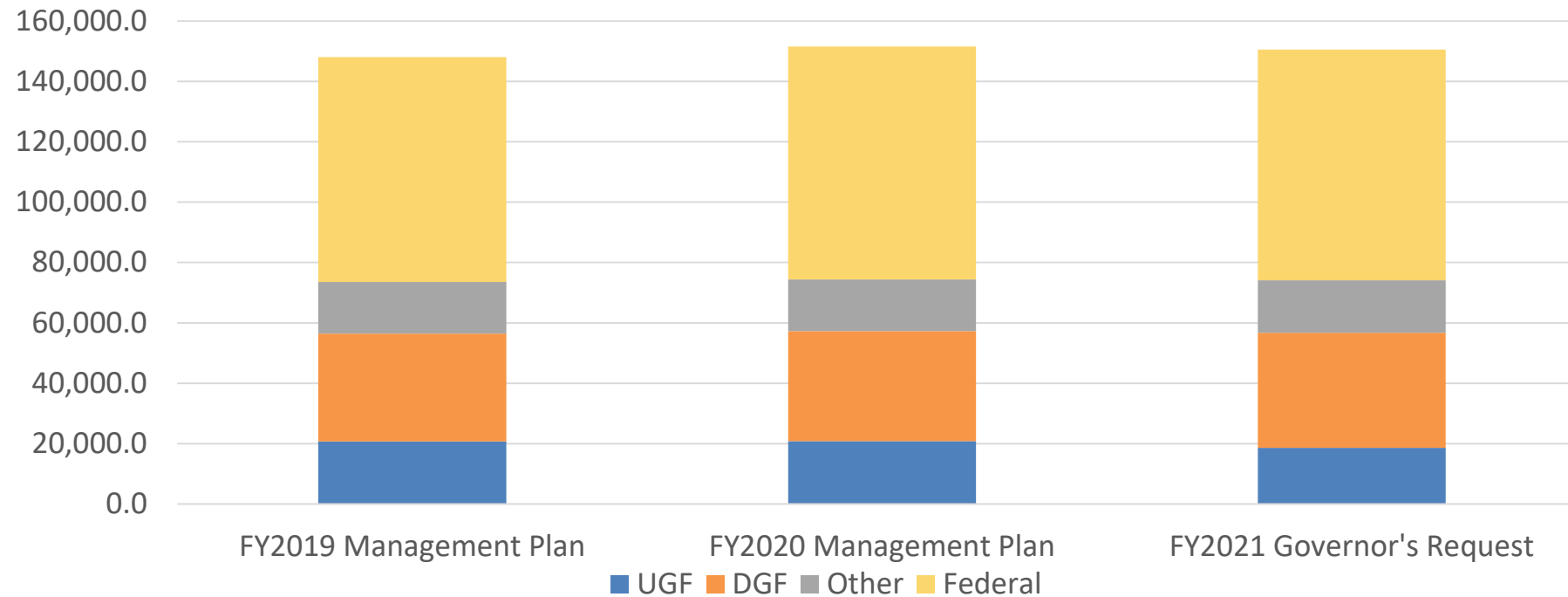


- Assists Alaskans with disabilities to secure and maintain employment.
- Provides economic stability to disabled Alaskans through Social Security disability determinations.
- In FY19, DVR had 421 individuals employed upon exit of their individualized plan for employment, an increase from 403 in FY2018.



# FY2021 Operating Budget Comparison

(\$ Thousands)



	FY2019 Management Plan	FY2020 Management Plan	FY2021 Governor's Request	Difference FY19 and FY21	% Difference FY19 and FY21
UGF	\$ 20,697.2	\$ 20,846.6	\$ 18,606.0	\$ (2,091.2)	-10.1%
DGF	\$ 35,766.7	\$ 36,413.4	\$ 38,143.5	\$ 2,376.8	6.6%
Other	\$ 17,104.3	\$ 17,131.9	\$ 17,390.7	\$ 286.4	1.7%
Federal	\$ 74,507.3	\$ 77,196.8	\$ 76,395.7	\$ 1,888.4	2.5%
<b>Total</b>	<b>\$ 148,075.5</b>	<b>\$ 151,588.7</b>	<b>\$ 150,535.9</b>	<b>\$ 2,460.4</b>	<b>1.7%</b>





# FY2021 Fund Source Breakdown by Fund Category

(\$ Thousands)

	UGF	DGF	GF Sub Total	Other	Fed	Total	PFT
Formula							
Non-Formula	\$ 18,606.0	\$ 38,143.5	\$ 56,749.5	\$ 17,390.7	\$ 76,395.7	\$ 150,535.9	662
*Duplicate				\$ (15,865.1)		\$ (15,865.1)	
Non-Duplicate Total	\$ 18,606.0	\$ 38,143.5	\$ 56,749.5	\$ 1,525.6	\$ 76,395.7	\$ 134,670.8	662

UGF	1003 General Fund Match	\$ 6,904.9
	1004 General Fund	\$ 11,701.1
DGF	1005 General Fund Program Receipts	\$ 5,280.1
	1031 Second Injury Fund	\$ 2,852.1
	1032 Fishermen's Fund	\$ 1,409.9
	1049 Training and Building Fund	\$ 773.6
	1054 State Employment and Training Program (STEP)	\$ 8,475.9
	1151 Technical Vocational Education Program Account (TVEP)	\$ 6,890.7
	1157 Workers Safety and Compensation Administration Account	\$ 9,337.6
	1172 Building Safety Account	\$ 2,145.8
	1203 Workers' Compensation Benefits Guaranty Fund	\$ 779.6
	1237 Vocational Rehabilitation Small Business Enterprise Revolving Fund	\$ 198.2

Other	1007 I/A Receipts (Duplicate)	\$ 15,765.3
	1061 CIP Receipts (Duplicate)	\$ 99.8
	1092 Mental Health Trust Authority Authorized Receipts	\$ 25.0
	1108 Statutory Designated Program Receipts	\$ 1,376.4
	1117 Randolph Sheppard Small Business Fund	\$ 124.2
	1002 Federal Receipts	\$ 76,395.7



# FY2021 Proposed Operating Budget *(Changes from Adjusted Base)*

	Component	Title / Description	Trans Type	\$ (Thousands)	Funding	PCNs
1	Commissioner's Office	Reduce UGF for Legal Expenses	Dec	-35.0	1004 Gen Fund (UGF)	-
		Reduce general funds previously used for departmental legal expenses.				
2	Management Services	Delete Administrative Assistant I	Dec	-45.0	1004 Gen Fund (UGF)	-1
		Delete full-time position in Anchorage. Streamline procurement processes and eliminate reception.				
3	Data Processing	Reduce Project Authority	Dec	-45.0	1004 Gen Fund (UGF)	-
		Reduce general funds used for department-wide project support and hardware.				
4	Labor Market Information	Alaska Health Workforce Profile	IncOTI	+25.0	1092 MHTAAR (Other)	-
		Provide the annual Alaska Health Workforce Profile for the Alaska Mental Health Trust Authority.				
5	Labor Market Information	Eliminate Training Clearinghouse	Dec	-45.0	1004 Gen Fund (UGF)	-
		Most training information in the clearinghouse is publicly available on the internet, and there is no statutory or regulatory requirement to collect or provide this data.				

# FY2021 Proposed Operating Budget *(Changes from Adjusted Base)*

	Component	Title / Description	Trans Type	\$ (Thousands)	Funding	PCNs
6	Labor Market Information	Delete Office Assistant II	Dec	-40.0	1004 Gen Fund (UGF)	-1
		Delete full-time position in Juneau. Labor Market Information will maximize process efficiencies and consolidate reception functions.				
7	Second Injury Fund	Second Injury Fund Fiscal Note Adjustment	Inc	+400.0	1031 Sec Injury (DGF)	-
		<p>When HB79 was passed, the Second Injury Fund (SIF) provided a fiscal note stating that the fund could reduce expenditure authority for grants and benefits over a 5-year period until the expenditure authorization was zeroed. After further review, the fiscal note did not take into consideration that 95% of SIF claims are for permanent total disability, meaning the claim will be paid for the life of the claimant. It will likely take decades for the fund liabilities to be absolved, so expenditure authority is required.</p> <p>A decrement for the same amount is included in Adjusted Base, for a net-zero change overall. This increment restores the FY2021 component total of \$2,852.1 in authority in the Second Injury Fund component. In FY2019, \$2,480.1 was expended in the component.</p>				

# FY2021 Proposed Operating Budget *(Changes from Adjusted Base)*

	Component	Title / Description	Trans Type	\$ (Thousands)	Funding	PCNs
8	Wage and Hour Administration	Correct Categorization of Certified Payroll Filing Fees	Fund Change	-1,400.0 +1,400.0	1004 Gen Fund (UGF) 1005 GF Prog Rcpts (DGF)	-
		Receipts collected under AS 36.05.045 are called “fees” and meet the definition of program receipts under AS 37.05.146(a).				
9	Wage and Hour Administration	Administrative Reductions in the Fairbanks Office	Dec	-124.4	1004 Gen Fund (UGF)	-1
		Realign administrative and investigative positions for efficiencies. Delete one full-time Office Assistant II.				
10	Occupational Safety and Health	Reduce Unused General Funds	Dec	-3.0	1004 Gen Fund (UGF)	-
		Reduce unused authorization and streamline accounting structures. After this reduction, no UGF will remain in the component.				
11	Unemployment Insurance	Delete Long-Term Vacant Positions	Dec	-173.2	1002 Federal (Fed)	-2
		Delete Accounting Technician II and Employment Security Analyst in Juneau.				



# FY2021 Proposed Operating Budget *(Changes from Adjusted Base)*

	Component	Title / Description	Trans Type	\$ (Thousands)	Funding	PCNs
12	Vocational Rehabilitation Client Services	Close Kodiak Field Office and Eliminate Two Positions	Dec	-84.3	1003 GF Match (UGF)	-2
		There are currently no clients receiving services in the Kodiak area. Delete one Vocational Rehabilitation Assistant I and one Vocational Rehabilitation Counselor II in Kodiak.				
13	Alaska Vocational Technical Center	Add Authority for Tuition and Fee Increases	Inc	+250.0	1005 GF Prog Rcpts (DGF)	-
		AVTEC is increasing tuition rates by 4% and fees for student consumables and services where expenditures are not currently fully supported by fees collected.				
14	Alaska Vocational Technical Center	Add Authority for Contract Training in Response to Industry	Inc	+234.1	1108 Stat Des Prog Rcpts (Other)	-
		Allow AVTEC to continue working with industry to provide training to develop Alaska's workforce.				
15	Alaska Vocational Technical Center	Delete Positions After Restructure	Dec	-226.7	1004 Gen Fund (UGF)	-2
		Positions no longer needed due to restructuring. Delete full-time Maritime Instructional Aide and full-time AVTEC Instructor in Seward.				





# FY2021 Proposed Capital Budget

Title / Description	\$ (Thousands)	Funding
Vocational Rehabilitation Business Enterprise Program Facility Development and Equipment Replacement	+447.4 +185.0	1004 Gen Fund (UGF) 1237 Voc. Small Bus. Revolving Fund (DGF)
<p>The Business Enterprise Program (BEP, AS 23.15.100) provides employment opportunities for blind individuals through the establishment and operation of vending facilities on federal and state properties. This appropriation will pay for replacement or repair of existing facility equipment, construction of new vending facilities, and further development of Business Enterprise Program assets.</p> <p>Ensuring equipment is functional and modernized will ensure that BEP revenues and revenues to BEP partnerships are sustainable, and in some cases may increase revenue to the vendors and to the program. This capital appropriation will allow for the refurbishment of antiquated sites and replacement of irreparable and outdated equipment, modernize current facilities, and improve current operations. The updates will increase foot traffic immediately and increase profits to vendors and to the program in the long term, which will strengthen blind &amp; disabled vendors' ability to be self-employed and self-supporting.</p> <p>Capital expenditures and ongoing operating costs for the program will come from the Business Enterprise Program Revolving Fund (AS 23.15.130), which is funded by receipts and chargebacks from businesses and vending managed through the program.</p>		

# Technical Vocational Education Program (TVEP) History

(\$ Thousands)

Entity	Distr. %	FY2017 Distribution	FY2018 Distribution	FY2019 Distribution	FY2020 Distribution	FY2021 Governor	Change from Prior Year
University of Alaska	45%	\$ 5,980.1	\$ 5,386.6	\$ 4,926.4	\$ 5,619.3	\$ 5,619.3	\$ 0.0
Galena Interior Learning Academy (EED)	4%	\$ 531.6	\$ 478.8	\$ 437.9	\$ 499.5	\$ 499.5	\$ 0.0
Alaska Technical Center	9%	\$ 1,196.0	\$ 1,077.3	\$ 985.3	\$ 1,123.8	\$ 1,123.8	\$ 0.0
Southwest Alaska Vocational and Education Center	3%	\$ 398.7	\$ 359.1	\$ 328.4	\$ 374.6	\$ 374.6	\$ 0.0
Yuut Elitnaurviat, Inc. People's Learning Center	9%	\$ 1,196.0	\$ 1,077.3	\$ 985.3	\$ 1,123.8	\$ 1,123.8	\$ 0.0
Northwestern Alaska Career and Technical Center	3%	\$ 398.7	\$ 359.1	\$ 328.4	\$ 374.6	\$ 374.6	\$ 0.0
Partners for Progress in Delta, Inc.	3%	\$ 398.7	\$ 359.1	\$ 328.4	\$ 374.6	\$ 374.6	\$ 0.0
Amundsen Educational Center	2%	\$ 265.8	\$ 239.4	\$ 218.9	\$ 249.7	\$ 249.7	\$ 0.0
Ilisagvik College	5%	\$ 664.5	\$ 598.5	\$ 547.4	\$ 624.4	\$ 624.4	\$ 0.0
Alaska Vocational Technical Center (DOLWD)	17%	\$ 2,252.5	\$ 2,034.0	\$ 1,861.1	\$ 2,124.2	\$ 2,124.2	\$ 0.0
<b>Total</b>	<b>100%</b>	<b>\$ 13,282.6</b>	<b>\$ 11,969.2</b>	<b>\$ 10,947.5</b>	<b>\$ 12,488.5</b>	<b>\$ 12,488.5</b>	<b>\$ 0.0</b>



# Department Priorities

- **Alaska is open for business**
  - Increased consultation efforts to avoid incidents.
  - Reduce burdensome and inefficient processes.
- **Alaskans are prepared for jobs in their communities**
  - Provide services across the state.
  - Engage industry to ensure we are training for the jobs available.
  - Connect young Alaskans early with job opportunities in the Alaskan economy and help them know all of their options.
- **Efficient and effective delivery of services**
  - Implemented business process realignment and efficiencies.
  - Focus on cross-divisional and cross-departmental initiatives to maximize services across agencies.
    - Youth Homeless Demonstration Project
    - At-Risk Youth Initiative
  - Share Alaska's workforce development leadership and best practices with other workforce agencies.



# PREPARING ALASKANS FOR THE JOBS OF TODAY—AND TOMORROW



Dr. Tamika L. Ledbetter, Commissioner  
Email: [Commissioner.Labor@Alaska.gov](mailto:Commissioner.Labor@Alaska.gov)  
Phone: (907) 269-7485

Hannah Lager, Administrative Services Director  
Email: [Hannah.Lager@Alaska.gov](mailto:Hannah.Lager@Alaska.gov)  
Phone: (907) 465-5984

