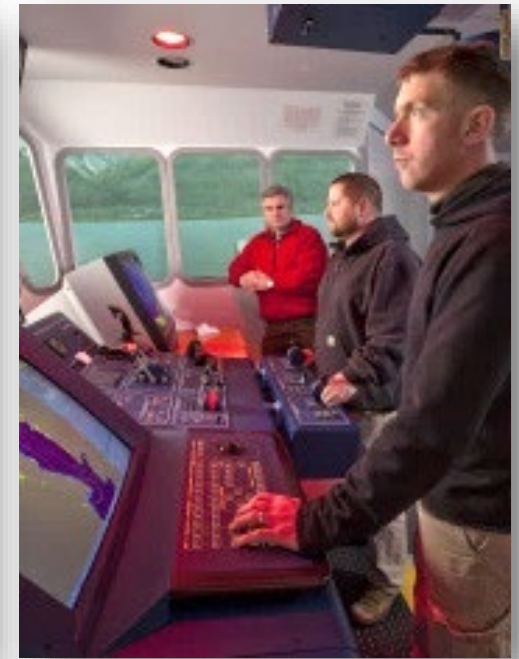


ALASKA DEPARTMENT OF LABOR AND WORKFORCE DEVELOPMENT

Department Overview House Finance Committee



February 12, 2020



Department Overview

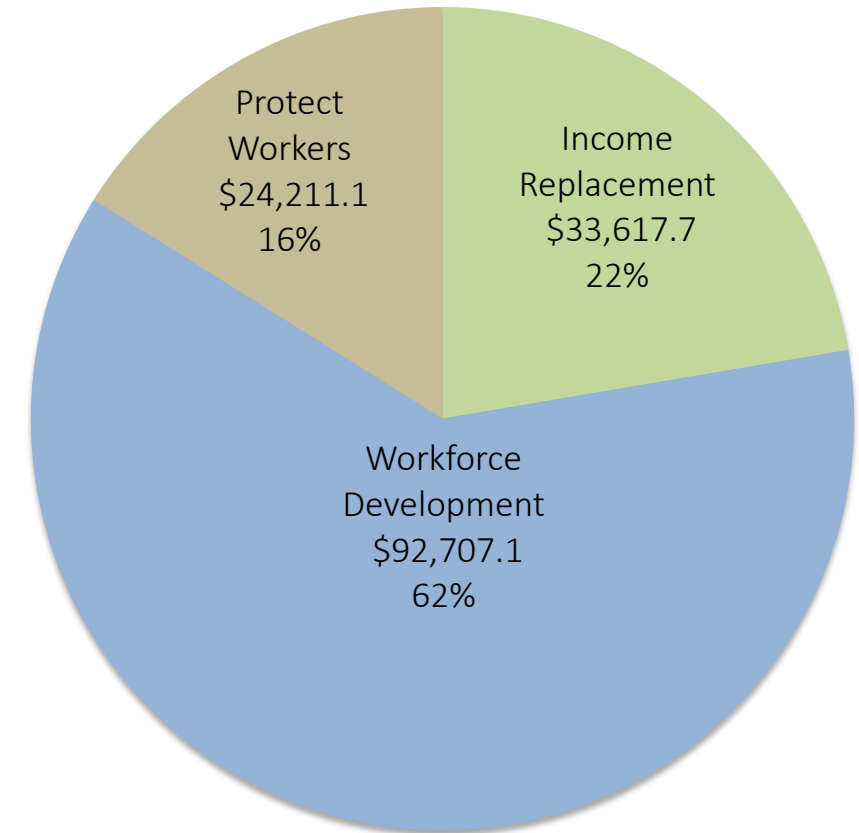
MISSION:

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 employment and economic development.
- **Income replacement** for injured, unemployed, and permanently disabled workers.

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



Organization and Core Services



Protect Workers

- Alaska Labor Relations Agency
- Workers' Compensation
- Labor Standards and Safety



Workforce Development

- Alaska Workforce Investment Board
- Employment and Training Services
- Vocational Rehabilitation
- Alaska Vocational Technical Center



Income Replacement

- Unemployment Insurance
- Disability Determinations



Leadership and Support

- Commissioner's Office
- Management Services
- Data Processing
- Labor Market Information
- Leasing

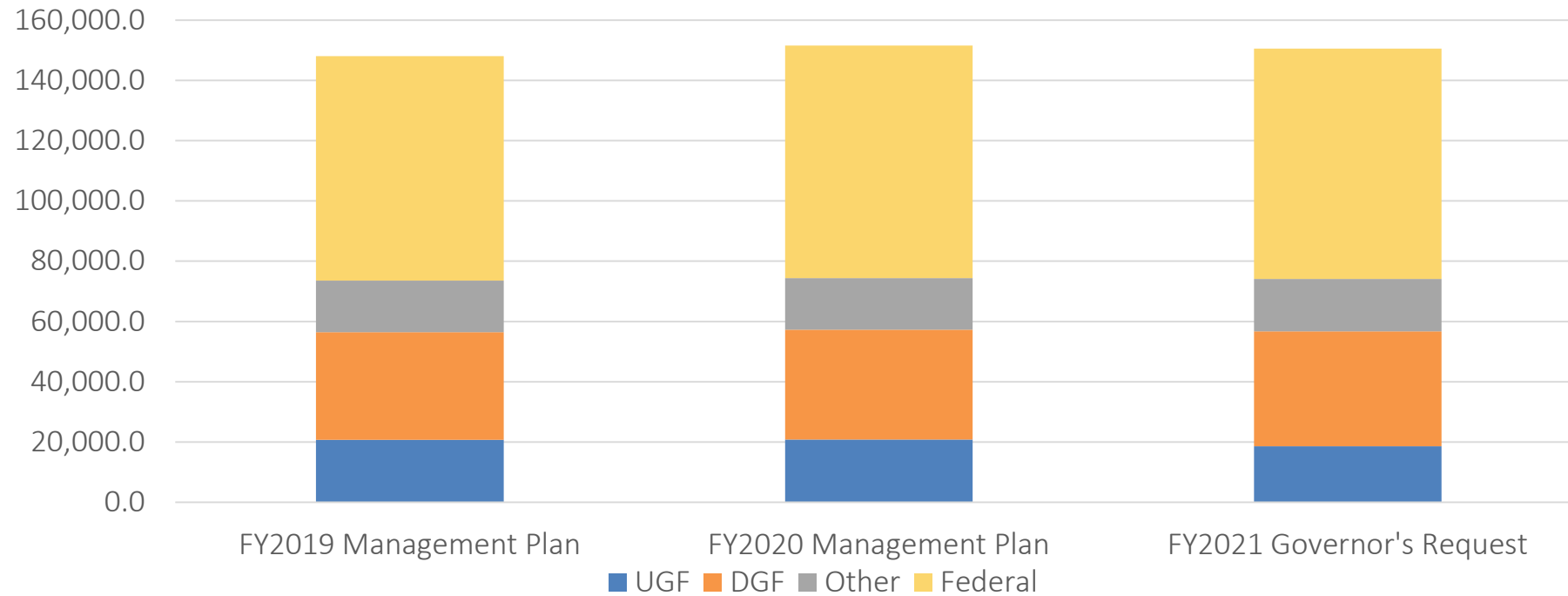
Department Priorities

- **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.
 - Maximize services across divisions and agencies.
 - Youth Homeless Demonstration Project
 - At-Risk Youth Initiative
 - Share Alaska's workforce development leadership and best practices with other workforce agencies.



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%
Total	\$ 148,075.5	\$ 151,588.7	\$ 150,535.9	\$ 2,460.4	1.7%



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)*

	RDU / Component	Title / Description	Trans Type	\$ (Thousands)	Funding	PCNs
1	CAS / Commissioner's Office	Reduce UGF previously used for departmental legal expenses.	Dec	-35.0	1004 Gen Fund (UGF)	-
2	CAS / Management Services	Delete Administrative Assistant I in Anchorage; streamline processes and eliminate reception.	Dec	-45.0	1004 Gen Fund (UGF)	-1
3	CAS / Data Processing	Reduce UGF previously used for department-wide project support and hardware.	Dec	-45.0	1004 Gen Fund (UGF)	-
4	CAS / Labor Market Information	Research and analysis to benefit the Alaska Mental Health Trust Authority and their beneficiaries.	IncOTI	+25.0	1092 MHTAAR (Other)	-
5	CAS / Labor Market Information	Eliminate the online Training Clearinghouse, which is not statutorily required.	Dec	-45.0	1004 Gen Fund (UGF)	-
6	CAS / Labor Market Information	Delete Office Assistant II in Juneau; maximize process efficiencies and consolidate reception.	Dec	-40.0	1004 Gen Fund (UGF)	-1
7	WC / Second Injury Fund	Reflect appropriate Second Injury Fund authorization (net-zero change overall).	Inc	+400.0	1031 Sec Injury (DGF)	-
8	LSS / Wage and Hour Administration	Correct categorization of Certified Payroll Filing Fees collected under AS 36.05.045.	Fund Change	-1,400.0 +1,400.0	1004 Gen Fund (UGF) 1005 GF Prog Rcpts (DGF)	-



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

	RDU / Component	Title / Description	Trans Type	\$ (Thousands)	Funding	PCNs
9	LSS / Wage and Hour Administration	Realign Fairbanks administrative and investigative positions for efficiencies. Delete one Office Assistant.	Dec	-124.4	1004 Gen Fund (UGF)	-1
10	LSS / Occupational Safety and Health	Reduce remaining general funds and simplify accounting structures.	Dec	-3.0	1004 Gen Fund (UGF)	-
11	DETS / Unemployment Insurance	Delete long-term vacant Accounting Technician and Employment Security Analyst positions in Juneau.	Dec	-173.2	1002 Federal (Fed)	-2
12	DVR / Client Services	Close Kodiak field office. Delete one Voc. Rehabilitation Assistant and one Voc. Rehabilitation Counselor.	Dec	-84.3	1003 GF Match (UGF)	-2
13	Alaska Vocational Technical Center	Add authority for tuition and fee increases. AVTEC is increasing tuition rates by 4% and setting student consumable fees to equal their cost.	Inc	+250.0	1005 GF Prog Rcpts (DGF)	-
14	Alaska Vocational Technical Center	Add authority for contract training so AVTEC can to continue working with industry to provide training to develop Alaska's workforce.	Inc	+234.1	1108 Stat Des Prog Rcpts (Other)	-
15	Alaska Vocational Technical Center	Delete Maritime Instructional Aide and AVTEC Instructor positions in Seward no longer needed after restructure.	Dec	-226.7	1004 Gen Fund (UGF)	-2



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. Refurbishment of antiquated sites, replacement of broken or outdated equipment, and modernization of facilities will strengthen blind & disabled vendors' ability to be self-employed and self-supporting, and generate revenue to ensure that the BEP program and partnerships are sustainable and self-supported.</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>		



Update on FY2020 Significant Budget Changes

Component	Budget Change	Status
Department-wide	Travel Reductions	<p>Most programs experienced travel reductions in FY2020. The department evaluates each travel request to ensure travel is essential, in line with the division's core functions, and that funding is available in the component. In some cases, divisions may determine that some travel is essential to their mission and is a higher priority than other program activities. Divisions may adjust their budgets in the future to reflect updated travel estimates.</p> <p>Many of the department's federal grants include travel that is recommended or required. Federally-funded or other third-party funded travel is evaluated on a case-by-case basis and is occurring as needed.</p> <p>In FY2020 Management Plan, the department adjusted the travel lines in some programs to align with planned FY2020 travel. The department will continue to monitor travel and program needs to ensure programs are meeting their mission effectively.</p>
Labor Market Information (LMI)	2020 Census Complete Count Promotion One-Time Item	<p>The 2020 Census kicked off in Toksook Bay on January 1, 2020, and Census Day is April 1, 2020. LMI is working with Alaska Counts and the U.S. Census Bureau to produce and distribute materials to increase awareness of the 2020 Census and encourage Alaskans to be counted. LMI is participating in Alaska Counts' mini-grants program, and is purchasing advertising in some markets to complement and fill gaps in the U.S. Census Bureau's existing advertising campaign.</p>
DVR / Disability Determinations (DDS)	Increase Federal Receipts for Social Security Administration Reconsideration Process	<p>DDS is working to implement the Social Security Administration's reconsideration process. Work to expand office space to accommodate additional staff is underway at their Ship Creek office, and recruitments for some of the positions associated with the program changes have occurred. All activity in DDS is fully funded by the federal Social Security Administration.</p>
AVTEC	Increase Program Receipts for Student-Funded Consumable Supplies	<p>AVTEC continues to examine program costs and student tuition and receipts. In the FY2021 budget, AVTEC is requesting additional general fund program receipt authority to allow students to cover more of the cost of program and consumable supplies, while still ensuring that AVTEC's cost of attendance is affordable and competitive.</p>



Technical Vocational Education Program (TVEP) History

(\$ Thousands)

Entity	Distr. %*	FY2017 Allocation	FY2018 Allocation	FY2019 Allocation	FY2020 Allocation	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
Total	100%	\$ 13,282.6	\$ 11,969.2	\$ 10,947.5	\$ 12,488.5	\$ 12,488.5	\$ 0.0

* Distribution percentage set in AS 23.15.835(d)



PREPARING ALASKANS FOR THE JOBS OF TODAY—AND TOMORROW

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