

Department of Labor and Workforce Development
FY20 - Summary of Significant Budget Issues
(\$ thousands)

Governor's Budget Items Approved as Requested

Item	Appropriation / Allocation	Description	Amount / Fund Source	Comment
1	Commissioner and Administrative Services / Labor Market Information	MH Trust: Workforce - Alaska Health Workforce Profile	\$75.0 MHTAAR (Other) IncOTI	<p>Since FY18, the Alaska Department of Labor and Workforce Development (DOLWD) has served as the lead agency in supporting the Trust's efforts to advance health workforce data systems in Alaska and to develop tools and analyses to better understand and monitor workforce issues relevant to Trust beneficiaries. In the past, the Trust has worked with partner agencies to produce a biannual health care workforce profile and needs assessment. In response to feedback and analysis of the previous efforts, this year's efforts will continue to establish capacity within the DOLWD to produce regular and current workforce data analysis by the hiring of staff with dedicated time to addressing health/behavioral health related workforce analysis and reports. Instead of relying on a single point in time survey and other static data, DOLWD will investigate new data sources and develop a plan to make timely data on health care occupations readily available to interested parties on an ongoing basis. The goal of developing this capacity is to provide a continuous picture of Alaska's health care workforce and support identification of priority areas for intervention from the workforce development system.</p> <p>Legislative Fiscal Analyst Comment: Although this funding is identified as a one-time increment, the funding has been available since FY18 and appears to be part of the Trust's long-term plan.</p>
2	Vocational Rehabilitation / Disability Determination	Social Security Administration Reconsideration Process	\$520.0 Fed Rcpts (Fed)	<p>Increased federal receipt authority is needed to cover additional expenditures associated with the Social Security Administration's (SSA) new reconsideration process for disability determinations. The SSA is restoring uniformity to the SSA administrative review process by reinstating the reconsideration level of review. Disability Determination (DD) staff adjudicate claims for individuals applying for Social Security benefits under Title II and Title XVI of the Social Security Act.</p> <p>The SSA has approved hiring additional DD staff and increased office space to implement this change in claim processing. There will also be other increases such as higher medical consultation costs as claims are reconsidered, and increased benefit costs as claimants are required to travel for medical consultations. All increased costs will be funded by the SSA.</p>
3	Alaska Vocational Technical Center / Alaska Vocational Technical Center	Student Funded Consumable Supplies Used in Training	\$100.0 GF/Prgm (DGF)	At the Alaska Vocational Technical Center (AVTEC), students pay fees for consumable supplies they will use during their training. Due to an increase in supply costs, AVTEC has been compelled to increase correlating expenditure and revenue authority in order to collect the additional fees.

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4	Alaska Vocational Technical Center / Alaska Vocational Technical Center	Reduce Unrestricted General Funds to Offset Designated General Fund Increase	(\$261.7) Gen Fund (UGF)	This offsetting reduction corresponds to the increase of TVEP funding (see item #5) per the statutory formula. The department states that this reduction will not negatively impact the program.
5	Various	Technical Vocational Education Program (TVEP) Receipts	\$735.5 VoTech Ed (DGF)	<p>The legislature approved the Governor's formula increase in TVEP funding of \$735.5 which affects the following allocations:</p> <ul style="list-style-type: none"> - Employment and Training Services/ Workforce Development \$473.8; and - Alaska Vocational Technical Center/ Alaska Vocational Technical Center \$261.7. <p>The Technical and Vocational Education Program (TVEP) is a diversion of 0.16 percent of employee contributions to the unemployment insurance trust fund. The receipts are transferred to a separate account in the general fund and, subject to appropriation, are used to support vocational training centers around the State. Legislative appropriations occur in several departments and have been based on a formula set out in statute (AS 23.15.835).</p>

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Governor's Budget Items Approved with Modifications

Item	Appropriation / Allocation	Description	Governor Request	Amount Enacted	Comment
6	Various	Executive Branch 50% Travel Reduction	Total: (\$324.8) (\$106.2) UGF (\$40.5) DGF (\$41.4) Other (\$136.7) Federal	Total: (\$238.2) (\$37.0) UGF (\$53.4) DGF (\$37.6) Other (\$110.2) Federal	<p>The Governor requested a reduction in travel funding in all allocations equal to 50% of the actual travel costs in FY18. The legislature accepted all of the travel reductions with the following exceptions in the Labor Standards and Safety appropriation:</p> <ul style="list-style-type: none"> - Wage and Hour Administration - (\$3.5) UGF - Mechanical Inspections - (\$3.8) I/A (Other) and \$52.8 Building Safety Account (DGF) - Occupational Safety and Health - (\$26.5) Federal Receipts. <p>VETO: Although the following travel reduction in the Occupational Safety and Health allocation was denied by the legislature, this item was subsequently decremented through the veto process:</p> <ul style="list-style-type: none"> - (\$6.8) GF/Match (UGF) - (\$21.1) Workers Safety and Compensation Administration Account (DGF).

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Legislative Additions and Deletions

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7	Commissioner and Administrative Services / Labor Market Information	2020 Census Complete Count Promotion	\$250.0 Gen Fund (UGF) IncOTI	<p>In lieu of the Governor's \$1 million UGF multi-year request for redistricting in the Governor's Office (Commissions/Special Offices appropriation), the legislature appropriated \$250.0 UGF in one-time funding to the Department of Labor and Workforce Development for Census specific activities. The department will rely on the Alaska Complete Count Commission to determine how best to appropriate funds to raise census awareness through items such as:</p> <ul style="list-style-type: none">- mailers- radio & social media campaigns; and- translation of census and other information into other languages. <p>Redistricting will not begin until late spring of 2020. Census specific activities will occur sooner and FY20 funding is intended to ensure a complete Alaska count this cycle.</p>

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SLA2019 New Legislation

Item	Appropriation / Allocation	Description	Amount / Fund Source	Comment
8	Workers' Compensation / Fishermen's Fund	Ch. 25, SLA 2019 (SB 61) FISHERMEN'S FUND: VESSEL OWNER BENEFITS	\$16.1 Fish Fund (DGF)	<p>One option for fishing vessels to fully cover crewmembers in the event of an injury or illness at sea is the optional enrollment in private Protection & Indemnity (P&I) insurance. As an incentive for vessel owners to carry P&I insurance, the legislature (in 2010) passed SB163 (Ch. 103, SLA 2010) which included a provision allowing the Fishermen's Fund to pay out 50% of a P&I policy holder's deductible, up to \$5,000, when a claim for benefits is made to both the CFF and the vessel owner's P&I insurance company. The legislature adopted the 50% cap to protect the solvency of the Fishermen's Fund .</p> <p>SB 61 increased the amount a fishing vessel owner may be reimbursed by the CFF to 100% of the insurance deductible or \$5,000, whichever is lower. The fiscal impact to the fund is based on an average of seven claims per year with an average cost of \$2,300 per claim. Currently, the Fisherman's Fund has sufficient assets to cover the increased liability to the fund. The FY18 ending fund balance was \$12 million with a projected FY20 balance of \$11.5 million.</p>

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FY19 Supplemental Appropriations

Item	Appropriation / Allocation	Description	Amount / Fund Source	Comment
9	Employment and Training Services / Unemployment Insurance	Disaster Unemployment Assistance Benefit Payments (FY19-FY20)	\$1,000.0 Fed Rcpts (Fed) MultiYr	Multi-year (FY19-FY20) federal grant authority will support Disaster Unemployment Assistance (DUA) benefit payments. As a result of the November 30, 2018 earthquake in Southcentral Alaska, a subsequent major disaster declaration authorized federal aid through the DUA program to individuals whose employment or self-employment was lost or interrupted as a direct result of the earthquake.