

Department of Labor and Workforce Development

Mission

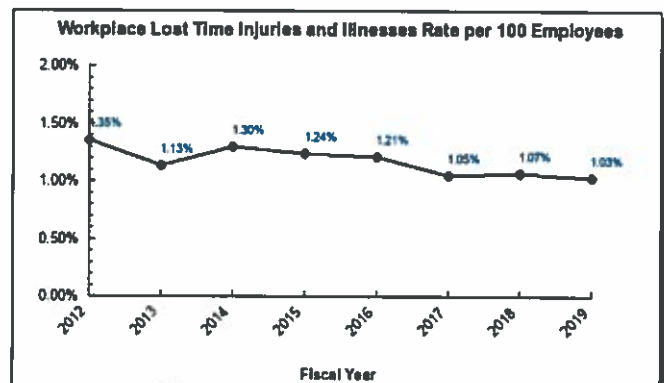
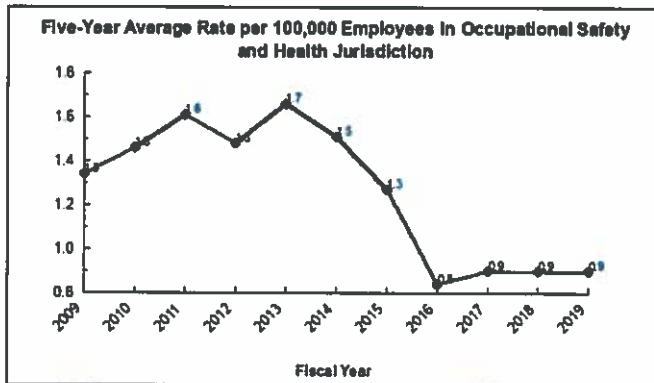
Provide safe and legal working conditions and to advance opportunities for employment. AS 23.05.010

	Core Services (In priority order)	UGF	DGF	Other	Fed	Total	PFT	PPT	NP	% GF
1	Protect Workers	3,016.9	16,459.9	2,165.4	2,565.0	24,207.2	139.3	0.0	2.1	34.0%
2	Workforce Development	16,399.8	19,062.1	12,841.1	44,334.8	92,637.8	330.4	17.0	14.3	61.9%
3	Income Replacement	1,430.0	891.4	2,125.4	30,296.9	34,743.7	201.4	31.0	5.6	4.1%
	FY2020 Management Plan	20,846.6	36,413.4	17,131.9	77,196.8	151,588.7	671.0	48.0	22.0	

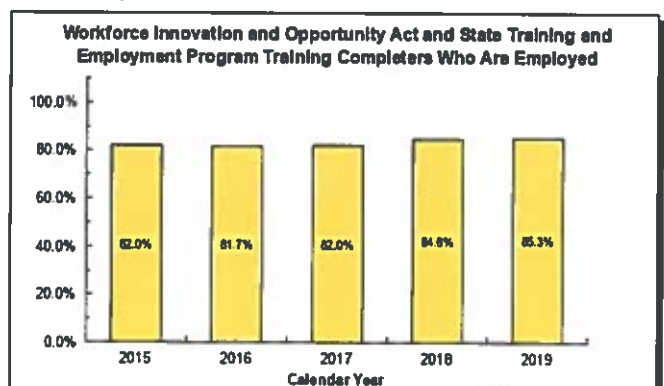
Measures by Core Service

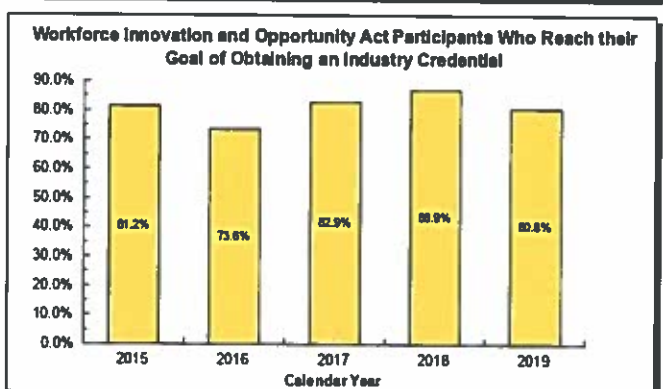
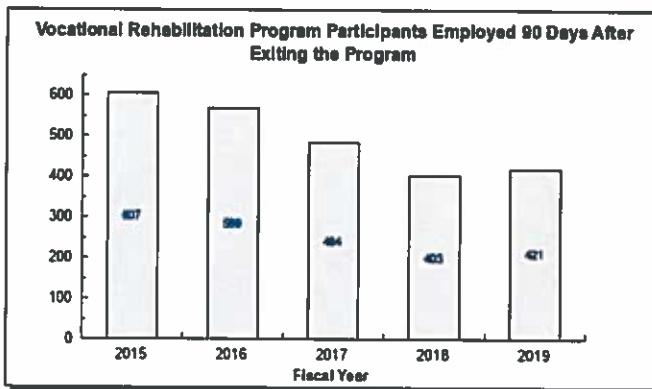
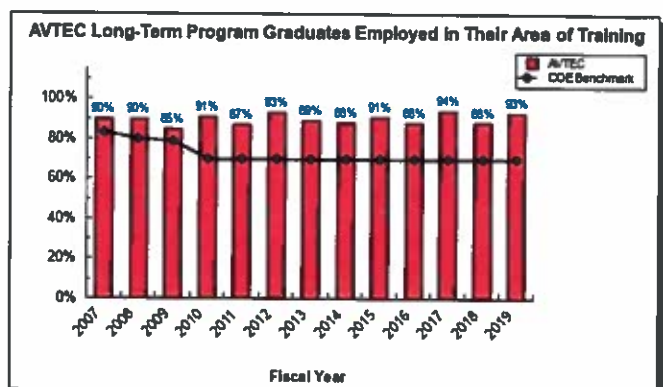
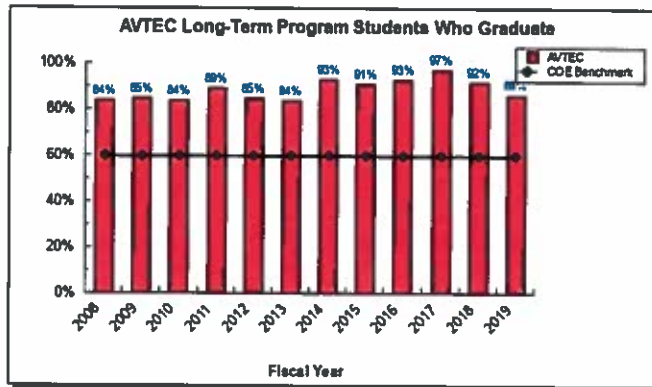
(Additional performance information is available on the web at <https://omb.alaska.gov/results>.)

1. Protect Workers: Eliminate accidental injuries, fatalities, and occupational illnesses within the departmental jurisdiction.

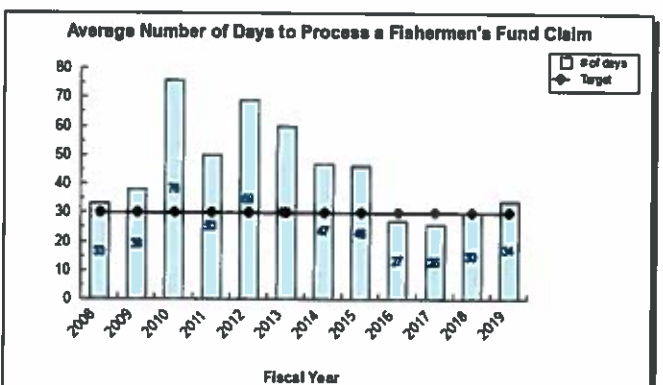
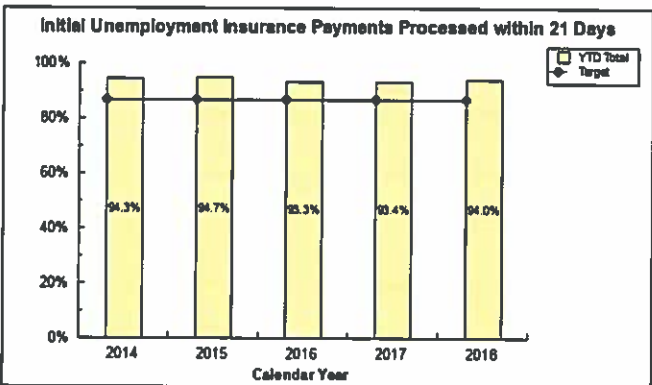


2. Workforce Development: Prepare Alaskans for Alaska's jobs.





3. Income Replacement: Eligible Alaskans receive timely and accurate income replacement determinations and payments.



Major Department Accomplishments in 2019

Workforce Development

The Division of Employment and Training Services (DETS) began implementation of the \$1.26 million federal National Health Emergency Dislocated Worker Demonstration Grant to address Alaska's opioid crisis by providing employment and training services to Alaskans recovering from an opioid addiction, and those in the health care industry serving Alaskans with an opioid addiction.

DETS was awarded \$4.5 million in federal disaster funding for temporary jobs to assist with the cleanup, repair and reconstruction of public structures and facilities damaged by the November 30, 2018 earthquake in Southcentral Alaska.

The Division of Vocational Rehabilitation (DVR) helped 421 disabled Alaskans gain employment through Individualized Plans for Employment. DVR also served 319 individuals 55 years of age and older who were blind or had a significant visual impairment. Services were provided to those individuals in their local communities, and included mobility training, peer support, independent living skills training and low vision assessments.

Alaska Vocational Technical Center (AVTEC) students achieved an average 92 percent graduation rate across all course offerings.

AVTEC responded to employer workforce demand for shore side boat maintenance employees by developing a suite of Marine Vessel Maintenance and Repair training courses that can be customized for small shipyard employers and employees.

Protect Workers

The Division of Labor Standards and Safety's (LSS) Wage and Hour Administration component collected \$760,000 in wages, penalties, and interest owed to Alaska workers, and provided more than 7,500 voluntary compliance briefings to employers.

The LSS Mechanical Inspection component conducted a total of 6,704 boiler, elevator, electrical, and plumbing inspections and 3,255 on-site construction project visits statewide to ensure contractor licensing compliance. Staff identified 1,056 code violations and conducted 160 enforcement actions to protect Alaskans.

The Alaska Labor Relations Agency component issued 100 percent of its decisions in an average of 75 days, well below the 90-day target.

Income Replacement

The Division of Workers' Compensation (WC) continued efforts to address Alaska's high Workers' Compensation premiums with promulgation of the Medical Services Review Committee (MSRC) to continue its "phased-in" cost reduction approach to lowering medical costs gradually, which directly resulted in a 3.7 percent workers' compensation premium rate decrease in May 2016, and helped contribute to the premium rate reductions of 1.6 percent in calendar year 2017 and 7.9 percent in calendar year 2018.

WC finalized 91 failure to insure cases, resulting in a total of \$3.4 million in penalties to be deposited into the Alaska Workers' Compensation Benefits Guaranty Fund, which pays benefits to workers injured while working for employers out of compliance with the Alaska Workers' Compensation Act.

Unemployment Insurance (UI) initiated several rapid response meetings due to mass layoff events. Rapid response meetings are critical in educating laid off workers about the UI program, filing requirements, and available reemployment services.

UI paid benefits to 29,433 claimants totaling over \$85 million in benefits to assist workers who are temporarily out of work due to no fault of their own, which helps stabilize local economies.

UI has recovered approximately \$5.6 million dollars to date through the Treasury Offset Program (TOP), which allows the garnishment of IRS tax returns of claimants who owe the UI Trust Fund due to fraudulent claims.

Key Department Challenges

Workforce Development

The Alaska Vocational Technical Center's campus facilities are aging, and the number of deferred maintenance projects continues to increase. In FY2021, AVTEC and Department of Transportation & Public Facilities staff will continue to address high-priority deferred maintenance projects to ensure AVTEC's instructional, residential, and support facilities continue to be operational.

The Division of Employment and Training Services' Workforce Services and the Workforce Investment Board continue to be challenged to increase utilization of Registered Apprenticeships. Efforts include promoting program benefits; identifying related occupation instruction; assisting employers in identifying Alaskan candidates for the apprenticeship opportunity; and providing financial assistance to support new apprenticeship programs and eligible participants.

The Division of Employment and Training Services' Workforce Development component is challenged to implement College and Career Readiness Standards in Adult Education to be relevant to real world application. Changes would allow students to master critical-thinking and problem-solving skills, and reflect the knowledge, skills and social foundations needed for success in both college and work.

Protect Workers

The Division of Labor Standards and Safety (LS&S) is challenged to conduct inspections throughout the state within reasonable travel budgets, and to meet program inspection goals while experiencing staff turnover.

Income Replacement

The Unemployment Insurance component is experiencing challenges maintaining service levels given the high rate of staff turnover and a federal funding reduction. Federal funding was reduced by over \$700,000 in FY2020; further reductions are anticipated in FY2021, but amounts are unknown.

The Division of Vocational Rehabilitation's Disability Determination component is challenged with implementing the Social Security Administration's (SSA) decision to reinstate the reconsideration level of review in Alaska. This includes hiring and training additional SSA-funded employees to process the workload.

Significant Changes in Results to be Delivered in FY2021

In FY2021, the Division of Employment and Training Services (DETS) will implement the new labor exchange and case management system that will integrate business and job seeker services. As a result, the Workforce Services component will evaluate current business practices and identify necessary changes to its service delivery model.

DETS will implement distance learning opportunities to increase access to educational opportunity and greater success of GED completion.

The Alaska Vocational Training Center will expand its role in professional development by offering Career and Technical Education (CTE) practicum experiences and online instruction to CTE teachers and educators.

The grants unit previously located in the DETS Workforce Development component transferred to the Alaska Workforce Investment Board in FY2020. The grants unit manages outgoing grants for training and apprenticeship programs. The transfer aligned the direction, management, and oversight of grants that help get Alaskans trained for the job market with the Workforce Investment Board, which identifies high-demand industries and areas of opportunity for employment. Management of the shared federal awards and reporting remains in DETS. Workforce Development, DETS, and Alaska Workforce Investment Board staff will continue to work collectively to ensure federal benchmarks are met, grants are issued efficiently, and reporting is completed timely.

The Second Injury Fund program will continue to accept new claims until October 1, 2020, for injuries that occurred on or before August 31, 2018. After that, only existing claims will be paid and will decline over time until the Fund's liability is exhausted. It will likely take decades for the Fund to pay these ongoing claim obligations, as 95 percent of these claims are categorized as permanent total disability (PTD) benefits. PTD benefits are paid until disability ends or until death.

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