

1/28/11
BUDGET
OVERVIEW:
DEPARTMENT
OF LABOR

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DEPARTMENT OF LABOR</SUBJECT><COMM>HFIN27</COMM></TARGET>

Alaska Department of Labor and Workforce Development

FY12 Budget Overview
House Finance Committee
Commissioner Click Bishop
January 28, 2011

Department of Labor and Workforce Development

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

Core Programs

- **Statutory and Regulatory Assistance and Enforcement** to protect Alaska's workers through wage and child labor law enforcement, workplace safety compliance and enforcement, mechanical device inspection, and overseeing State of Alaska Americans with Disabilities Act compliance.
- **Workforce Development** to support Alaska hire through the department's employment services, adult basic education, business partnerships, career and technical education and training (including AVTEC—Alaska's Institute of Technology), and vocational rehabilitation services.
- **Income replacement** for injured, unemployed and permanently disabled workers. This includes the department's Workers' Compensation, Fisherman's Fund, Second Injury Fund, Unemployment Insurance and Disability Determination programs.

Key FY10 Accomplishments

Protect Workers

- The lost workday illness and injury rate per 100 employees was reduced by 9% from 1.76 in FY09 to 1.6 in FY10.

Workforce Development

- The nonresident hire rate in 2009 was 19.1%, down from 19.6% in 2008. Nonresidents earned 13.3% of total wages in 2009, unchanged from 2008. Nonresidents accounted for 28.1% of the oil industry workers (including major oil companies and oilfield services) in 2009; this was down from 29.8% one year ago and is the lowest in the last five years.
- The department served over 143,000 individuals through the job center network and online labor exchange system. 36,308 total entered employment, facilitated by the department.
- AVTEC trained 1,462 individuals in FY 10. Programs range from five days to eleven months. The completions for programs exceeding six weeks was 84%.

Income Replacement

- Despite historically high claims for unemployment benefits, Alaska's unemployment insurance trust remains solvent with a December 31, 2010, balance of \$243.9 million.

Department of Labor and Workforce Development

FY12 Budget: \$193,609.9 Total (\$101,716.8 Fed; \$25,241.1 Other)

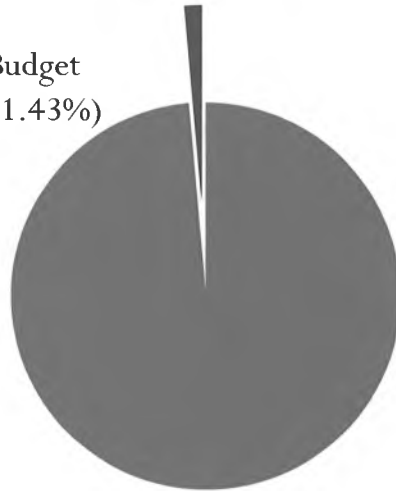
FY11 Management Plan

Department of Labor

UGF/DGF

Operating Budget

\$63,707.0 (1.43%)



State of Alaska
UGF/DGF Agency
Operations Budget
\$4,447,100.0

Position Counts

Year	PFT	PPT	Temp
FY11	848	116	56
FY12	842	120	48
Change	-6	+4	-8

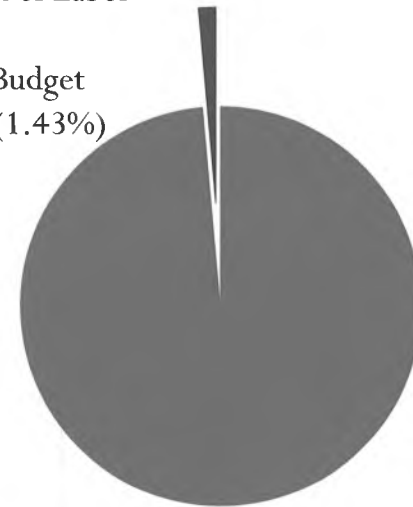
FY12 Governor

Department of Labor

UGF/DGF

Operating Budget

\$66,152.0 (1.43%)



State of Alaska
UGF/DGF Agency
Operations Budget
\$4,613,900.0

Significant FY11 to FY12 Budget Changes	UGF	DGF
Salary and Benefit Adjustments	\$ 420.1	\$ 517.9
Career and Technical Education Plan Implementation	\$ 1,000.0	
AVTEC Registered Nurse Program/Marine Engineering/Deferred Maintenance	\$ 524.8	\$ 206.0



Alaska Career and Technical Education Action Plan

A collaborative effort of the Departments of Labor and Workforce Development and Education and Early Development and the University of Alaska

The Plan outlines a comprehensive, integrated career and technical education (CTE) system for Alaska that aligns training programs and coordinates delivery to prepare Alaskans for Alaska careers. Six strategies:

1. Smooth transitions from secondary to postsecondary education and from school to work.
2. Align curricula to meet industry standards.
3. Identify and promote CTE delivery models that provide all Alaskans the knowledge and skills for further training and careers.
4. Recruit, develop, support and retain high-quality CTE teachers.
5. Maximize the use of public facilities for training.
6. Establish and maintain sustainable funding mechanisms for a successful CTE system.

\$1 million FY12 budget request to implement priority actions, including competitive grants and technical support to school districts.

Alaska Vocational Technical Center (AVTEC)

FY12 Budget Requests:

- **Registered Nurse Training Program \$226.8 UGF, \$100.0 DGF, \$300.0 Other & 2 PPT** - An additional 20 Alaskans will be trained to become Registered Nurses. AVTEC will be able to satisfy the deliverables on a federal Health Professions Opportunity Program grant that the Cook Inlet Tribal Council (CITC) received, for which AVTEC is the sole provider.
- **Maritime Training Program \$48.0 UGF, \$51.0 DGF & 1 PPT** - AVTEC will have the capacity to train 60 mariners per year, and qualify Alaskans for employment in Ocean Ranger positions on cruise ships traversing Alaskan waters. In 2010, 5 of 21 Ocean Rangers deployed were Alaskan residents.
- **Maintenance Staff to Operating from Capital \$250.0 UGF** - This will move all but 1 of AVTEC's 6 maintenance staff to the operating budget. The positions were previously supported with Capital Deferred Maintenance funding.
- **Custodial Position \$55.0 DGF** - This position will help support the new facilities in Seward, and will be funded with the additional program receipts generated through these new facilities.