

**01/31/13
BUDGET
OVERVIEW
FY 14:
DEPARTMENT
OF LABOR**

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FY 14 DEPARTMENT OF
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Alaska Department of Labor and Workforce Development

**House Finance
Department Overview
Commissioner Dianne Blumer
January 31, 2013**



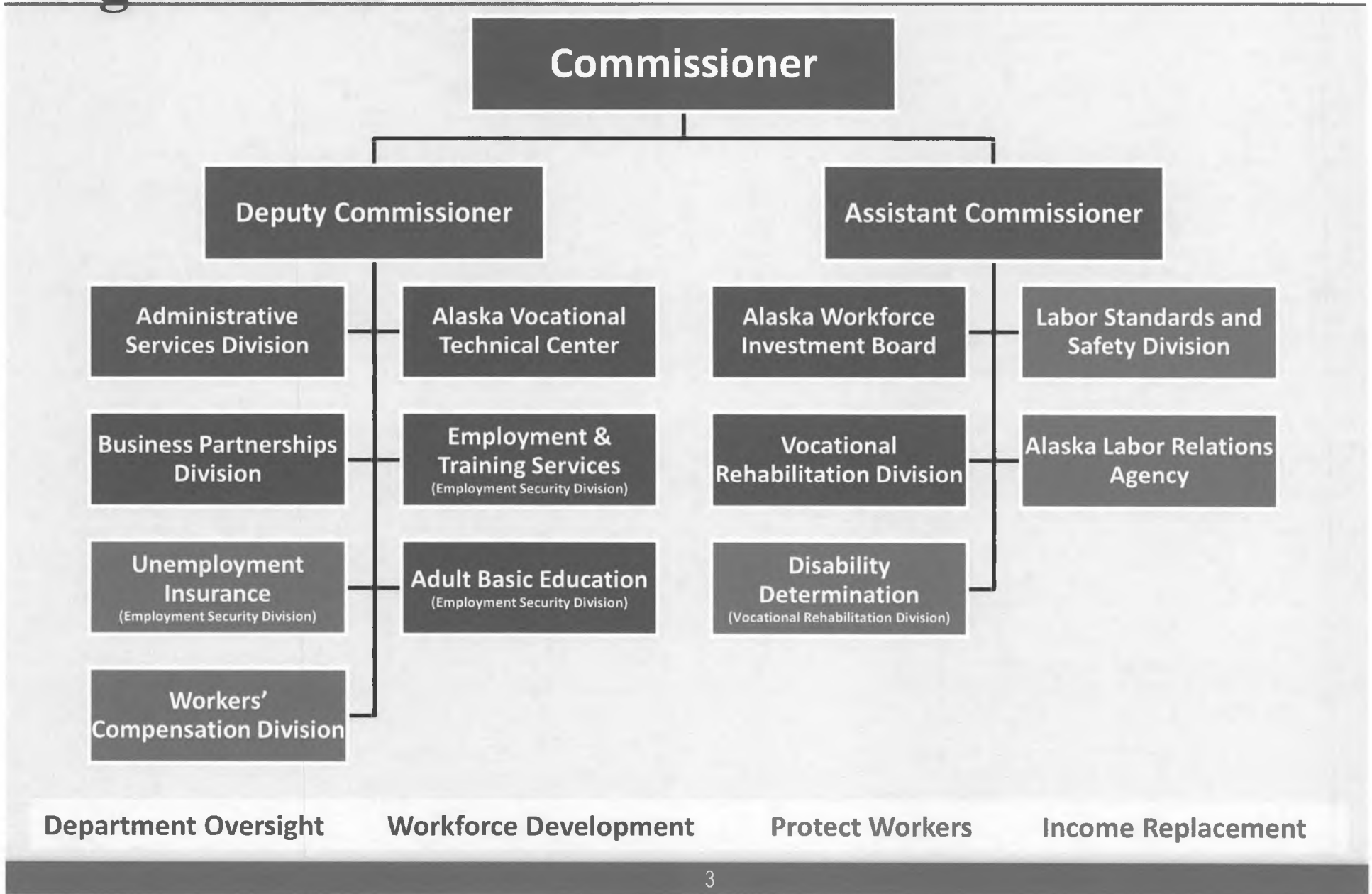
Department of Labor and Workforce Development

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.
- **Income replacement** for injured, unemployed, and permanently disabled workers.
- **Workforce development** to support Alaska hire and economic development.

Organization Chart



Services by Location



State and Private Partnerships

State Partners

- **Veteran Services**
 - Department of Military and Veterans Affairs

- **Economic and Demographic Data Production**
 - Department of Health and Social Services
 - Department of Commerce, Community and Economic Development
 - Department of Education and Early Development

- **Prisoner Reentry**
 - Department of Corrections

- **Training and Education Program Outcomes**
 - Department of Education and Early Development
 - University of Alaska
 - Commission on Postsecondary Education

State and Private Partnerships

Private Partners

- **Training and Education**
 - Construction Education Foundation
 - Alaska Works Partnership
 - School Districts
 - Association of General Contractors
 - Home Building Associations
 - Regional Training Centers
 - Employers

- **Private Sector Membership on Boards and Commissions**
 - Alaska Labor Relations Agency Board
 - Alaska Safety Advisory Council
 - Alaska Workers' Compensation Board
 - Alaska Workforce Investment Board
 - Fishermen's Fund Advisory and Appeals Council
 - Occupational Safety and Health Review Board
 - State Vocational Rehabilitation Committee
 - Statewide Independent Living Council
 - Workers' Compensation Appeals Commission
 - Workers' Compensation Medical Services Review Committee

Department of Labor and Workforce Development Challenges

Maintaining services to Alaskans while managing:

- Flat or declining federal revenue
- Increasing operating expenses

Protect Workers

Protect
Workers

Department of Labor and Workforce Development

Labor Standards and Safety Division

Grey Mitchel, Director

- Wage and Hour Administration
- Mechanical Inspection
- Occupational Safety and Health

Alaska Labor Relations Agency

Mark Torgerson, Administrator

Performance

- ❖ The five-year moving average rate of workplace fatalities per 100,000 employees declined from 1.61 (FY2007-FY2011) to 1.48 (FY2008-FY2012)

Income Replacement

Income
Replacement

Protect
Workers
Workforce
Development

Workers' Compensation Division

Michael Monagle, Director

- Workers' Compensation
- Workers' Compensation Appeals Commission
- Workers' Compensation Benefits Guaranty Fund
- Second Injury Fund
- Fishermen's Fund

Employment Security Division

Paul Dick, Director

- Unemployment Insurance

Vocational Rehabilitation Division

Cheryl Walsh, Director

- Disability Determination

Income Replacement



Performance

- ❖ In FY2012, the number of employers brought into compliance with the Workers' Compensation Act was 387. This was an increase from the prior year total of 319.
- ❖ In calendar year 2011, Alaska processed 92.5 percent of initial unemployment insurance payments within 21 days.

Workforce Development

Workforce
Development

Protect
Workers

Vocational Rehabilitation Division

Cheryl Walsh, Director

- Client Services
- Independent Living
- Special Projects

Employment Security Division

Paul Dick, Director

- Employment and Training Services
- Adult Basic Education

Business Partnerships Division

Corine Geldhof, Director

Alaska Workforce Investment Board

Jeff Selvey, Executive Director

Alaska Vocational Technical Center

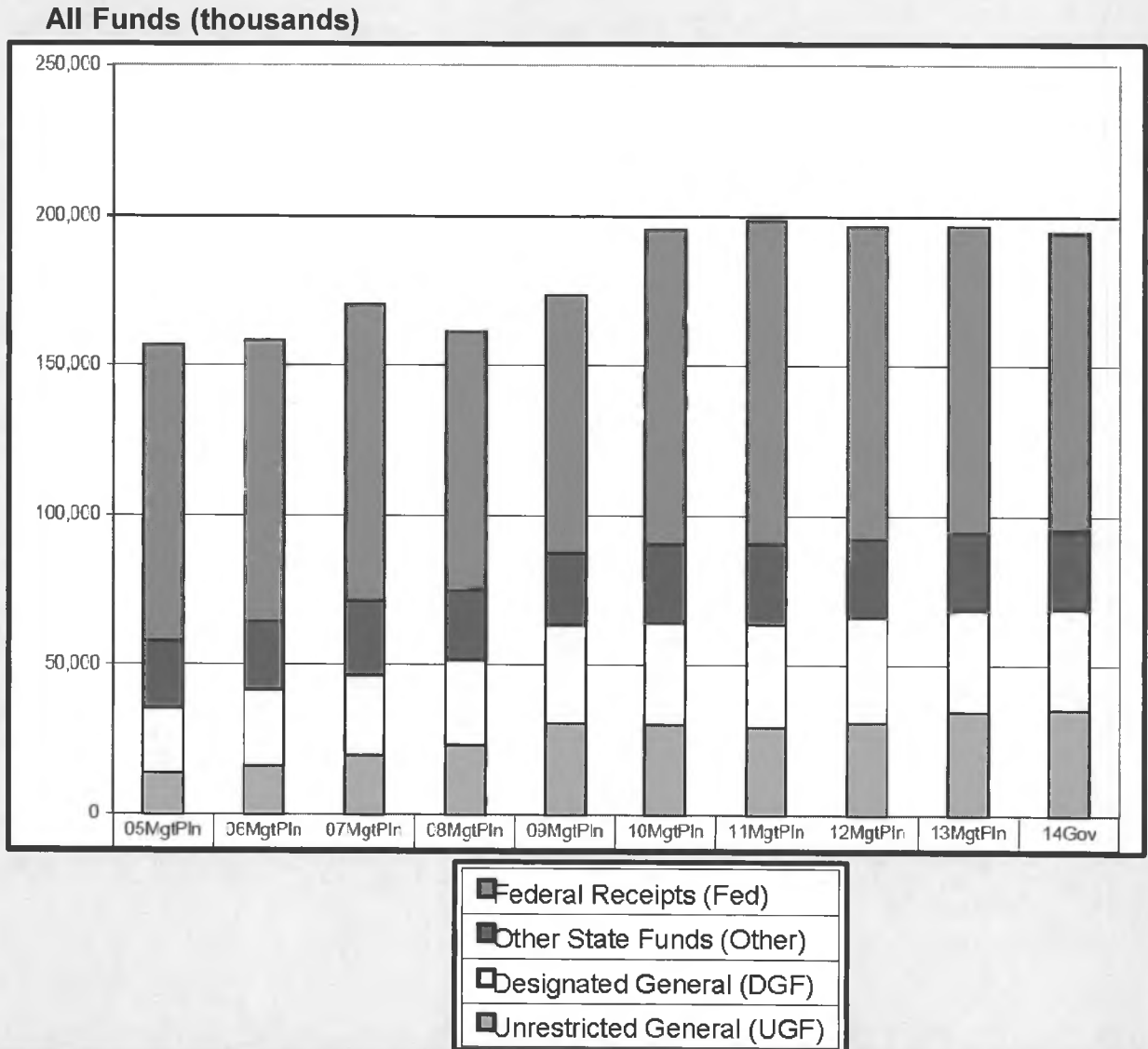
Fred Esposito, Director

Performance

- ❖ In FY2012, 637 of the individuals exiting the vocational rehabilitation program were employed upon exit. This represents a record level and exceeds the prior year performance of 569 individuals by 12 percent.
- ❖ In FY2012, 85 percent of Alaska Vocational Technical Center (AVTEC) long-term (longer than six weeks) program students graduated. This exceeded the target graduation rate of 80 percent and the accrediting benchmark of 60 percent.

Total Funding Comparison by Fund Group

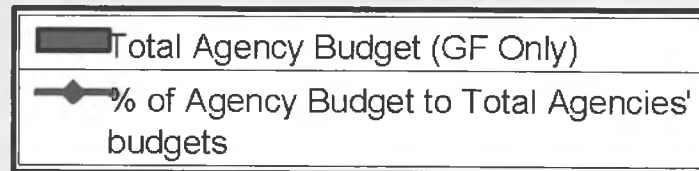
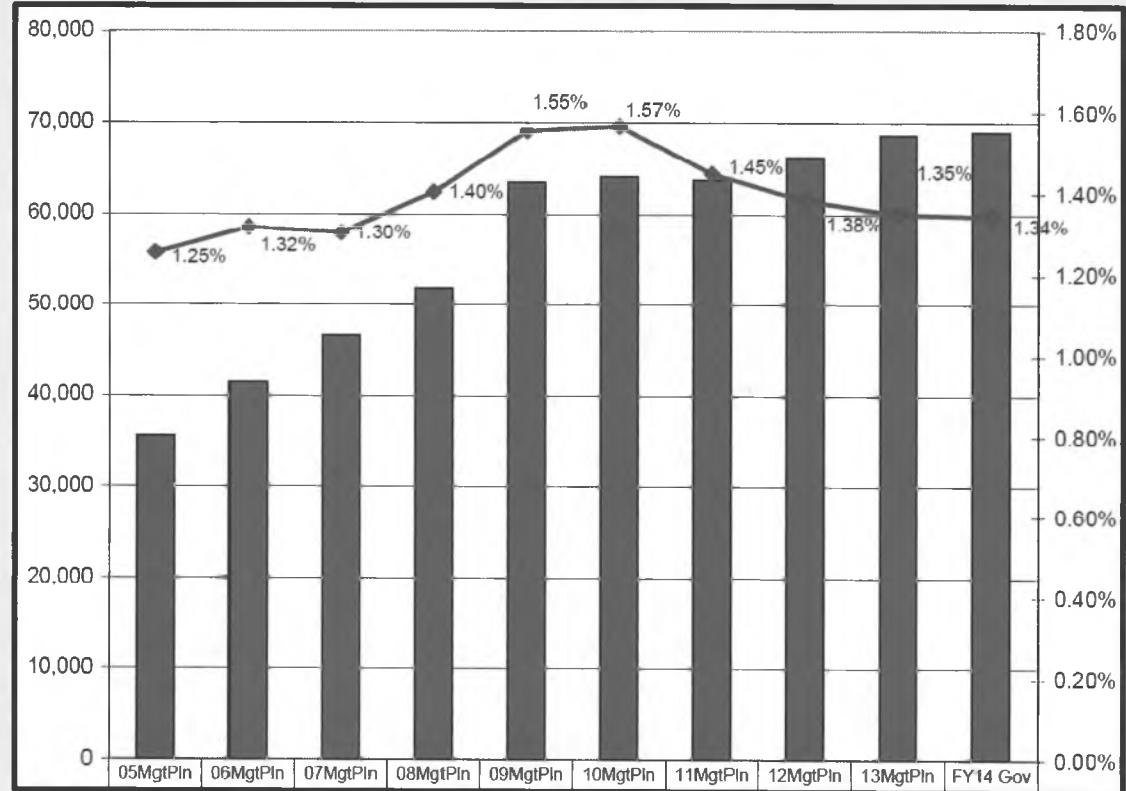
- Between FY05 & FY14:
 - UGF increased by \$21.6 million (156.5%)
 - DGF increased by \$11.8 million (54.2%)
 - Other funds increased by \$4.3 million (19%)
 - Federal Funds remained relatively flat, increasing by \$0.1 million (0.1%)



Share of Total Agency Operations

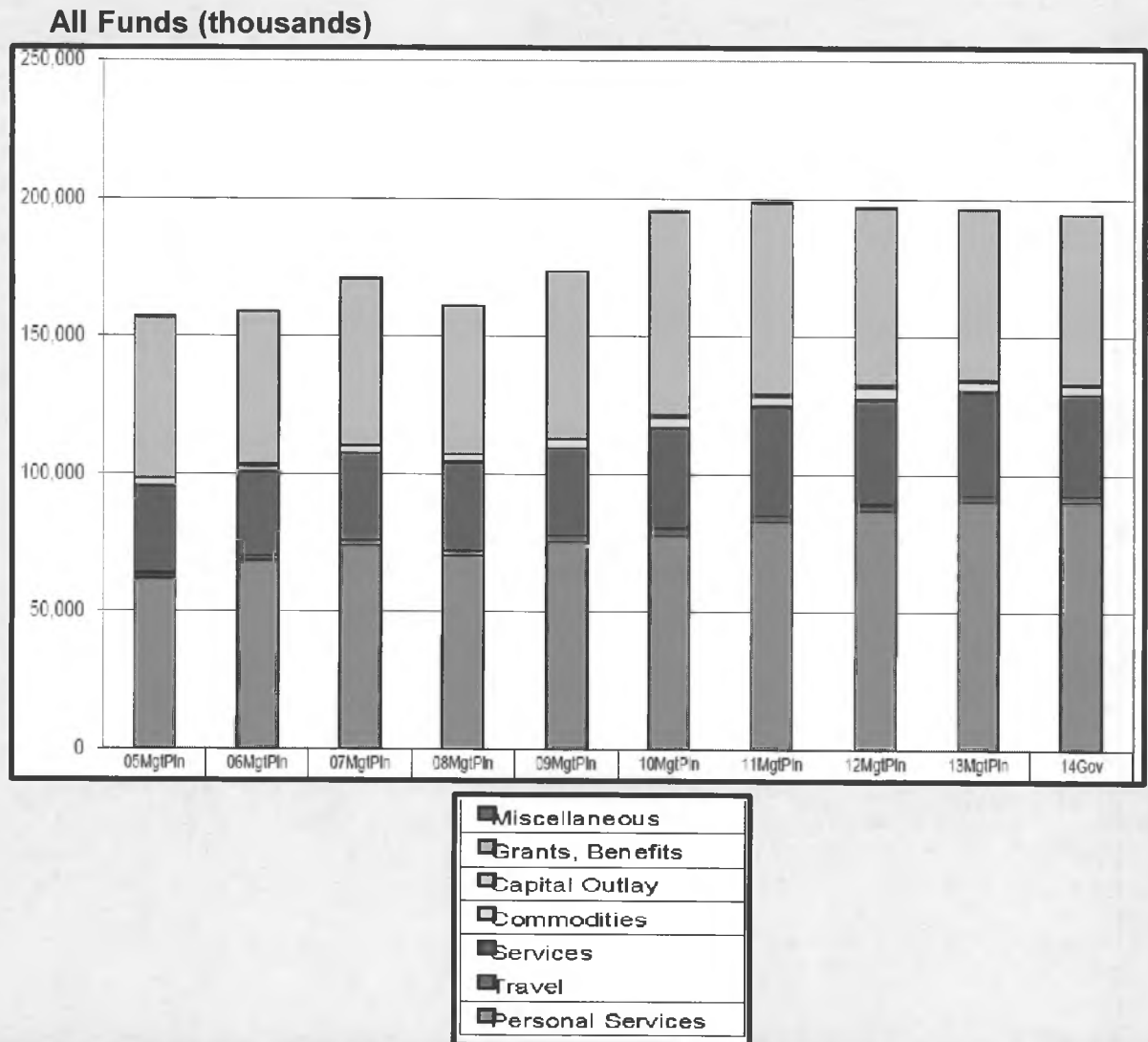
- The department's general fund budget grew by \$33.4 million between FY05 and the FY14 Governor's Request – an average annual growth rate of 7.6%.
- Growth since FY09 has been \$5.5 million (1.7% growth rate).
- The department continues to represent a small portion of the overall statewide budget.

General Funds Only (thousands)



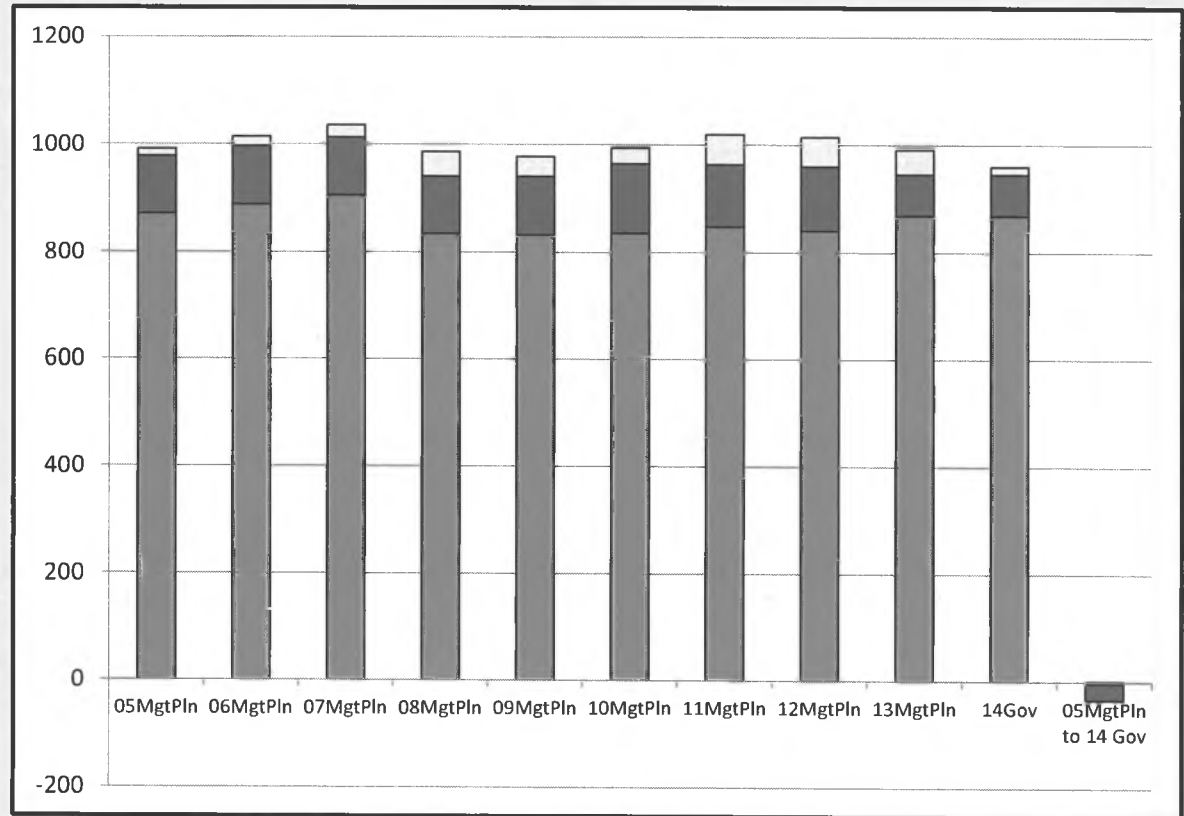
Line Item Distribution

- The majority of funding in FY14 is in the following line items:
 - Personal Services: 46%
 - Grants: 31%
- About 55% (\$34 million) of the grants funding is in the Business Partnerships appropriation (with the majority housed in two allocations):
 - \$25.6 million in Business Services
 - \$3.2 million in the Construction Academy



Budgeted Positions

- Between FY05 & FY14 the total number of budgeted positions decreased by 32.
- Reduction in permanent full-time and part-time positions since FY05 is due to flat or declining base operating federal funds and the expiration of one-time federal grant funds.



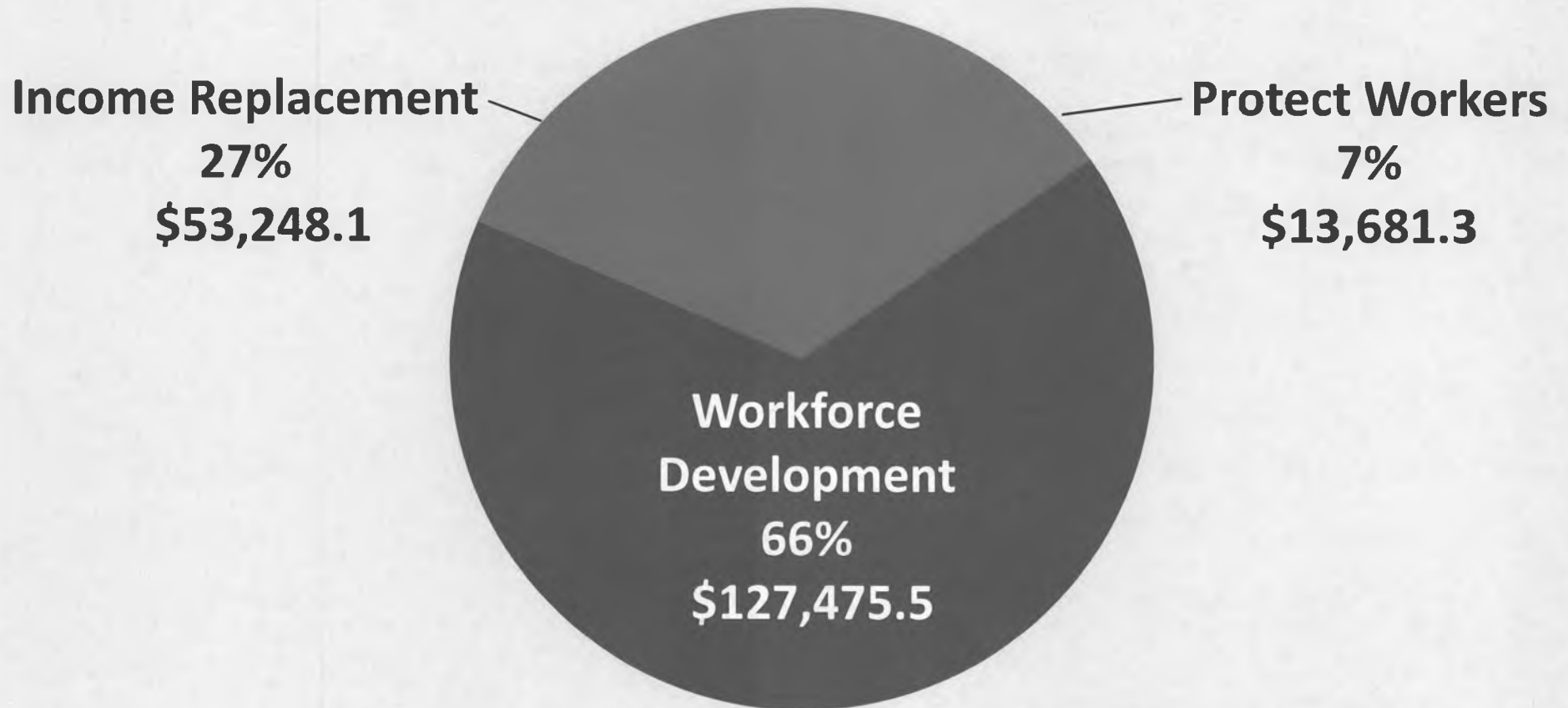
Total Budgeted Positions				
	PFT	PPT	NP	Total
FY05 Mgt Plan	872	107	13	992
FY14 Gov	869	77	14	960
Change	(3)	(30)	1	(32)

<input type="checkbox"/>	Temporary
<input checked="" type="checkbox"/>	Perm Part Time
<input checked="" type="checkbox"/>	Perm Full Time

FY2014 Budget Request: \$194,404.9

(\$35,363.0 UGF; \$33,696.4 DGF; \$26,566.7 Other; \$98,778.8 Federal)

Budget by Priority Program



• 869 Full-Time Positions

• 77 Part-Time Positions

• 14 Temporary Positions

Governor's Budget Overview

FY2013 Operating Supplemental

Department-wide lease cost increases

- \$942.9 UGF for increasing ongoing lease expenses with a department-wide impact

FY2014 Operating Budget

Department-wide lease cost increases

- \$984.5 UGF for increasing ongoing lease expenses with a department-wide impact

Department-wide core service cost increases

- \$65.0 UGF for increasing ongoing core services provided by the Department of Administration with a department-wide impact

Division of Vocational Rehabilitation

- \$100.0 UGF to strengthen the Independent Living network in Alaska

Alaska Vocational Technical Center (AVTEC)

- \$200.0 UGF continuation of one-time FY2013 appropriation for increasing operating expenses at AVTEC

Governor's Budget Overview

FY2014 Capital Budget

Heavy Equipment/Diesel/Pipe Welding Relocation Phase 1 of 3

- \$6,000.0 this phase, \$15,000.0 all three phases, replaces a training facility with safety issues

Deferred Maintenance

- \$968.4 UGF for reducing the backlog of maintenance needs on the Alaska Vocational Technical Center's (AVTEC) aging infrastructure

Mobile Mine Machine Simulator

- \$1,800.0 UGF grant to the University of Alaska's Mining and Petroleum Training Services program to train across Alaska

Maritime Simulator Ice Navigation Upgrade Phase 1 of 3

- \$375.0 UGF this phase, \$1,050.0 all three phases, hardware upgrades are required to support this software

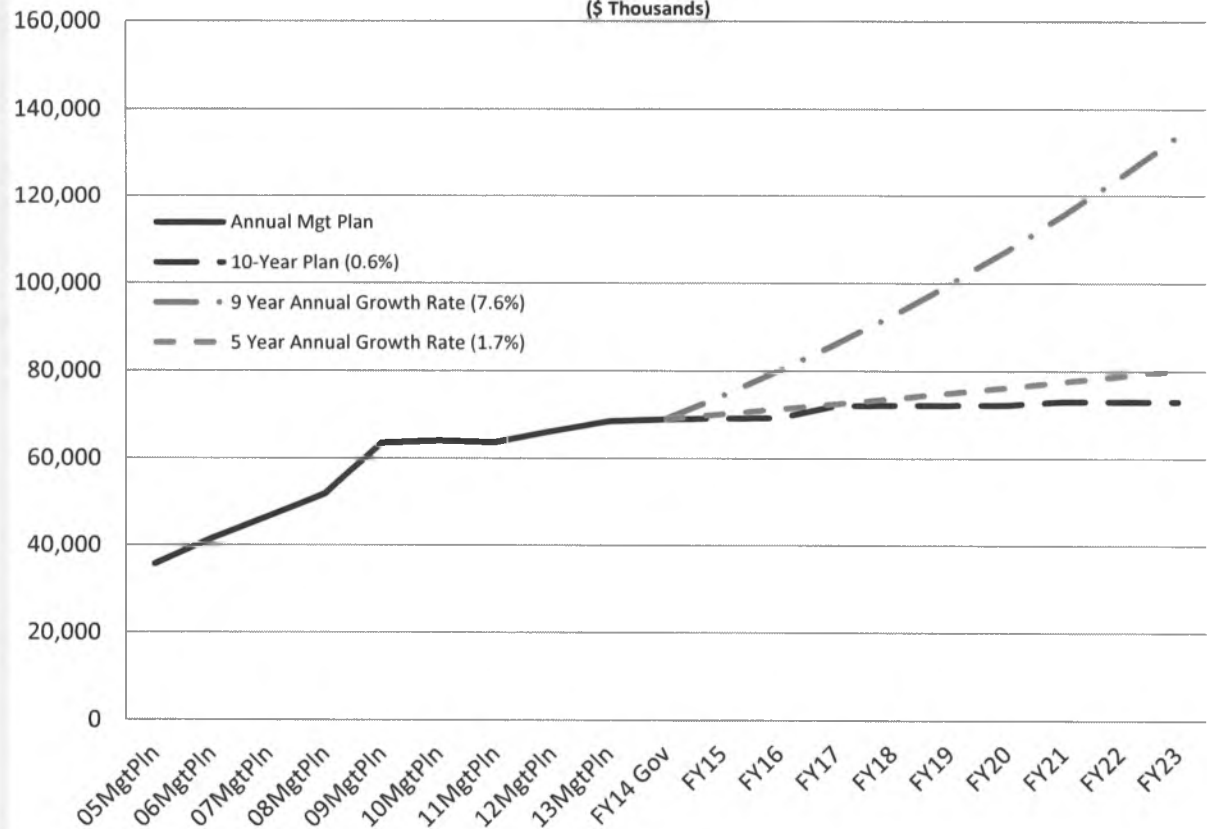
Ten Year Plan

- The department's general fund budget grew by \$33.4 million between FY05 and the FY14 Governor's Request - an average annual growth rate of 7.6%.
- Growth since FY09 has been \$5.5 million (1.7% growth rate).
- The department's ten year plan equates to an average annual growth rate of 0.6%.

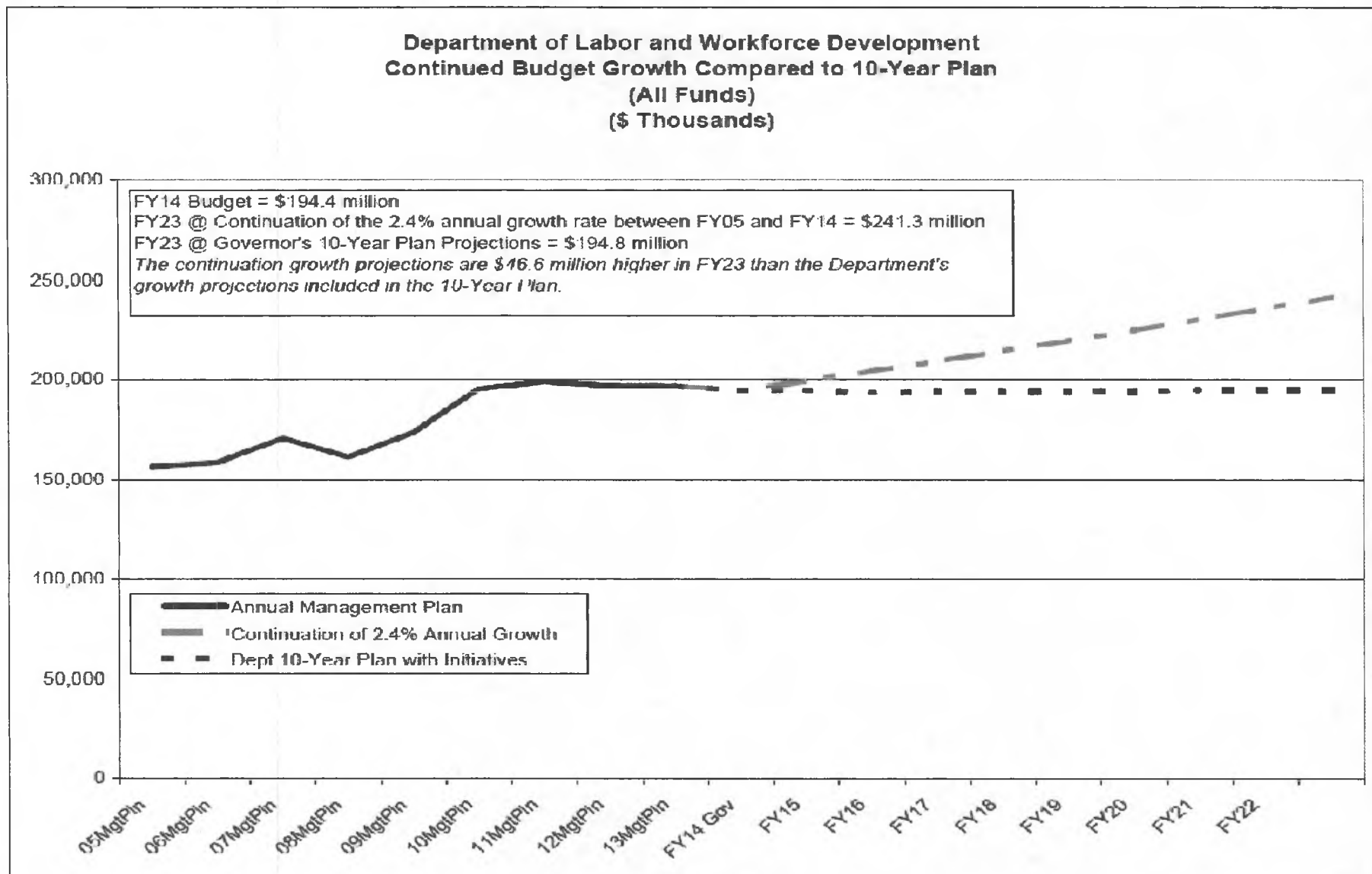
Department of Labor and Workforce Development

Continued Budget Growth Compared to 10-Year Plan

(General Funds Only)
(\$ Thousands)



Ten Year Plan





**For More Information
Please Contact**

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