

State of Alaska
FY2003 Governor's Operating Budget

Department of Labor and Workforce Development
Office of the Commissioner
Budget Request Unit Budget Summary

Office of the Commissioner Budget Request Unit

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BRU Mission

The mission of the Office of the Commissioner is to provide support and policy direction to divisions within the department.

BRU Services Provided

The Commissioner's Office component provides direction to the department's divisions in the administration of the department's programs.

The Alaska Labor Relations Agency component facilitates the resolution of disputes between organized labor and public employers in the state. The Agency promotes cooperative relations between government and its employees and protects the public's interest in the provision of uninterrupted government services.

The Alaska Human Resource Investment Council facilitates coordination of state workforce development programs in order to better serve Alaska's job seekers and employers.

BRU Goals and Strategies

1) PROMOTE EMPLOYMENT AND TRAINING OPPORTUNITIES FOR ALASKANS

- Increase the public's access to employment services.
- Participate in economic development activities.
- Strengthen the involvement of business and industry in developing Alaska's workforce.
- Monitor the utilization of training dollars and promote increased training opportunities.

2) ASSIST IN PROVIDING UNINTERRUPTED GOVERNMENT SERVICES.

- Conduct training sessions on the Public Employment Relations Act.
- Provide mediation and conciliation services.

Key BRU Issues for FY2002 – 2003

Implement the Alaska State Training Employment Program plan.

Prepare and plan for the maximum use of Alaska's resident workforce for the construction and operation of any potential Alaska gas line, ANWR development and/or missile defense installation.

Coordinate the employment and job training function for multi-departmental efforts to assist communities experiencing economic distress.

Address customer service issues related to statewide inspection backlogs and wage and hour requests.

Assist in providing uninterrupted government services to the public by conducting all certification and decertification elections within statutory requirements.

Further reduce the backlog of cases by continuing to apply streamlined procedures to bargaining unit clarification cases.

Major BRU Accomplishments in 2001

Established performance standards for employment and training programs.

Set policy for determining training provider eligibility.

Promulgated regulations governing the AHRIC and State Training Employment Program.

In 2000, 3,984 more Alaskans were employed than in 1999 and wages earned by Alaskans increased by \$389.2 million. The number of nonresident workers remained virtually the same as 1999, with an additional 160 nonresidents working in Alaska in 2000 over 1999. Wages paid to nonresident workers increased by \$52.9 million in 2000 over 1999. Residency was based upon Permanent Fund Dividend data.

Applied streamlined unit clarification procedures, which reduced the backlog of petitions on the supervisory status of State employees. Emphasis was placed on resolving older cases that were filed prior to 1999, while conducting investigations on new cases filed. Most of the oldest cases have been resolved. The number of open petitions has not changed substantially, as 21 cases were filed and 22 cases were concluded in FY2001. Approximately half of the cases filed in FY2001 have been resolved, thereby improving the average amount of time for resolution.

Applied streamlined unfair labor practice charge procedures to resolve new cases more rapidly. Emphasized resolving older cases that were of a lower priority, thereby eliminating the backlog of cases filed in 1998 and 1999. One of the older cases was very complex and time consuming. Handled investigation of high priority cases filed in an average of 36 days.

Key Performance Measures for FY2003

Measure:

The percentage of divisions in the department that meet assigned performance measures.
Sec 88(b)(1) Ch 90 SLA 2001(HB 250)

Background and Strategies:

The Commissioner's office monitors program performance through regular communications with division directors at weekly staff meetings.

Measure:

The number of financial audit exceptions resolved.
Sec 88(b)(2) Ch 90 SLA 2001(HB 250)

Alaska's Target & Progress:

The department's goal for resolution of audit findings is to implement corrective action within one year and obtain federal final resolution within three years of the initial identification of the audit finding. No baseline data is currently available for this measure. The agency has made progress in achieving this goal and the number of audit findings have also decreased over past three years as shown below:

FY00 FEDERAL COMPLIANCE FINDINGS – AGENCY CORRECTIVE ACTION IMPLEMENTED

- Improve controls on property management - tagging and listing of property – corrected
- Distribute data processing personal services cost according to regulations – corrected
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FY99 FEDERAL COMPLIANCE FINDINGS - FEDERAL FINAL DETERMINATION

- Three quarterly reports did not match state accounting system – resolved
- Unsubstantiated and questionable report data – resolved
- Incorrect revenue figures and untimely revenue billings – resolved
- Lack of follow up on subrecipient audit findings – resolved
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FY98 Federal compliance findings are in the initial determination phase and are being addressed with the Federal Office of Inspector General.

Benchmark Comparisons:

This performance measure does not readily lend itself to comparison with other entities because there are no existing performance standards established, and the resolution of audit findings is related to their complexity and to the nature of the organization's business.

Background and Strategies:

Federal financial audit exceptions are initially identified by the annual compliance audit. Although corrective actions are implemented by the agency, the final resolution of these audit findings is a multi year process requiring additional agency monitoring and paperwork. Generally, the process is:

- Agency implements corrective action to initial finding, and initiates monitoring
- Reviewed and re-reported in subsequent annual audits as a continuing and/or prior year finding
- Review and Initial determination by Federal Resolution and Appeals
- Agency responds to Initial determination
- Review and Final determination by Federal Resolution and Appeals

The Federal Final determination generally occurs two to three years after the original audit, but not necessarily in chronological order. For example, a final determination for the FY99 findings was received prior to an initial determination for the FY98 findings. Although some of the findings are the same in both reports, a final determination for one year does not resolve the issue for subsequent years.

STRATEGIES

To achieve this performance measure, resolution of audit findings is coordinated and monitored by DOL's Internal Audit. In addition, Internal Audit works to limit the potential for audit findings by documenting and reviewing areas of weakness that are identified through the annual federal compliance audit process, but are not yet considered an audit finding.

Measure:

The average time taken to respond to complaints and questions that have been elevated to the commissioner's office. Sec 88(b)(3) Ch 90 SLA 2001(HB 250)

Background and Strategies:

The Commissioner's office policy is 24 hour turn around on telephone calls and basic information requests if at all possible. If the inquiry is more complicated, the initial contact is still made within 24 hours and we work on resolution and stay in contact with the individual until the information is obtained and passed on to the individual. This policy does not extend to Commissioner level appeals, such as Unemployment Insurance cases, as there are standards and processes already in place.

Office of the Commissioner
BRU Financial Summary by Component

All dollars in thousands

	FY2001 Actuals				FY2002 Authorized				FY2003 Governor			
	General Funds	Federal Funds	Other Funds	Total Funds	General Funds	Federal Funds	Other Funds	Total Funds	General Funds	Federal Funds	Other Funds	Total Funds
<u>Formula Expenditures</u>												
None.												
<u>Non-Formula Expenditures</u>												
Human Res Investment Council	0.0	0.0	468.8	468.8	0.0	0.0	407.9	407.9	0.0	0.0	749.5	749.5
Commissioner's Office	394.5	0.0	164.6	559.1	353.3	80.5	122.1	555.9	360.3	0.0	320.3	680.6
Alaska Labor Relations Agency	317.3	0.0	7.4	324.7	332.3	0.0	0.0	332.3	342.0	0.0	0.0	342.0
Totals	711.8	0.0	640.8	1,352.6	685.6	80.5	530.0	1,296.1	702.3	0.0	1,069.8	1,772.1

Office of the Commissioner

Proposed Changes in Levels of Service for FY2003

The AHRIC will be taking over the management and technical assistance of the post secondary Carl Perkins Program going to six regional community colleges as well as taking over the management, assessment and technical assistance responsibilities for the certification of the post secondary vocational education institutions.

The AHRIC will also operate WorkStar which is an initiative by the Governor to recognize the outstanding welfare to work employers and employees. Gaining an understanding of the needs of welfare recipients transitioning to employment and the concerns of employers is an important concern of the AHRIC.

The Commissioner's Office added a Gas Pipeline Liaison position in the FY 2002 Management Plan. The position will represent the department in all inter- and intra-agency deliberations; provide liaison and outreach to external stakeholders with regard to employment and training of Alaskan workers and socio-economic impacts in general; and provide for appropriate review of mechanical, electrical and health and safety issues attendant to the application process.

Office of the Commissioner

Summary of BRU Budget Changes by Component

From FY2002 Authorized to FY2003 Governor

All dollars in thousands

	<u>General Funds</u>	<u>Federal Funds</u>	<u>Other Funds</u>	<u>Total Funds</u>
FY2002 Authorized	685.6	80.5	530.0	1,296.1
Adjustments which will continue current level of service:				
-Human Res Investment Council	0.0	0.0	8.9	8.9
-Commissioner's Office	7.0	-80.5	88.3	14.8
-Alaska Labor Relations Agency	9.7	0.0	0.0	9.7
Proposed budget increases:				
-Human Res Investment Council	0.0	0.0	332.7	332.7
-Commissioner's Office	0.0	0.0	109.9	109.9
FY2003 Governor	702.3	0.0	1,069.8	1,772.1