

State of Alaska
FY2004 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.

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 Workforce Investment Board facilitates coordination of state workforce development programs in order to better serve Alaska's job seekers and employers. All FY2004 component funding and positions have been consolidated into the new Workforce Investment Boards component.

BRU Goals and Strategies

1) PROMOTE EMPLOYMENT AND TRAINING OPPORTUNITIES FOR ALASKANS

- Participate in economic development activities.
- Strengthen the involvement of business and industry in developing Alaska's workforce.
- Increase the public's access to employment services.
- 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 (PERA).
- Provide mediation and conciliation services.

Key BRU Issues for FY2003 – 2004

Prepare and plan for the maximum use of Alaska's resident workforce for the construction and operation of potential transportation projects, the 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.

Explore assistance possibilities for displaced fishers, including the Trade Adjustment Assistance and Dislocated Worker funds.

Implement the user fee passed by the Legislature to address the statewide inspection backlogs.

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

Major BRU Accomplishments in 2002

In 2001, 3,996 more Alaskans were employed than in 2000 and wages earned by Alaskans increased by \$420.0 million. The number of nonresident workers increased by 2,975 or 4.6% over the same period. Wages paid to nonresident workers increased by \$112.0 million in 2001 over 2000. Residency was based upon Permanent Fund Dividend data.

The Alaska Labor Relations Agency applied streamlined unfair labor practice procedures to resolve new cases more rapidly and emphasized resolving older cases that were of a lower priority, thereby eliminating the backlog of active cases filed from 1998 to 2001. The Agency also completed four high priority unfair labor practice investigations in 2002 in an average of 52 days, surpassing the board's goal of 60 days.

Key Performance Measures for FY2004

Measure:

The percentage of assigned performance measures met by the department.

Sec 89(b)(1) Ch 124 SLA 2002(HB 515)

Alaska's Target & Progress:

In FY 2002 the department met or exceeded approximately 82% of assigned performance measures.

Background and Strategies:

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

Measure:

The percentage of financial audit exceptions resolved.

Sec 89(b)(2) Ch 124 SLA 2002(HB 515)

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. For FY02, the agency resolved 100% of outstanding financial audit exceptions.

FY02 FEDERAL COMPLIANCE FINDINGS – There were no federal compliance findings for this year.

FY98 FEDERAL COMPLIANCE FINDINGS - FEDERAL FINAL DETERMINATION

- School to Work administrative cost limitations not met – resolved
- Two Federal Financial reports were inaccurate – resolved
- Contract charged to incorrect fiscal year – resolved
- Lack of follow up on subrecipient audit findings – resolved

In addition, the number of audit findings has decreased significantly over the past four years due to continual monitoring and preventive action.

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 Federal 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:

- Annual Federal Compliance audit identifies findings
- Agency implements corrective action to initial finding, and initiates monitoring

- The finding is 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 occurs two to three years after the original audit.

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

Measure:

The average time taken to respond to complaints and questions that have been elevated to the Commissioner's Office.

Sec 89(b)(3) Ch 124 SLA 2002(HB 515)

Background and Strategies:

The Commissioner's office policy is a 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

	FY2002 Actuals				FY2003 Authorized				FY2004 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>												
Commissioner's Office	347.9	0.0	243.9	591.8	360.3	0.0	320.3	680.6	362.1	0.0	242.2	604.3
Workers' Compensation	0.0	0.0	0.0	0.0	173.5	0.0	2,441.3	2,614.8	0.0	0.0	0.0	0.0
Second Injury Fund	0.0	0.0	0.0	0.0	0.0	0.0	3,182.5	3,182.5	0.0	0.0	0.0	0.0
Fishermens Fund	0.0	0.0	0.0	0.0	0.0	0.0	1,312.2	1,312.2	0.0	0.0	0.0	0.0
Human Resources Investment Council	0.0	0.0	490.3	490.3	0.0	0.0	749.5	749.5	0.0	0.0	0.0	0.0
Alaska Labor Relations Agency	329.8	0.0	0.0	329.8	338.3	0.0	0.0	338.3	345.6	0.0	0.0	345.6
Wage and Hour Administration	0.0	0.0	0.0	0.0	1,377.3	0.0	22.6	1,399.9	0.0	0.0	0.0	0.0
Mechanical Inspection	0.0	0.0	0.0	0.0	137.7	0.0	1,505.4	1,643.1	0.0	0.0	0.0	0.0
Occupational Safety and Health	0.0	0.0	0.0	0.0	89.6	1,942.3	1,445.3	3,477.2	0.0	0.0	0.0	0.0
Alaska Safety Advisory Council	0.0	0.0	0.0	0.0	0.0	0.0	108.4	108.4	0.0	0.0	0.0	0.0
Totals	677.7	0.0	734.2	1,411.9	2,476.7	1,942.3	11,087.5	15,506.5	707.7	0.0	242.2	949.9

Office of the Commissioner

Proposed Changes in Levels of Service for FY2004

The Alaska Human Resource Investment Council component has been consolidated into a new division and services will be delivered from there.

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Summary of BRU Budget Changes by Component

From FY2003 Authorized to FY2004 Governor

All dollars in thousands

	<u>General Funds</u>	<u>Federal Funds</u>	<u>Other Funds</u>	<u>Total Funds</u>
FY2003 Authorized	2,476.7	1,942.3	11,087.5	15,506.5
Adjustments which will continue current level of service:				
-Commissioner's Office	1.8	0.0	4.3	6.1
-Human Res Investment Council	0.0	0.0	-749.5	-749.5
-Alaska Labor Relations Agency	7.3	0.0	0.0	7.3
Proposed budget decreases:				
-Commissioner's Office	0.0	0.0	-82.4	-82.4
FY2004 Governor	707.7	0.0	242.2	949.9