

**State of Alaska  
FY2006 Governor's Operating Budget**

**Department of Labor and Workforce Development  
Commissioner's Office  
Component Budget Summary**

## Component: Commissioner's Office

### Contribution to Department's Mission

The Commissioner's Office component contributes to the department's mission by providing support and policy direction to divisions within the department.

### Core Services

The department's programs affect all Alaskan workers and employers within the state. Strong direction from the Commissioner's Office is critical to the success of the services the department provides.

### FY2006 Resources Allocated to Achieve Results

**FY2006 Component Budget: \$795,300**

**Personnel:**

Full time	5
Part time	0
<b>Total</b>	<b>5</b>

### Key Component Challenges

Implement the Governor's Jobs Are Alaska's Future initiative.

Begin alignment to the new Statewide Enterprise IT standards. Fully aligning the Department's IT efforts to these new standards will take several years as the department's substantial infrastructure on the IBM MVS/CICS/DB2 mainframe is not part of the new IT standard.

Continue to research and assist in labor-management ad hoc committee efforts to address rapidly increasing workers' compensation liability insurance premium costs without adversely affecting benefits provided to injured workers.

Present to the legislature the Governor's budget proposal to establish an additional Wage and Hour Technician to check 75% of the certified payrolls and improve Alaska resident hire compliance.

Increase the involvement of business and employers in Alaska's workforce investment system and increase job-training resources in Governor and Commissioner identified priority industries.

Maintain federal training program performance levels despite continued federal Workforce Investment Act and other training grant reductions. This budget request includes the deletion of over \$7,000.0 of unfunded federal authorization, these are dollars not available for training Alaskans.

Request an increase in State Training and Employment Program (STEP) authorization to offset some of the impacts of federal training grant reductions.

Provide greater capacity in the One-Stop delivery system to effectively serve people with disabilities.

### Significant Changes in Results to be Delivered in FY2006

The department will enhance its image and accessibility through the Jobs Are Alaska's Future initiative.

With the requested Technician for the Fairbanks Worker's Compensation office there will be an improved delivery of informational services and a reduction of delays in informal and formal resolution of disputed claims in the office serving the northern tier of the state.

The Wage and Hour Administration will increase resident hire enforcement efforts with the addition of a Wage and Hour Technician position to check 75% of certified payrolls. The identification of resident hire violations is expected to increase initially and then decrease as the enforcement activity stabilizes.

The Occupational Safety and Health Administration intends to reduce rates for workplace injuries and illness per 100 employees by 15% over five years (2% in FY 2004, 3% in FY 2005-2007 and 4% in FY 2008).

The Employment Security Division is developing a web based labor exchange system that automates skills based matching and promotes employer and job seeker interaction. This project is scheduled for statewide implementation in November 2005.

Implementation of the new online tax services will provide an alternative method for Alaskan employers to conduct business with the Employment Security Division's Tax Unit. In addition to filing quarterly contribution reports, the services will assist businesses with compiling, calculating, submitting, and paying their unemployment taxes online. The enhancements also include new employer registration, online account maintenance, and the option of paying taxes through Electronic Funds Transfer (EFT).

The Alaska Workforce Investment Board and the Business Partnerships Division will focus on better coordination of regional, local and internal resources and help to leverage and assess statutorily mandated resource allocations.

The Alaska Vocational Technical Center's Allied Health training program in Anchorage will be expanded to add a second Licensed Practical Nurse program beginning January 05 to meet health industry demand for these professionals and a budget increase to support this effort is included.

The Division of Vocational Rehabilitation is launching a significant effort to partner with local school districts to make contact with students with disabilities who are about to leave the school system and to assist the students to successfully transition into the workforce. The Division will provide training to employers in understanding disability issues and the financial incentives to hire persons with disabilities.

## **Major Component Accomplishments in 2004**

Published occupational and industrial forecasts for ten-year horizon.

The Workers' Compensation Division, along with the Division of Insurance, successfully supported the Governor's initiative to maintain the viability of the Alaska Insurance Guaranty Association despite recent insurance company insolvencies. Doing so avoided payment of partial benefits to injured workers and imposition of the balance of the liabilities on their employers.

Wage and Hour staff collected over \$2,360,000 in wages, penalties and interest owed to Alaskan workers and reduced the average claim resolution time from 8.1 to 7.9 months.

The Occupational Safety and Health section facilitated a reduction in the rate of lost workday injuries and illnesses per 100 employees in Alaska's targeted, high hazard industries (construction and transportation and warehousing) by a combined total of 9.35% and in all industries by a combined total of 2.43% based on Workers' Compensation claim data.

The Employment Security Division assisted 36,170 job seekers to enter employment through the Alaska Job Center Network.

The Unemployment Insurance program paid 61,511 insured workers \$162.5 million in unemployment benefits.

The Adult Basic Education program awarded 1,816 GED diplomas in FY2004. Additionally, 88.5% of ABE adult students demonstrated increased basic skills knowledge.

The Business Partnership Division provided grant and program management, technical assistance and performance and evaluation support to enroll over 600 dislocated workers for retraining, job search and relocation and supportive service assistance in the National Emergency Grant project related to Alaska's commercial salmon industry price decline.

The department completed a comprehensive analysis of how people with disabilities are served in the One Stop Job Centers and worked with partner agencies to improve services. Also completed was an analysis of employer needs and utilization of One Stop Job Centers.

The Division of Vocational Rehabilitation launched the federal Customized Employment Grant initiative whereby 50 severely disabled persons are served through a multi-disciplinary approach.

## Statutory and Regulatory Authority

Statutory Authority:

AS 16.10.280	Fish Price Disputes
AS 18.60	Prevention of Accident and Health Hazards
AS 23	Labor and Workers' Compensation
AS 37.07	Executive Budget Act
AS 42.40	Personnel and Labor Relations
AS 44.31	Department of Labor

Administrative Regulations:

8 AAC	Labor and Workforce Development
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### Contact Information

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**Commissioner's Office  
Component Financial Summary**

*All dollars shown in thousands*

	FY2004 Actuals	FY2005 Management Plan	FY2006 Governor
<b>Non-Formula Program:</b>			
<b>Component Expenditures:</b>			
71000 Personal Services	488.3	507.0	457.1
72000 Travel	26.5	23.9	45.9
73000 Services	28.1	68.4	281.8
74000 Commodities	7.6	14.6	10.5
75000 Capital Outlay	6.3	0.0	0.0
77000 Grants, Benefits	0.0	0.0	0.0
78000 Miscellaneous	0.0	0.0	0.0
<b>Expenditure Totals</b>	<b>556.8</b>	<b>613.9</b>	<b>795.3</b>
<b>Funding Sources:</b>			
1004 General Fund Receipts	335.3	369.7	546.8
1007 Inter-Agency Receipts	221.5	244.2	248.5
<b>Funding Totals</b>	<b>556.8</b>	<b>613.9</b>	<b>795.3</b>

**Estimated Revenue Collections**

Description	Master Revenue Account	FY2004 Actuals	FY2005 Managem ent Plan	FY2006 Governor
<b>Unrestricted Revenues</b>				
None.		0.0	0.0	0.0
<b>Unrestricted Total</b>		<b>0.0</b>	<b>0.0</b>	<b>0.0</b>
<b>Restricted Revenues</b>				
Interagency Receipts	51015	221.5	244.2	256.4
<b>Restricted Total</b>		<b>221.5</b>	<b>244.2</b>	<b>256.4</b>
<b>Total Estimated Revenues</b>		<b>221.5</b>	<b>244.2</b>	<b>256.4</b>

**Summary of Component Budget Changes  
From FY2005 Management Plan to FY2006 Governor**

*All dollars shown in thousands*

	<u>General Funds</u>	<u>Federal Funds</u>	<u>Other Funds</u>	<u>Total Funds</u>
<b>FY2005 Management Plan</b>	<b>369.7</b>	<b>0.0</b>	<b>244.2</b>	<b>613.9</b>
<b>Adjustments which will continue current level of service:</b>				
-Transfer Office of Citizenship Assistance Funding and PCN from Commissioner's Office to New Budget Component	-77.0	0.0	0.0	-77.0
-FY 05 Bargaining Unit Contract Terms: GGU	0.6	0.0	0.7	1.3
-FY06 Cost Increases for Bargaining Units and Non-Covered Employees	3.5	0.0	3.6	7.1
<b>Proposed budget increases:</b>				
-Jobs for Alaska's Future Initiative	250.0	0.0	0.0	250.0
<b>FY2006 Governor</b>	<b>546.8</b>	<b>0.0</b>	<b>248.5</b>	<b>795.3</b>

**Commissioner's Office  
Personal Services Information**

<b>Authorized Positions</b>		<b>Personal Services Costs</b>		
	<u>FY2005</u>	<u>FY2006</u>		
	<u>Management</u>	<u>Governor</u>		
	<u>Plan</u>			
Full-time	6	5	Annual Salaries	338,891
Part-time	0	0	COLA	834
Nonpermanent	0	0	Premium Pay	0
			Annual Benefits	151,486
			<i>Less 3.18% Vacancy Factor</i>	<i>(15,611)</i>
			Lump Sum Premium Pay	0
<b>Totals</b>	<b>6</b>	<b>5</b>	<b>Total Personal Services</b>	<b>475,600</b>

**Position Classification Summary**

<b>Job Class Title</b>	<b>Anchorage</b>	<b>Fairbanks</b>	<b>Juneau</b>	<b>Others</b>	<b>Total</b>
Asst Commissioner	0	0	1	0	1
Commissioner	0	0	1	0	1
Exec Secretary I	0	0	1	0	1
Regulations Spec II	0	0	1	0	1
Spec Asst To The Comm II	0	0	1	0	1
<b>Totals</b>	<b>0</b>	<b>0</b>	<b>5</b>	<b>0</b>	<b>5</b>