

State of Alaska FY2009 Governor's Operating Budget

Department of Labor and Workforce Development

Department of Labor and Workforce Development

Mission

The mission of the Department of Labor and Workforce Development is to provide safe and legal working conditions and to advance opportunities for employment.

Core Services

The Office of the Commissioner RDU provides direction in the administration of the department's programs and facilitates the resolution of disputes between organized labor and public employers.

The Administrative Services RDU provides management information and support services to the department, develops and distributes labor market and population information, and conducts labor force research. The division's support services include fiscal, publications, budget and data processing.

The Workers' Compensation RDU administers the state's Workers' Compensation Act, the Fishermen's Fund and the Second Injury Fund to aid Alaskans with employment related injuries and illnesses.

The Labor Standards and Safety RDU provides enforcement, training and monitoring of the laws governing occupational safety and health, wages and hours, child labor and the safety of certain mechanical devices and hazardous substances.

The Employment Security RDU assesses and collects Unemployment Insurance (UI) tax, pays UI benefits, operates a public labor exchange and provides adult basic education services.

The Business Partnerships RDU develops, designs and implements workforce training programs, administers the State Training and Employment Program (STEP) and is the grantee for all Workforce Investment Act federal grants.

The Vocational Rehabilitation RDU assists individuals with disabilities to obtain and maintain employment.

End Result	Strategies to Achieve End Result
<p>A: Full employment of Alaska workforce.</p> <p><u>Target #1:</u> Decrease the percent of non-residents working in Alaska by 2% per year.</p> <p><u>Measure #1:</u> Percent of non-resident workers in Alaska.</p>	<p>A1: Enforce the provisions for resident hire preference on public construction projects.</p> <p><u>Target #1:</u> Check 60% of certified payrolls for compliance with Alaska resident hire requirements.</p> <p><u>Measure #1:</u> Percentage of certified payrolls checked for compliance.</p> <p>A2: Increase the number of Workforce Investment System participants who get jobs.</p> <p><u>Target #1:</u> Increase the percentage of Workforce Investment System participants that enter employment by 1% as compared to the previous year.</p> <p><u>Measure #1:</u> Percent of Workforce Investment System participants that enter employment.</p> <p><u>Target #2:</u> Increase the number of Workforce Investment System participants by 500 as compared to the previous year.</p> <p><u>Measure #2:</u> Change in number of Workforce Investment System participants.</p>

	<p><u>Target #3:</u> Equal prior year's number of employed individuals exiting the vocational rehabilitation program. <u>Measure #3:</u> Number of employed individuals exiting the vocational rehabilitation program.</p> <p>A3: Increase the number of job orders and job openings listed in the Workforce Investment System.</p> <p><u>Target #1:</u> Increase the number of job openings placed by employers by 1,000 as compared to the previous year. <u>Measure #1:</u> Change in the number of job openings posted on the department's labor exchange system.</p>
End Result	Strategies to Achieve End Result
<p>B: A prepared workforce.</p> <p><u>Target #1:</u> At least 95 percent of trained participants will enter employment <u>Measure #1:</u> Percent of trained participants entering employment</p>	<p>B1: Improve the degree to which workforce investment resources are invested according to the industry priorities of the Alaska Workforce Investment Board (AWIB).</p> <p><u>Target #1:</u> At least 60 percent of participants are trained in occupations aligned with the AWIB's industry priorities. <u>Measure #1:</u> Percent of participants trained in priority industry occupations.</p>
End Result	Strategies to Achieve End Result
<p>C: Eliminate accidental injuries, fatalities and occupational illnesses within departmental jurisdiction.</p> <p><u>Target #1:</u> 2% per year reduction in the rate of workplace lost time injuries and illnesses per 100 employees. <u>Measure #1:</u> The rate of workplace lost time injuries and illnesses per 100 employees compared to the previous year.</p> <p><u>Target #2:</u> Zero accidental workplace fatalities. <u>Measure #2:</u> The number of accidental workplace fatalities compared to the previous year.</p>	<p>C1: Improve voluntary compliance with Occupational Safety and Health (OSH) requirements.</p> <p><u>Target #1:</u> Increase the number of Voluntary Protection Program (VPP) and Safety & Health Achievement Recognition Program (SHARP) sites in Alaska by 10% per year. <u>Measure #1:</u> The percentage change in the number of VPP and SHARP sites in comparison to the previous year.</p>

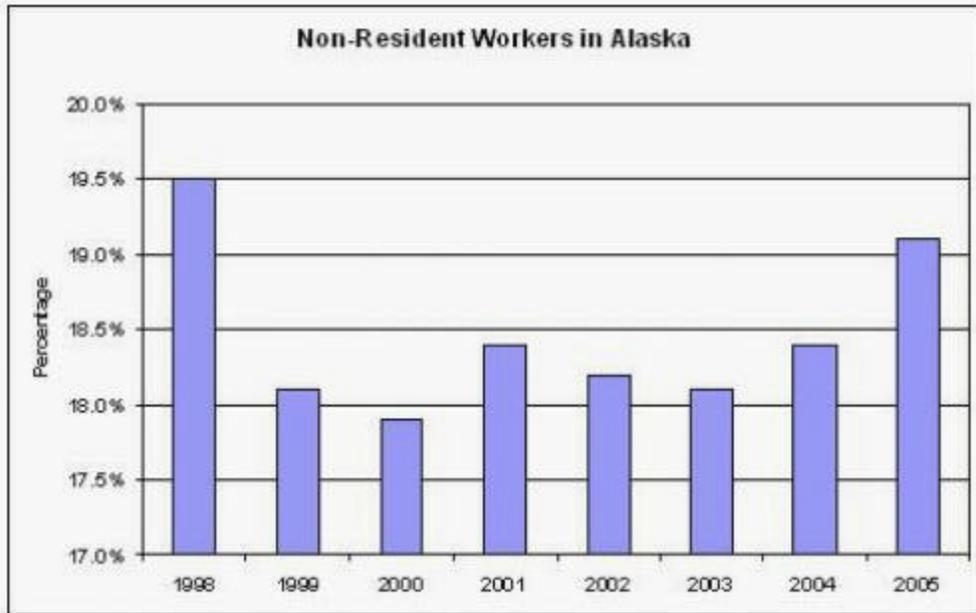
FY2009 Resources Allocated to Achieve Results							
<p>FY2009 Department Budget: \$166,330,800</p>	<p>Personnel:</p> <table style="width: 100%; border-collapse: collapse;"> <tr> <td style="padding-left: 20px;">Full time</td> <td style="text-align: right;">835</td> </tr> <tr> <td style="padding-left: 20px;">Part time</td> <td style="text-align: right;">105</td> </tr> <tr> <td style="padding-left: 20px;">Total</td> <td style="text-align: right; border-top: 1px solid black;">940</td> </tr> </table>	Full time	835	Part time	105	Total	940
Full time	835						
Part time	105						
Total	940						

Performance Measure Detail

A: Result - Full employment of Alaska workforce.

Target #1: Decrease the percent of non-residents working in Alaska by 2% per year.

Measure #1: Percent of non-resident workers in Alaska.



Analysis of results and challenges: For the period 1992-2003, the percentage of nonresidents working in Alaska has varied from a high of 23.7% in 1992 to a low of 17.9% in 2000. The total number of wage and salary workers in Alaska for 2005 was 389,269 and 74,266 (19.1%) of Alaska's workforce were nonresident. The increase is due to strong growth in the construction, accommodations and foods services, and mining (oil and gas) industries. Wage and Hour proposes to increase enforcement of the Alaska employment preference law on public construction projects in FY 2008.

2006 data will not be available until January 2008.

A1: Strategy - Enforce the provisions for resident hire preference on public construction projects.

Target #1: Check 60% of certified payrolls for compliance with Alaska resident hire requirements.

Measure #1: Percentage of certified payrolls checked for compliance.

Certified Payrolls

Fiscal Year	# Received	# Audited	% Checked
FY 2004	16,770	762	5%
FY 2005	43,942	9,215	21%
FY 2006	42,027	20,929	50%
FY 2007	41,266	26,123	63%

Analysis of results and challenges: Wage and Hour had not monitored the number of certified payrolls collected until 1/1/04. With additional Wage & Hour Technicians the percentage of certified payrolls checked has increased. The department's FY07 proposal for an on-line certified payroll system was approved and the number of certified payrolls checked should increase to 100% when this system goes on-line in FY08. This program will allow improved tracking of resident hire and apprentice utilization performance.

A2: Strategy - Increase the number of Workforce Investment System participants who get jobs.

Target #1: Increase the percentage of Workforce Investment System participants that enter employment by 1% as compared to the previous year.
Measure #1: Percent of Workforce Investment System participants that enter employment.

Fiscal Year	1st Qtr	2nd Qtr	3rd Qtr	4th Qtr	YTD
FY 2006	64%	61%	61%	61%	62%
FY 2007	60%	59%	57%	56%	58%
FY 2008	0	0	0	0	Forecast 59%

Analysis of results and challenges: The Entered Employment Rate is defined as: Of those not employed at the date of participation; the number of participants who demonstrated employment (wages earned) in the first quarter after they exited participation, divided by the total number of participants who exited during the quarter.

In compliance with federal common measures, an Alaska Labor Exchange system (ALEXsys) was implemented in April 2006. FY 2007 is the first full employment data reporting period utilizing ALEXsys and establishes the baseline. ALEXsys increases the accuracy of performance data reporting and resulted in a four percent decrease in reported performance as compared to the previous data.

Efforts to increase the percentage of Workforce Investment System participants that enter employment include professional job center staff available to assist job seekers with registration in ALEXsys, help build skills and post resumes, view labor market and career information, search for jobs, offer workshops to learn job search strategies, develop interviewing skills, provide training information, and special services for veterans, seniors, persons with disabilities, and unemployment insurance recipients. Marketing strategies continue to increase use of our services.

Update: FY 2008 1st Quarter information will be available late November 2007

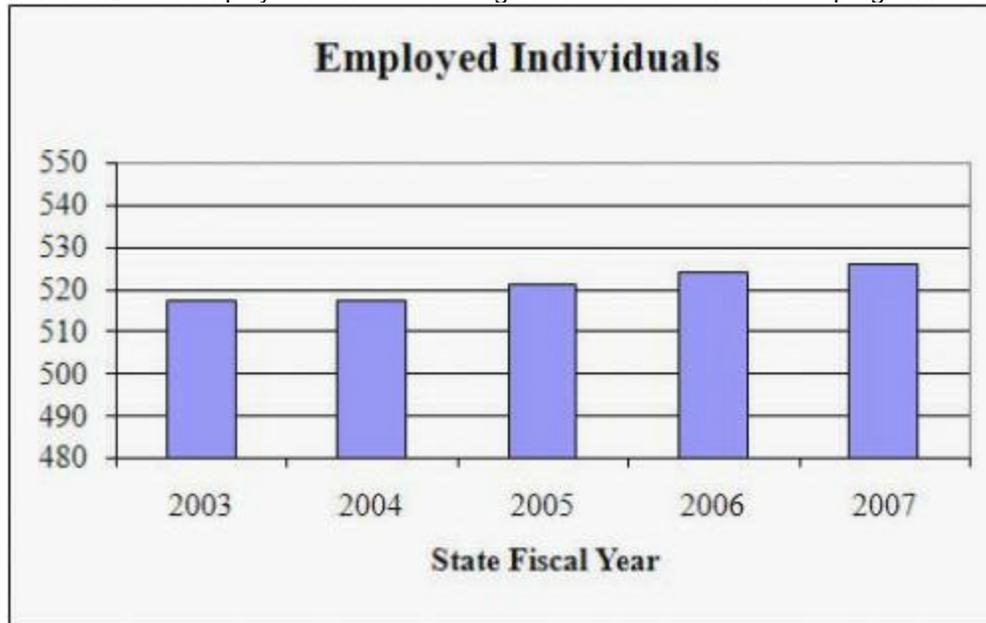
Target #2: Increase the number of Workforce Investment System participants by 500 as compared to the previous year.
Measure #2: Change in number of Workforce Investment System participants.

Fiscal Year	1st Qtr	2nd Qtr	3rd Qtr	4th Qtr	YTD	Change
FY 2006	19,208	27,656	14,983	17,381	79,228	
FY 2007	28,878	32,547	25,108	23,032	109,565	30,337
FY 2008	0	0	0	0	Forecast 110,065	500

Analysis of results and challenges: Common Measures federal reporting requirements redefine a "registrant" to that of a "participant." An individual may be counted as a participant more than once in any given four-quarter reporting period if they resume receiving services after having a break in service of 90 days or more. Job seekers who self-register in ALEXsys via the internet also count as "participants." All UI claimants must register in ALEXsys as well. This has resulted in an increase in our overall participation rate. FY 2006 is the new baseline year for Common Measures and should be the State's baseline year for this measure.

Target #3: Equal prior year's number of employed individuals exiting the vocational rehabilitation program.

Measure #3: Number of employed individuals exiting the vocational rehabilitation program.



Employed Individuals

Fiscal Year	YTD
FY 2003	517
FY 2004	517
FY 2005	521
FY 2006	524
FY 2007	526

Analysis of results and challenges: An individual must be working for a minimum of 90 days in order to be counted as employed. The number of individuals employed has increased annually even though the number of applicants entering the program has slightly declined. In FY2006 the division served 3,960 individuals and in FY2007 3,897 were served.

The decline of applicants is probably attributed to the strong Alaskan labor market and economy. During the past year, the Division has made a concerted effort to outreach to potential referral sources to insure people with disabilities know about and can apply for vocational rehabilitation services.

Both staff and financial resources affect the number of individuals the division is able to assist. With level funding and the difficulty of recruiting qualified staff to replace our retiring experienced counselors, maintaining the current level of production will continue to challenge the division.

A3: Strategy - Increase the number of job orders and job openings listed in the Workforce Investment System.

Target #1: Increase the number of job openings placed by employers by 1,000 as compared to the previous year.

Measure #1: Change in the number of job openings posted on the department's labor exchange system.

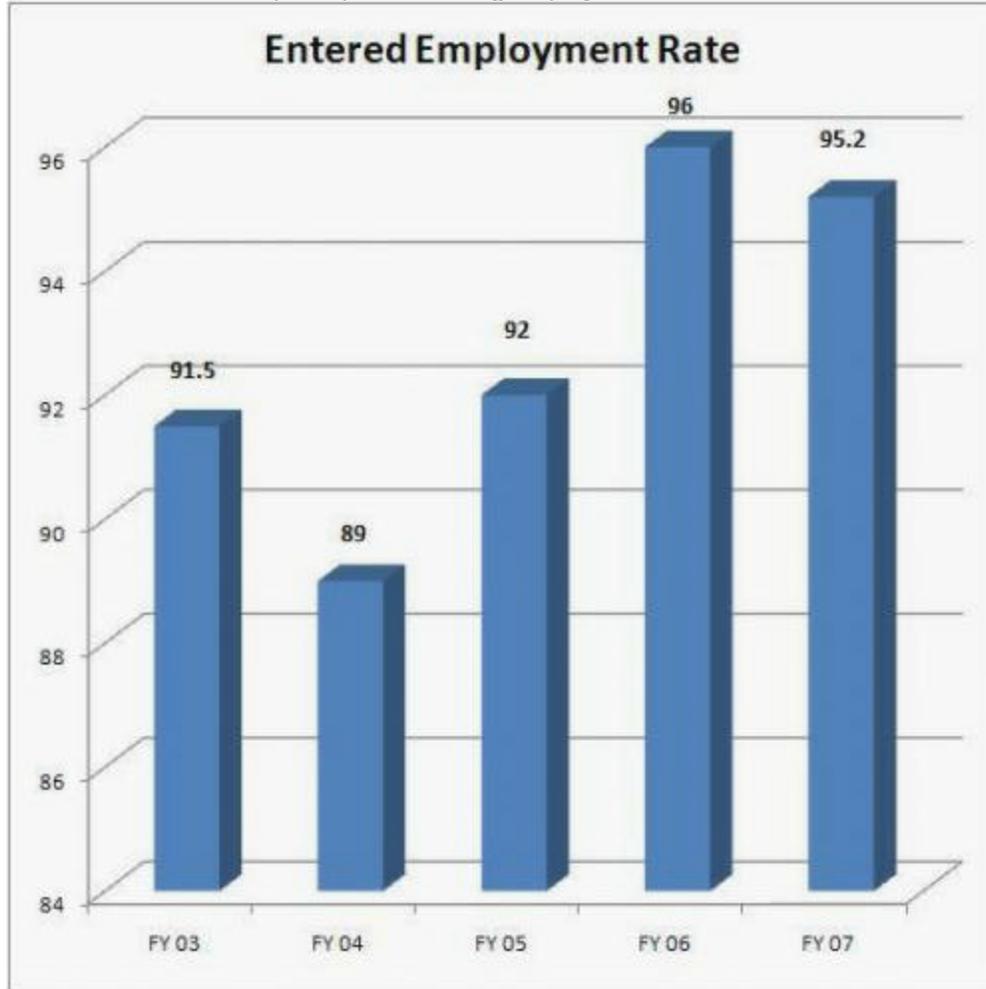
Fiscal Year	1st Qtr	2nd Qtr	3rd Qtr	4th Qtr	YTD	Change
FY 2003					44,632	0
FY 2004	11,619	8,875	11,443	13,986	45,923	1,291
FY 2005	15,344	9,397	12,386	16,783	53,910	7,987
FY 2006	17,033	12,199	12,093	7,309	48,634	(5,276)
FY 2007	22,624	16,212	16,195	12,512	67,543	18,909
FY 2008	0	0	0	0	Forecast 68,543	0

Analysis of results and challenges: A large direct mail and media marketing campaign to employers in Alaska led to a spike in employers using ALEXsys when it was first implemented in April 2006 and to a spike in total openings in the first quarter of 2007. Continued promotion of ALEXsys to employers combined with its self-service nature as an on-line labor exchange system has led to an increase of total Job Openings in FY2007 of 18,909 compared to FY2006.

B: Result - A prepared workforce.

Target #1: At least 95 percent of trained participants will enter employment

Measure #1: Percent of trained participants entering employment



Entered Employment Rate

Analysis of results and challenges: This measure is an aggregate rate reflecting the percent of individuals who completed their respective training programs provided through the three primary Workforce Investment Act (WIA) Title IB program funding streams and/or the State Training and Employment Program (STEP) and found employment within one year. The FY07 rate dropped slightly due to delays the division experienced issuing grants. Litigation and court rulings precluded the division from negotiating and completing grant awards around the beginning of the fiscal year. These delays translate into fewer participants receiving training and completing their program within the fiscal year. It is worth noting that the court ruled in favor of the department.

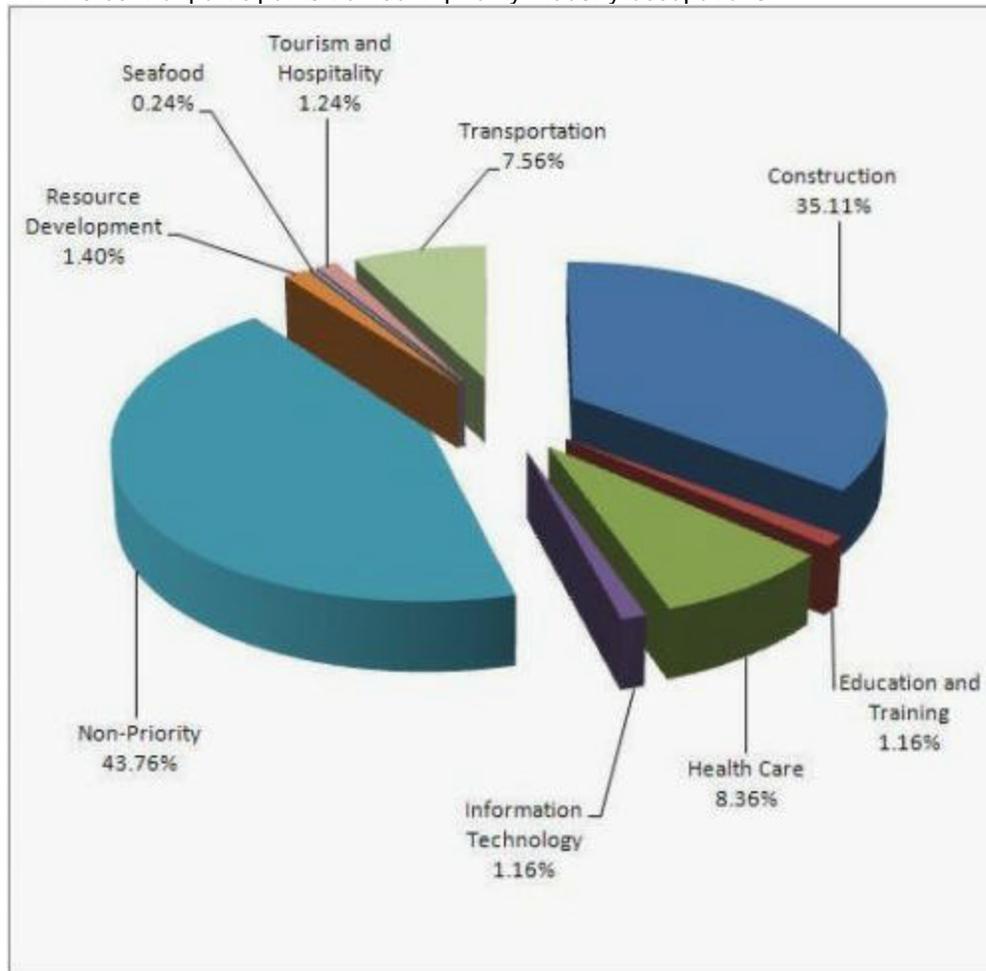
The total number of participants trained during FY 2007 was 2,161 of which 2,058 entered employment.

The division continues to work closely with grantees and training providers to ensure participants receive the requisite level of training to attain and retain employment. Most of the division's grant agreements address and require grantee involvement with the participant in job placement activities.

B1: Strategy - Improve the degree to which workforce investment resources are invested according to the industry priorities of the Alaska Workforce Investment Board (AWIB).

Target #1: At least 60 percent of participants are trained in occupations aligned with the AWIB's industry priorities.

Measure #1: Percent of participants trained in priority industry occupations.



Percentage of Trainings Completed In Priority Industry Occupations During FY 2007

Analysis of results and challenges: Training in priority industry occupations remained the primary focus for the department during fiscal year 2007. The predominant industries were construction and health care. The state re-energized its efforts in preparing the workforce for the forthcoming gas pipeline and forecasted shortages due to retirements and other vacancies resulting from an aging workforce. The decrease during FY 2007 was due to a hold placed on granting funds as a result of litigation and subsequent court rulings. The court ruled in favor of the department which meant it could move forward on grants. However, grant recipients had significantly less time available to recruit and train individuals. This is particularly detrimental in industries having long training courses.

The Alaska Workforce Investment Board (AWIB) retained the following priority industries throughout SFY 2007: Health Care, Transportation, Hospitality, Seafood, Education, Construction, Information Technology, and Resource Development.

- FY2004 57% in priority industry occupations
- FY2005 58% in priority industry occupations
- FY2006 62% in priority industry occupations
- FY2007 56% in priority industry occupations

Our Management Information System participant data for FY 2007 shows approximately 56% of clients were trained in priority industry occupations. The strategies and processes provide clear direction and encouragement for training participants in priority industry occupations. In addition, we use these priorities to encourage, but not require, participants as they apply their "informed customer choice" options for training.

C: Result - Eliminate accidental injuries, fatalities and occupational illnesses within departmental jurisdiction.

Target #1: 2% per year reduction in the rate of workplace lost time injuries and illnesses per 100 employees.

Measure #1: The rate of workplace lost time injuries and illnesses per 100 employees compared to the previous year.

Worker Lost Time Injuries and Illnesses

Fiscal Year	Rate	% Change
FY 2001	3.59	
FY 2002	3.24	-10%
FY 2003	2.73	-16%
FY 2004	1.94	-29%
FY 2005	2.29	18%
FY 2006	2.24	-2%
FY 2007	2.02	-10%

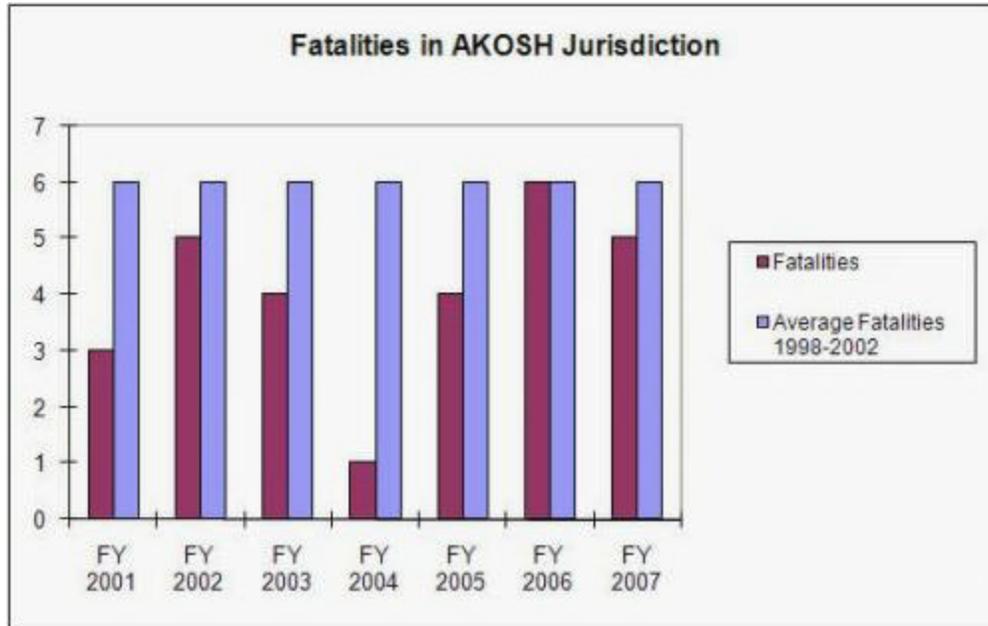
Analysis of results and challenges: Since FY01, the AKOSH program has reduced the lost workday illness and injury rate by 48% by targeting consultation and enforcement efforts on the causes of illnesses and injuries in industries with high incident rates. In FY03, the program initiated a five year strategic plan, which focused inspection, training and consultation efforts on high growth, high hazard industries (construction and transportation/warehousing) as evidenced by Worker's Compensation Insurance claim data.

To help put the rate into perspective, there were 6,941 recorded injuries with 309,382 employees in FY06 and 6,390 recorded injuries with 317,092 employees in FY07. Even though over 7,700 employees have been added to the Alaska economy over the last year, there were 551 fewer recorded injuries in FY07.

Target #2: Zero accidental workplace fatalities.

Measure #2: The number of accidental workplace fatalities compared to the previous year.

Workplace Fatalities



Analysis of results and challenges: The number of workplace fatalities will be calculated using fatality reports submitted to the Alaska Occupational Safety and Health Administration (AKOSH). AKOSH will reduce workplace fatalities through consultation and enforcement inspections by targeting industries with high fatality rates and eliminating the most prevalent causes of fatalities.

Due to the relatively small number of workplace fatalities and the annual fluctuations, it is useful to compare the current number of fatalities to the average number of fatalities over a 5 year period. The benchmark is from 1998-2002 when there was an average of six fatalities per year. The number of fatalities in 2007 decreased from six to five and the rolling five year average from 2003 through 2007 is 4 per year, for a 20% reduction from the benchmark period. Of note, through targeted inspections and consultations in the construction industry the number of fatalities was reduced from three in FY 2006 to one in FY 2007.

C1: Strategy - Improve voluntary compliance with Occupational Safety and Health (OSH) requirements.

Target #1: Increase the number of Voluntary Protection Program (VPP) and Safety & Health Achievement Recognition Program (SHARP) sites in Alaska by 10% per year.

Measure #1: The percentage change in the number of VPP and SHARP sites in comparison to the previous year.

VPP and SHARP Sites

Fiscal Year	VPP Sites	SHARP Sites	Total Sites	%Change
FY 2001	3	0	3	
FY 2002	3	6	9	200%
FY 2003	4	9	13	44%
FY 2004	6	11	17	31%
FY 2005	6	11	17	0
FY 2006	11	12	23	35%
FY 2007	12	14	26	13%

Analysis of results and challenges: The federal SHARP Program targets smaller employers with less than 250 employees at a site and less than 500 employees total. These smaller employers have a difficult time making the commitment necessary to participate in SHARP. In addition, one benefit of participation, deferred enforcement inspections for 18 months as set in federal regulations, is not significant when Alaska statutes provide a 12 month deferral for any company that receives a comprehensive consultation visit and corrects all hazards. The federal VPP Program is designed for larger employers with 500+ employees. Qualification for VPP is time consuming and Alaska has relatively few employers large enough to qualify.

SHARP and VPP participation will be improved by promoting the benefits of the program to businesses. Consultants will work in partnership with businesses to assist with the development, implementation and maintenance of occupational safety and health programs and performance necessary to meet VPP and SHARP participation standards. The benefits to employers to participate in these programs are reductions in injuries and illnesses, a reduction in operational costs and an increase in productivity.

Key Department Challenges

Prepare Alaskans to take advantage of the employment opportunities presented by the expanding economy and promote the employment of Alaskans to employers. Up to 48,000 new jobs will be created in Alaska by 2014. Youth, unemployed, under employed and rural Alaskans are all targets for quality vocational training leading to good paying jobs in Alaska's most critical industries. The department will continue to address this issue through the Jobs Are Alaska's Future initiative.

The department will address net declines in federal funding in the face of increased operating costs, including personal services cost increases and enterprise productivity rate increases. The department must face federal formula funding reductions and rescissions and prepare contingencies by seeking supplemental funding sources and leveraging funds through partnerships with Alaska business and industry.

Statewide Enterprise Information Technology (IT) planning resulted in new standards. Fully aligning the department's IT efforts to these 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. The department is pursuing effective solutions for technology platforms for the future, with a focus on efficiencies and savings.

With a year's experience of assessing penalties under the new law for failure to insure under the Workers' Compensation Act, the Workers' Compensation Board passed a resolution asking the Workers' Compensation Division to develop procedures to handle some of these cases without going to the Board. Based on the decisions made by the Board over the last year, the division will develop procedures for assessing penalties for failure to provide workers' compensation insurance coverage.

Mechanical Inspection's backlog of boiler/pressure vessel inspections has increased 36% due to increased numbers of new boilers. The number of boilers that are overdue for inspection increased from 3,033 in FY06 to 4,139 in FY07.

Employment and Training Services (ETS) continues to provide employment and training services to increased numbers of Alaskan customers while federal funding continues to decrease or remain flat funded as costs rise. This has caused a reduction in ETS program staff levels by 13.1% and an associated loss of services.

In Unemployment Insurance (UI) federal funding cannot keep up with increased cost of operations and has led to a reduction in program staff levels by 12.9%. The program is challenged to meet federal performance and quality measures (adjudication and timeliness), as well as overall customer service. This negatively affects the ability to respond to a downturn in the economy and paying UI benefits on time as required by law.

As a private sector led advisory body for the governor the Alaska Workforce Investment Board is striving to increase the involvement of business and industry employers in developing Alaska's workforce investment system.

The unemployment rate of people with disabilities continues to be about 47% which is significantly higher than the general population. This unemployment rate is even higher in rural Alaska. The continuing challenge is to provide services to rural Alaska and develop employment opportunities.

Significant Changes in Results to be Delivered in FY2009

The statutory mandate set out in the Alaska Gasline Inducement Act (AGIA) requires the department to develop a job training program that will prepare Alaskans for jobs in gas pipeline project management, construction, operations, maintenance and other gas pipeline related fields. With the requested incremental funding of \$970.0 General Funds, the Business Partnerships Division will focus on strengthening public-private partnerships for enhanced development and delivery among existing training programs so they become regional "Centers of Excellence." This integrated system will connect an articulated career pathway from high school to postsecondary education and training; transition participants from school to work; incorporate career technical education standards, and use industry-based standards. A well integrated career technical education system will "feed" youth and adults with career interest and capability through the system from entry to journey level advancement at these strategic, regional locations.

The Labor Market Information component will use the requested \$110.0 increase in General Funds to support the department's efforts to develop a comprehensive training program to provide a prepared Alaska workforce for the Alaska Gas Pipeline. As recommended by the department's AGIA steering committee, the component will develop and disseminate regional employment data products with this funding.

The Employment and Training Services component is requesting a \$600.0 Capital Improvement Project for the implementation of a skills inventory program to ensure a skilled and ready Alaskan workforce under AGIA. The purpose of this project is to enhance the ALEXsys job bank to create ad-hoc and standard statistical reports on skills and demographics of Alaska job seekers and a searchable expanded credentialing component. As part of this, the department is developing innovative practices for rural community outreach to better connect rural Alaskans with jobs.

The department has implemented several web applications and will continue to increase the functionality of options available to the public. Targeted this year will be:

* Benefits Internet Filing (BIF) - phase III. This application will allow more of the filing input to be handled by clients and will reduce call center workload.

* Workers' Compensation Electronic Data Exchange. This application will share data automatically between states and cut down on manual data entry. It should be finished and in place prior to FY09.

* Certified Payroll. This application allows for easier and more intuitive filing of weekly or biweekly wages for employers working on public construction projects. Enhancement for this year will include the ability to pay fees online.

With a Mechanical Inspection position reclassified from administration to a Boiler Inspector we will decrease the boiler inspection backlog and increase the percentage of boiler and pressure vessel violations corrected.

In addition to the annual Governor's Safety and Health Conference held by the Alaska Safety Advisory Council in Anchorage two additional conferences will be held, one each in Fairbanks and Juneau. The new conferences will provide

more opportunities to Alaskans for professional development in occupational safety and health issues.

The Business Services component will continue the Alaska Youth First Initiative by requesting \$3.5 million of General Funds in the capital budget to continue participation for youth and adults in construction academies. The funds are for use in training up the future Alaska workforce to take advantage of high-demand occupations in high-growth industries; to prepare Alaska's youth for careers and best-bet occupations; and to continue construction academies as a demonstrable, best-practice throughout Alaska. This request will replace funding dedicated to training youth and advancing vocational technical education in Alaska's schools from the federal High Growth Job Training Initiative award that ends in FY08, and will assist in continuing construction academies with increased partnership with school districts and industry led consortia represented by the Alaska Home Builders Association and the Associated General Contractors.

The Alaska Vocational Technical Center (AVTEC) anticipates the following changes to results for FY 09. AVTEC intends to significantly increase the distance delivered training to Regional Training Centers through AVTEC's developed Distance Training Partnerships and AVTEC will develop apprenticeship training partnerships with the mining industry. AVTEC will also increase Pipe Welding training opportunities for up to 30 students per year and deliver a Commercial Drivers License program integrated into the Diesel / Heavy Equipment program.

The Division of Vocational Rehabilitation will increase outreach to employers to promote understanding of disability issues and the financial incentives to hire persons with disabilities.

Major Department Accomplishments in 2007

Data Processing delivered a new version of the Unemployment Insurance Benefits Initial Claim Filing (BIF) system (phase 3). This system is intended to evolve into the principal method for interacting with unemployment insurance clients.

The Labor Market Information component provided labor market information to policymakers and line staff by responding to over 1,500 requests for economic and demographic information and conducting over 75 presentations.

The first payment under the Workers' Compensation Benefits Guaranty Fund was made at the end of the fiscal year. Almost \$250,000 in penalties was collected and deposited into the fund.

Wage and Hour staff collected over \$890,700 in wages, penalties and interest owed to Alaskan workers. 63% of certified payrolls received were checked for compliance with Alaska resident hire requirements.

The Alaska Occupational Safety and Health (AKOSH) Consultation program provided 124 training seminars to 3,393 individuals and identified and eliminated 2,669 workplace hazards during 346 on-site visits, while AKOSH Enforcement conducted 350 compliance inspections in FY07.

The Employment and Training Services program:

*Increased the number of registered job seekers to 109,565, an increase of 30,337 compared to the prior year.

*Provided job search assistance, facilities, and tools to 204,279 walk-in customers.

*Listed 67,543 job openings from employers using our services. This is an increase of 18,909 from the previous year.

Unemployment Insurance benefits totaling \$105.0 million were paid to 47,101 insured workers. During the same period over \$175.0 million in contributions were deposited into the UI Trust Fund. The Trust Fund is solvent and has a current balance just over \$300 million (as of 10/12/2007). This will allow the state to withstand any possible future downturn in the state's economy.

Adult Basic Education (ABE) awarded 1,591 GED diplomas in FY2007. Additionally, 79% of ABE adult students demonstrated increased basic skills knowledge.

The Business Services component developed and implemented goals of Alaska's Youth First Initiative with the initial FY07 investment of \$850,000 in General Fund appropriation, serving 649 youth through career guides; 844 youth completing at least one Youth Employability Skill activity; 297 youth participating in paid and un-paid work experience;

and six teachers receiving continuing education credits. With the increased General Fund investment in FY08 of \$1,450,000 for a total of \$2,300,000, targets are to serve 250 youth through career guides; 1,000 youth to receive Youth Employability Skills Training; 500 youth to complete an industry-based, paid work experience; and 50 teachers to complete an industry-based externship.

526 individuals with significant physical and/or mental impairments that constituted barriers to employment were successfully placed in employment as a result of Division of Vocational Rehabilitation services.

Prioritization of Agency Programs

(Statutory Reference AS 37.07.050(a)(13))

AS 37.07.050(a)(13) requires an agency to prioritize its activities, and a division is included in the definition of agency in AS 37.07.120(1). The department has interpreted this as allowing prioritization of its programs at the division level.

Department Programs Prioritized Within Each Division

COMMISSIONER'S OFFICE

1. Commissioner's Office
2. Alaska Labor Relations Agency
3. Office of Citizenship Assistance

ADMINISTRATIVE SERVICES DIVISION

1. Management Services
2. Labor Market Information
3. Data Processing
4. Human Resources
5. Leasing

BUSINESS PARTNERSHIPS DIVISION

1. Business Services
2. AVTEC
3. AVTEC Facilities Maintenance
4. Alaska Workforce Investment Board
5. Kotzebue Technical Center
6. Northwest Alaska Career and Technical Center
7. Yuut Elitnaurviat People's Learning Center
8. Southwest Alaska Vocational and Education Center

DIVISION OF VOCATIONAL REHABILITATION

1. Client Services
2. Independent Living Rehabilitation
3. Americans with Disabilities Act
4. Vocational Rehabilitation Administration
5. Special Projects
6. Disability Determination
7. Assistive Technology

EMPLOYMENT SECURITY DIVISION

1. Unemployment Insurance
2. Wagner-Peyser
3. Reemployment Services
4. Workforce Investment Act Training Services
5. Veterans Employment and Training
6. Trade Assistance Act/National Emergency Grant
7. Adult Basic Education
8. General Educational Development (GED) Testing
9. Senior Community Services Employment Program
10. Work Services
11. Welfare-to-Work Case Management
12. Work Opportunity Tax Credit
13. Foreign Labor Certification

LABOR STANDARDS & SAFETY DIVISION

1. Wage & Hour Title 36 Employment Preference Enforcement
2. OSH Enforce/Compliance Safety & Health
3. Mechanical Inspection Boiler Inspection
4. OSH Consult/Train Safety & Health
5. Mechanical Inspection Contractor Licensing
6. Wage & Hour Child Labor Enforcement
7. Wage & Hour Title 23 Wage Claim Enforcement
8. Mechanical Inspection Certificate of Fitness (Electrical & Plumbing)
9. Wage & Hour Title 36 Prevailing Wage Enforcement
10. Mechanical Inspection Elevator Inspection
11. Mechanical Inspection Electrical Inspection
12. Mechanical Inspection Plumbing Inspection
13. Mechanical Inspection Hazardous Materials Certificate of Fitness
14. Mechanical Inspection Boiler Operator Licensing
15. Mechanical Inspection Amusement Ride Inspection
16. OSH Joint Pipeline Office
17. Alaska Safety Advisory Council

WORKERS' COMPENSATION DIVISION

1. Enforcement of employers' workers' compensation liability insurance requirements
2. Administration of employers' workers' compensation liability self-insurance program
3. Investigation and enforcement of anti-fraud provisions of Act
4. Construction and maintenance of accurate and complete program databases
5. Dissemination of information to participants concerning Workers' Compensation Act rights, obligations, and procedures
6. Informal (mediations/prehearing conferences), formal (hearings), and initial appellate (by Worker's Compensation Appeals Commission) resolution of disputes
7. Audit of compensation reports and payments for accuracy and timeliness
8. Preparation of records of, and participation in, appeals from AWCB decisions
9. Archival and destruction of records
10. Administration of Commercial Fishermen's Fund
11. Administration of Second Injury Fund
12. Administration of Workers' Compensation Benefits Guaranty Fund
13. Tri-annual recalculation of COLA ratios for out-of-state benefit recipients

Contact Information

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Department Budget Summary by RDU

All dollars shown in thousands

	FY2007 Actuals				FY2008 Management Plan				FY2009 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
Formula Expenditures												
None.												
Non-Formula Expenditures												
Office of the Commissioner	1,196.3	0.0	337.0	1,533.3	2,090.6	0.0	381.6	2,472.2	1,251.8	0.0	381.6	1,633.4
Administrative Services	4,521.3	6,755.4	4,055.8	15,332.5	4,905.3	8,308.0	4,757.4	17,970.7	5,177.2	8,008.0	4,761.3	17,946.5
Workers' Compensation	3.5	0.0	8,542.8	8,546.3	3.5	0.0	10,779.4	10,782.9	3.5	0.0	11,194.3	11,197.8
Labor Standards and Safety	1,459.5	1,975.9	4,464.9	7,900.3	1,550.4	2,403.5	5,559.1	9,513.0	1,664.1	2,403.5	5,877.2	9,944.8
Employment Security	2,270.2	29,895.7	12,834.7	45,000.6	2,383.1	31,253.3	13,955.0	47,591.4	3,914.1	31,262.2	15,026.4	50,202.7
Business Partnerships	6,121.4	19,863.4	12,639.4	38,624.2	7,991.8	25,608.4	15,014.5	48,614.7	8,953.7	25,673.1	16,567.1	51,193.9
Vocational Rehabilitation	4,112.5	15,346.4	788.3	20,247.2	4,455.5	18,683.0	1,024.6	24,163.1	4,871.0	18,329.4	1,011.3	24,211.7
Totals	19,684.7	73,836.8	43,662.9	137,184.4	23,380.2	86,256.2	51,471.6	161,108.0	25,835.4	85,676.2	54,819.2	166,330.8

Funding Source Summary

All dollars in thousands

Funding Sources	FY2007 Actuals	FY2008 Management Plan	FY2009 Governor
1002 Federal Receipts	73,836.8	86,256.2	85,676.2
1003 General Fund Match	4,949.0	4,961.8	6,202.2
1004 General Fund Receipts	14,655.6	18,338.0	19,548.6
1005 General Fund/Program Receipts	80.1	80.4	84.6
1007 Inter-Agency Receipts	20,294.0	22,033.2	22,963.0
1031 Second Injury Fund Reserve Account	2,899.2	3,962.0	3,967.6
1032 Fishermen's Fund	1,103.3	1,614.9	1,622.5
1049 Training and Building Fund	674.1	994.3	1,012.8
1053 Investment Loss Trust Fund	300.0		
1054 State Employment & Training Program	5,269.0	7,050.0	8,325.1
1061 Capital Improvement Project Receipts	250.8	303.5	308.6
1108 Statutory Designated Program Receipts	122.6	308.3	381.0
1117 Vocational Rehabilitation Small Business Enterprise Fund	222.2	325.0	325.0
1151 Technical Vocational Education Program Account	2,407.3	2,681.4	2,998.1
1156 Receipt Supported Services	2,073.1	2,512.1	2,536.6
1157 Workers Safety and Compensation Administration Account	6,379.9	7,548.0	7,943.5
1172 Building Safety Account	1,657.0	2,088.9	2,185.4
1203 Workers' Compensation Benefits Guaranty Fund	10.4	50.0	250.0
Totals	137,184.4	161,108.0	166,330.8

Position Summary

Funding Sources	FY2008 Management Plan	FY2009 Governor
Permanent Full Time	835	835
Permanent Part Time	106	105
Non Permanent	46	44
Totals	987	984

FY2009 Capital Budget Request				
Project Title	General Funds	Federal Funds	Other Funds	Total Funds
AVTEC Culinary Building Replacement and Instructional Equipment	5,000,000	0	0	5,000,000
AVTEC Maritime Safety Training Facility	1,350,000	2,000,000	0	3,350,000
AVTEC Deferred Maintenance	3,900,000	0	1,486,000	5,386,000
Alaska Construction Academy Training Opportunities	3,500,000	0	0	3,500,000
Department Total	13,750,000	2,000,000	1,486,000	17,236,000

This is an appropriation level summary only. For allocations and the full project details see the capital budget.

Summary of Department Budget Changes by RDU

From FY2008 Management Plan to FY2009 Governor

All dollars shown in thousands

	<u>General Funds</u>	<u>Federal Funds</u>	<u>Other Funds</u>	<u>Total Funds</u>
FY2008 Management Plan	23,380.2	86,256.2	51,471.6	161,108.0
Adjustments which will continue current level of service:				
-Office of the Commissioner	-932.7	0.0	0.0	-932.7
-Administrative Services	161.9	0.0	3.9	165.8
-Workers' Compensation	0.0	0.0	214.9	214.9
-Labor Standards and Safety	63.7	0.0	230.1	293.8
-Employment Security	1,531.0	8.9	51.4	1,591.3
-Business Partnerships	-8.1	64.7	90.0	146.6
-Vocational Rehabilitation	368.9	146.4	12.0	527.3
Proposed budget decreases:				
-Administrative Services	0.0	-300.0	0.0	-300.0
-Employment Security	0.0	-1,356.1	0.0	-1,356.1
-Business Partnerships	0.0	0.0	-89.9	-89.9
-Vocational Rehabilitation	0.0	-500.0	-93.4	-593.4
Proposed budget increases:				
-Office of the Commissioner	93.9	0.0	0.0	93.9
-Administrative Services	110.0	0.0	0.0	110.0
-Workers' Compensation	0.0	0.0	200.0	200.0
-Labor Standards and Safety	50.0	0.0	88.0	138.0
-Employment Security	0.0	1,356.1	1,020.0	2,376.1
-Business Partnerships	970.0	0.0	1,552.5	2,522.5
-Vocational Rehabilitation	46.6	0.0	68.1	114.7
FY2009 Governor	25,835.4	85,676.2	54,819.2	166,330.8