

DEPARTMENT OF LABOR AND WORKFORCE DEVELOPMENT
FY16 - Increment/ Decrement Status

Governor's Budget Items Approved as Requested

Item #	Appropriation / Allocation	Description	Amount/Fund Source	FY16 CC Book Comment	GF Dec?	LFD Notes/Questions?	Agency Comments
1	Alaska Vocational Technical Center Appropriation/ Allocation	Add Authority to Spend Additional Program Receipts to Support Operations	Total: \$110.0 DGF (GF/Program Receipts)	The legislature approved the Governor's request for additional GF/Program Receipt authority. AVTEC's primary mission is to provide market-driven vocational and technical training to prepare state residents for jobs. This increase is supported by revenue generation options--including tuition and fee changes.		Impact to the program? Have fee changes been implemented? Is revenue anticipated to cover this increase?	AVTEC increased short-term training and program supply fees resulting in increased revenue in FY2016. AVTEC also has a regulation change in process to increase their long-term program tuition starting in FY2017.

Legislative Additions/ Deletions

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2	Commissioner and Administrative Services/ Commissioner's Office	Eliminate Special Assistant to the Commissioner and Implement Additional Administrative Cuts	Total: (\$200.7) UGF: (\$87.7) Other: (\$113.0) (1 PFT position)	A compromise was reached in the legislature to delete one Special Assistant to the Commissioner (no PCN specified), totaling a cut of (\$150.7-- \$37.7 UGF/ \$113.0 I/A Receipts). In addition, a UGF cut of (\$50.0) was taken against the Personal Services line in the Commissioner's Office.		Was this position eliminated? Which PCN and When? Please outline the actual savings by fund source. How has the workload been distributed in the absence of this position? What has been the impact of the \$50.0 cut in the Commissioner's Office?	The Communications Coordinator position was deleted for an actual cost savings of \$166.4 (\$53.4 UGF/ \$113.0 I/A Receipts). The workload was distributed to the Special Assistant positions depending on the type of communication. The remaining \$34.3 UGF reduction resulted in reduced travel, contractual and supplies expenses.
3	Executive Branch-Wide Unallocated Reduction	Executive branch-wide unallocated reduction of \$29.8 million UGF	(\$29.8) million UGF total-- Preliminary allocation to Dept of Labor and Workforce Development is (\$418.1) UGF	HB 2001 includes a \$29.8 million UGF unallocated reduction that will be spread among Executive Branch agencies. Although the final distribution of the unallocated reduction may change, as of July 1, 2015, the share of the reduction allocated to the Department of Labor and Workforce Development is \$418.1. OMB has instructed the departments to minimize layoffs and to look for efficiencies and program reductions. How the reduction will be allocated within the agency is currently unavailable. When this reduction is combined with other legislative budget actions, non-formula UGF has <i>decreased</i> by \$7,616,500 (-22.8%) from the FY15 Management Plan.		Please provide an update of the L&WD (\$418.1) UGF unallocated reductions. The Department has indicated that the cut will be spread in three areas: (1) \$81.1 - Commissioner and Administrative Services/ Leasing; (2) \$154.8 - Business Partnerships/ Business Services; and (3) \$182.2 - Employment and Training Services/ Workforce Services. What impact has this had?	The department used leased space reductions in Juneau and Kenai to cover \$81.1 of the unallocated reduction, and covered the remaining \$337.0 by combining the Business Partnerships and Employment Security divisions into the Division of Employment and Training Services. The merging of these divisions allowed the department to delete 10 vacant positions within Business Services and Workforce Services and then distribute the workload of those among the remaining employees.