

**Department of Labor and Workforce Development
FY22 - Mid-Year Status Report**

Item #	Approp/ Allocation	Description	Amount / Fund Source	Comment	LFD Questions	Agency Comments
1	Vocational Rehabilitation / Client Services	Decrease General Fund Match to Client Services' Basic Support Federal Grant	Net Zero \$662.8 Fed Rcpts (Fed) (\$662.8) GF/Match (UGF)	This fund change allows the department to leverage available federal funds carried forward for the FY22 Basic Support Federal Grant. The department will re-evaluate the program's general fund match need for FY23.	What is the status of the grant program? Are there still available federal funds for leverage?	Due to the ongoing pandemic and consequential lower than anticipated program expenditures, sufficient unobligated Federal funds are being carried forward to offset the \$662.8 reduction in GFM in FY2023.
2	N/A	CARES Act Funding Deposited into Alaska Unemployment Insurance Trust Fund	Federal	In September 2021, the Governor announced \$66.7 million in unobligated Coronavirus Aid, Relief, and Economic Security Act funding would be deposited into the Alaska Unemployment Insurance (UI) Trust Fund to bolster the fund and keep costs low for Alaska employers. The UI Trust Fund consists of tax contributions paid by the employee and employer on wages collected in the state. Tax revenues are deposited into a fund which pays out unemployment benefits to eligible workers.	Has the funding been deposited into the UI Trust Fund? Did it avoid the tax increase on employers?	Yes, \$66.7 million was deposited into the Unemployment Insurance Trust Fund on September 28, 2021. This deposit resulted in a reduction of the trust fund solvency adjustment to .02% from what would've been a 0.54% surcharge, thus significantly limiting the tax increase on employers.

**Department of Labor and Workforce Development
FY22 - Mid-Year Status Report**

Item #	Approp/ Allocation	Description	Amount / Fund Source	Comment	LFD Questions	Agency Comments
3	Various	Delete Vacant Positions, Authority, and Realize Administrative Efficiencies	<p>Total: (\$561.5) (\$41.7) GF/Match (UGF) (\$519.8) Gen Fund (UGF)</p> <p>(3) PFT Positions</p>	<p>These reductions in UGF are due to administrative efficiencies, including the deletion of three vacant full-time positions and their associated authority spread across the following appropriations/allocations:</p> <p><u>Commissioner and Administrative Services Total: (\$453.0 UGF) and (1 PFT)</u> -Commissioner's Office, (\$57.2 UGF) -Alaska Labor Relations Agency, (\$60.4 UGF) -Management Services, (\$66.9 UGF) -Data Processing, (\$29.6 UGF)-Labor Market Information, (\$238.9) and (1 PFT)</p> <p><u>Labor Standards and Safety Total: (\$108.5 GF) and (2 PFTs)</u> -Wage and Hour Administration, (\$66.8 UGF) and (1 PFT)- deleted vacant Office Assistant position -Occupational Safety and Health, (\$41.7 GF Match) and (1 PFT)</p>	<p>How has workload been distributed with deletion of these positions? What are the impacts of these decreases?</p>	<p>(CO)The workload associated with the funding split did not disrupt workflow as all essential duties continued to be performed.</p> <p>(ALRA)The 60.4 reduction have shifted lease costs to Administrative Services. Additional impacts on the Agency's budget were offset as some savings were realized from renegotiating a contract for legal research services, and annual staff and board member travel will likely not occur this year as all meetings and hearings will occur virtually.</p> <p>(MS) No impacts to services or workloads due to the reduction.</p> <p>(DP) No impacts to services or workloads as funding has shifted to a department-wide allocation.</p> <p>(LMI) To the extent possible, some of the less technical responsibilities of this position have been reassigned to staff with capacity and some level of expertise. Additionally, the effort to renegotiate long-standing internal and external reimbursable service agreements allowed the component to reduce GF funding while still performing the required tasks.</p> <p>(continued on next page)</p>

**Department of Labor and Workforce Development
FY22 - Mid-Year Status Report**

Item #	Approp/ Allocation	Description	Amount / Fund Source	Comment	LFD Questions	Agency Comments
3	Various	Delete Vacant Positions, Authority, and Realize Administrative Efficiencies	Total: (\$561.5) (\$41.7) GF/Match (UGF) (\$519.8) Gen Fund (UGF) (3) PFT Positions	(continued)	(continued)	(continued) (LSS) The deleted Wage and Hour (WH) Office Assistant 2 (OA 2) position has increased the volume of work for the remaining OA 2 position. The OA 2 position serves a forward-facing public service counter which needs to remain open and fully staffed at all times. The OA 2 also processes, logs, and assigns initial wage claims to the WH Investigators. With the removal of the additional OA 2 position, WH Investigators and Technicians have to man the front counter and perform the essential job functions of the OA 2 when the position is vacant or when the incumbent is out of the office. This pulls the Investigators and the Technicians away from their normal duties. The deletion of the Occupational Safety and Health (OSH) Administrative Assistant 1 (AA 1) position has had a negligible impact on OSH's abilities to meet their mission. The administrative duties have been re-assigned to the remaining AA 1s as well as the AA 2, and administrative efficiencies (i.e. more efficient internal administrative policies and procedures), have further reduced the impact of losing this position.

**Department of Labor and Workforce Development
FY22 - Mid-Year Status Report**

Item #	Approp/ Allocation	Description	Amount / Fund Source	Comment	LFD Questions	Agency Comments
4	Various	SB 55, Ch. 9 SLA 2021 Employer Contributions to PERS	\$571.5 UGF	SB 55 removes the 22% cap on payroll contributions to the Public Employee Retirement System (PERS) for the State of Alaska as a PERS employer. The budgetary impact of this legislation is reflected as a shift from the direct appropriation to PERS, which is typically funded with UGF, to agency payroll, where the cost can be spread across all fund sources. Specifically, the UGF impact to the Department of Labor and Workforce Development is \$571.5 spread across multiple allocations.	The out-years of the SB55 fiscal note identify other fund sources to replace this UGF. Are those fund sources realizable going forward?	As part of the fiscal note process for SB55, OMB worked with departments to identify fund sources that would not be realizable and backfill them with UGF. The department is not aware of any additional areas of concern at this time. The department will continue to monitor this through the projections process and will notify OMB if there are any concerns identified.