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Impact of Possible Government Shutdown on the Department of Labor and Workforce Development

JUNEAU: Today the Department of Labor and Workforce Development (DOLWD) is mailing layoff notices to its employees. Layoffs will occur on July 2nd if the legislature's inability to pass a budget causes a government shutdown.

In the event of layoffs, state employees may apply for Unemployment Insurance at https://my.alaska.gov/. DOLWD has published a "Partial Government Shutdown FAQ" about Unemployment Insurance, which can be accessed at http://labor.alaska.gov/esd unemployment insurance/Partial Shutdown Layoff UI FAQ.pdf.

DOLWD has several divisions in which all staff would be laid off during a government shutdown. These include the Alaska Labor Relations Agency, Wage and Hour Administration, and the Alaska Workforce Investment Board. Closure of these programs will mean delayed resolution of disputes and elections, and unresolved allegations of wage and hour violations. In addition, the department will be unable to distribute grants in support of the Alaska Construction Academy, Independent Living Program, General Education Development diplomas, and the Helmets-to-Hardhats veterans training program.

Some DOLWD divisions would continue operations supported by federal grants. The Vocational Rehabilitation Client Services, Occupational Safety and Health, and Adult Basic Education programs would continue operating through September 30, 2015, in order to avoid incurring expenses associated with paying back federal grants.

Some DOLWD programs that rely primarily on federal funds or generate their own revenue will continue operating in the event of a shutdown. These programs include Unemployment Insurance, Disability Determinations, Workers' Compensation, Mechanical Inspection, and Employment and Training Services. Continuing the operations of these programs will enable the department to provide timely unemployment determinations and benefits, including those of laid off state employees. The Division of Administrative Services, Division of Business Services, and the Alaska Vocational and Technical Center (AVTEC) will retain some staff, but only to maintain critical functions. ###