

**State of Alaska**  
**FY2007 Governor's Operating Budget**

**Department of Labor and Workforce Development**  
**Wage and Hour Administration**  
**Component Budget Summary**

**Component: Wage and Hour Administration**

**Contribution to Department's Mission**

The Wage and Hour component contributes to the department's mission of promoting full employment by providing legal employment conditions and reduces workplace injuries, fatalities and illnesses by providing safe and legal work environments for children.

**Core Services**

Collect wages and other amounts for employees who have not been properly paid as required by law.

Enforce child labor laws by approving work permits and inspecting work sites.

Enforce employment preference and prevailing wage laws on public construction projects by auditing certified payrolls, providing employer briefings and inspecting work sites.

Promote voluntary compliance with laws covering employee wages and conditions of employment, prevailing wages, child labor and Alaska resident hire requirements by educating employers and employees about legal obligations.

Enforce Alaska vehicle registration requirements under AS 28.10.121 on public construction projects as a method to focus attention on and improve Alaska resident hire. Investigators with special commissions from the Alaska State Troopers may issue citations for vehicles with unlawful out-of-state license plates.

**Major Activities to Advance Strategies**

- Conduct on-site inspections at public construction projects to enforce resident hire and prevailing wage requirements.
- Review wage claim caseloads and redistribute cases to promote claim-handling efficiency.
- Audit certified payrolls to ensure compliance with Alaska's resident hire law.
- Conduct on-site inspections and briefings to achieve child labor law compliance.

**FY2007 Resources Allocated to Achieve Results**

<b>FY2007 Component Budget: \$2,031,000</b>	<table style="width: 100%; border-collapse: collapse;"> <tr> <td colspan="2"><b>Personnel:</b></td> </tr> <tr> <td style="padding-left: 20px;">Full time</td> <td style="text-align: right;">24</td> </tr> <tr> <td style="padding-left: 20px;">Part time</td> <td style="text-align: right;">0</td> </tr> <tr> <td style="padding-left: 20px;"><b>Total</b></td> <td style="text-align: right; border-top: 1px solid black;"><b>24</b></td> </tr> </table>	<b>Personnel:</b>		Full time	24	Part time	0	<b>Total</b>	<b>24</b>
<b>Personnel:</b>									
Full time	24								
Part time	0								
<b>Total</b>	<b>24</b>								

**Key Component Challenges**

The Wage and Hour Administration requests \$299.2 to establish three new Wage and Hour Investigator I positions to improve resident hire results. Public construction capital projects have steadily increased by 23 percent since FY 2003 and existing staff is insufficient to effectively perform on-site inspections. In FY 2005 Wage & Hour staff monitored 7,204 projects and performed 160 on-site inspections or approximately 2%. This proposal will result in an additional 800 on-site inspections annually. These positions will help promote a 2% decrease in the ratio of non-residents to residents employed and an increase the overall percentage of the Alaska workforce employed.

## Significant Changes in Results to be Delivered in FY2007

If the capital project request for development and implementation of an on-line certified payroll filing system is approved, the Wage and Hour component will check 100% of certified payrolls to enforce resident hire compliance and apprentice utilization requirements associated with AO 226. This system will allow for real time tracking of Alaska hire performance on public construction projects in Alaska.

## Major Component Accomplishments in 2005

Wage and Hour staff collected over \$2,875,000 in wages, penalties, and interest owed to Alaskan workers, which equates to nearly a two to one return on investment for the people of Alaska.

Wage and Hour staff monitored over 7,204 public construction projects for prevailing wage enforcement and over 4,700 projects for employment preference compliance.

Wage and Hour ensured that youth workers were employed in safe working conditions by certifying work permits for more than 11,700 workers under the age of 17 and disseminated information on child labor, prevailing wage, and wage claim programs to over 24,800 businesses and individuals.

## Statutory and Regulatory Authority

### Statutory Authority:

AS 04.16.049	Access of persons under 21 to licensed premises
AS 08.18.010 - .171	Construction Contractors
AS 11.66.300	Minor presence prohibited at Adult Entertainment Business
AS 22.15.040	Small Claims Court Cases
AS 22.15.120	Magistrate Authority
AS 23.05.010 - .340	Administration and Wage Claims
AS 23.10.015 - .045	Wage Payment
AS 23.10.050 - .150	Alaska Wage and Hour Act
AS 23.10.325 - .370	Employment of Children
AS 23.10.375 - .400	Return Transportation
AS 23.10.430	Access to Personnel Files
AS 23.10.500 - .550	Alaska Family Medical Leave Act
AS 23.15.330 - .520	Employment Agencies
AS 28.10.121, .171, .451, and .461	Vehicle Registration
AS 36.05.010 - .110	Public Contracts
AS 36.10.005 - .990	Employment Preference
AS 36.95.010	Public Contracts/Definitions
AS 44.25.040	Security for wage and payment for raw fish

### Administrative Regulations:

8 AAC 05.010 - .900	Child Labor
8 AAC 10.010 - .915	Private Employment Agencies
8 AAC 15.010 - .910	Wages and Hours
8 AAC 20.010 - .030	Transportation of Employees
8 AAC 25.010 - .030	Payment of Wages
8 AAC 27.010 - .900	Fish Processors & Buyers
8 AAC 30.010 - .920	Public Contracts
12 AAC 21.010 - .300	Construction Contractors

### Federal Regulations:

(Federal Regulations are adopted by reference under AS 23.10.095)

29 CFR 516.2 – 516.6	Overtime Pay
29 CFR 531.3 – 531.5 & 531.29 – 531.35	Board and Lodging
29 CFR 541.118 & .313	Salary Basis and Fee Basis

29 CFR 541.303	Computer Related Occupations
29 CFR 541.314	Exception for physicians, lawyers, and teachers
29 CFR 778.111	Pieceworker
29 CFR 778.115 - .122	Computation of Overtime
29 CFR 778.208 - .215	Bonuses
29 CFR 778.301 - .302	Workweek
29 CFR 785.11 - .48	Hours Worked

**Contact Information**

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**Wage and Hour Administration  
Component Financial Summary**

*All dollars shown in thousands*

	FY2005 Actuals	FY2006 Management Plan	FY2007 Governor
<b>Non-Formula Program:</b>			
<b>Component Expenditures:</b>			
71000 Personal Services	1,095.2	1,351.5	1,644.4
72000 Travel	27.6	28.5	40.2
73000 Services	222.4	238.4	316.0
74000 Commodities	81.6	15.4	30.4
75000 Capital Outlay	0.0	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>1,426.8</b>	<b>1,633.8</b>	<b>2,031.0</b>
<b>Funding Sources:</b>			
1004 General Fund Receipts	1,395.9	1,257.6	1,613.5
1007 Inter-Agency Receipts	30.9	376.2	417.5
<b>Funding Totals</b>	<b>1,426.8</b>	<b>1,633.8</b>	<b>2,031.0</b>

**Estimated Revenue Collections**

Description	Master Revenue Account	FY2005 Actuals	FY2006 Management Plan	FY2007 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	30.9	376.2	417.5
<b>Restricted Total</b>		<b>30.9</b>	<b>376.2</b>	<b>417.5</b>
<b>Total Estimated Revenues</b>		<b>30.9</b>	<b>376.2</b>	<b>417.5</b>

**Summary of Component Budget Changes  
From FY2006 Management Plan to FY2007 Governor**

*All dollars shown in thousands*

	<u>General Funds</u>	<u>Federal Funds</u>	<u>Other Funds</u>	<u>Total Funds</u>
<b>FY2006 Management Plan</b>	<b>1,257.6</b>	<b>0.0</b>	<b>376.2</b>	<b>1,633.8</b>
<b>Adjustments which will continue current level of service:</b>				
-FY 07 Wage Increases for Bargaining Units and Non-Covered Employees	17.6	0.0	6.6	24.2
-FY 07 Health Insurance Cost Increases for Bargaining Units and Non-Covered Employees	2.7	0.0	1.0	3.7
-FY 07 Retirement Systems Cost Increase	33.2	0.0	12.5	45.7
<b>Proposed budget increases:</b>				
-Resident Hire Monitoring Initiative	299.2	0.0	0.0	299.2
-Interagency Receipt Authorization from Dept of Commerce for License Enforcement	0.0	0.0	20.0	20.0
-Risk Management Self-Insurance Funding Increase	3.2	0.0	1.2	4.4
<b>FY2007 Governor</b>	<b>1,613.5</b>	<b>0.0</b>	<b>417.5</b>	<b>2,031.0</b>

**Wage and Hour Administration  
Personal Services Information**

Authorized Positions		Personal Services Costs		
<u>FY2006</u>				
<u>Management</u>		<u>FY2007</u>		
<u>Plan</u>		<u>Governor</u>		
Full-time	22	24	Annual Salaries	1,036,475
Part-time	0	0	COLA	28,133
Nonpermanent	0	0	Premium Pay	0
			Annual Benefits	620,009
			<i>Less 2.39% Vacancy Factor</i>	(40,217)
			Lump Sum Premium Pay	0
<b>Totals</b>	<b>22</b>	<b>24</b>	<b>Total Personal Services</b>	<b>1,644,400</b>

**Position Classification Summary**

Job Class Title	Anchorage	Fairbanks	Juneau	Others	Total
Accounting Tech I	1	0	0	0	1
Administrative Clerk III	2	1	1	0	4
Administrative Supervisor	1	0	0	0	1
Wage Hour Invest I	6	3	3	0	12
Wage Hour Invest II	0	1	1	0	2
Wage Hour Invest III	1	0	0	0	1
Wage-Hour Technician	1	1	1	0	3
<b>Totals</b>	<b>12</b>	<b>6</b>	<b>6</b>	<b>0</b>	<b>24</b>