

State of Alaska FY2011 Governor's Operating Budget

Department of Labor and Workforce Development Labor Standards and Safety Results Delivery Unit Budget Summary

Labor Standards and Safety Results Delivery Unit

Contribution to Department's Mission

The mission of the Labor Standards and Safety RDU is to provide safe and legal working conditions.

Core Services

- Occupational safety and health law enforcement, training and consultation
- Electrical and mechanical code compliance inspections and training
- Certification of electricians, power linemen, plumbers, blasters, painters and asbestos workers
- Wage and child labor law enforcement and training
- Prevailing wage and Alaska resident hire law enforcement and training

Results at a Glance

(Additional performance information is available on the web at <http://omb.alaska.gov/results>.)

END RESULT A: Eliminate workplace fatalities caused by circumstances that are under Alaska Occupational Safety and Health (AKOSH) jurisdiction.

- In FY2009, Alaska Occupational Safety and Health's jurisdiction had five workplace fatalities as opposed to two in FY2008. However, the long term trend illustrates a sustained reduction in the fatality rate below the benchmark rate of six.

Status of Strategies to Achieve End Result

- Although the annual fatality rate jumped significantly in FY09, and this is cause for concern, the five year average rate was reduced by 21%. Alaska Occupational Safety and Health's strategy is to increase the number of staff visits to work sites assisting employers and employees by making recommendations for preventative measures and education, to reduce accidents in order to reach the zero fatality rate goal.

END RESULT B: Reduce the number of worker lost time injuries and illnesses in the workplace that are within AKOSH jurisdiction.

- Fiscal year 2009 rate of workplace lost time injuries and illnesses increased 2% after declining 15% in fiscal year 2008.

Status of Strategies to Achieve End Result

- For FY2009 there was a 1.4% increase in transportation and a 15.9% increase in construction lost time injuries and illnesses rates. Alaska Occupational Safety and Health plans to provide more education through compliance and consultation on the causes of "struck by" and "falling" incidents in order to reduce the rates.
- The Voluntary Protection Program (VPP) and Safety & Health Achievement Recognition Program (SHARP) each have 15 sites for FY2009 for a total of 30 sites. This is a 3% increase from last year. Through the increase of educational presentations to employers the VPP and SHARP programs should meet its goals.

END RESULT C: Reduce hazards to life and property posed by unsafe boilers/pressure vessels, plumbing and electrical work and elevators within Mechanical Inspection's jurisdiction.

- There was zero loss of life or property in FY2009 from devices within Mechanical Inspections' jurisdiction.

Status of Strategies to Achieve End Result

- There was a 4% reduction in the number of overdue boiler inspections for FY2009.
- 67% of boiler and pressure vessel violations were corrected in FY2009.
- 64% of electrical code violations were corrected in FY2009.
- 63% of the plumbing code violations were corrected in FY2009.
- 53% of elevator violations were corrected in FY2009.

END RESULT D: Full compliance with Alaska's Employment Preference Act (AS 36.10).

- There was a 67% increase in the ratio of Alaska Employment Preference violations to on-site inspections for FY2009.

Status of Strategies to Achieve End Result

- 60% of the certified payrolls were checked in FY2009 for compliance with resident hire requirements.

END RESULT E: Provide legal employment conditions within the Wage and Hour Administration's jurisdiction.

- Wage claim resolution for FY2009 was 5.7 months which was better than the target of six months.

Status of Strategies to Achieve End Result

- There was a 53% increase in the number of employer briefings for FY2009 in an effort for reduce wage claims.

Major Activities to Advance Strategies

- | | |
|--|--|
| <ul style="list-style-type: none"> • Mechanical Inspection and Wage and Hour enforce contractor licensing and electrical and mechanical administrator licensing requirements. • Mechanical Inspection enforces certification requirements for plumbers, electricians, explosives handlers, hazardous painters and asbestos workers. • Mechanical Inspection inspects mechanical and electrical systems, boilers and elevators to enforce code compliance. • Wage and Hour investigates wage claims and prevailing wage complaints and pursues collection of unpaid wages, benefits, penalties and interest. • Wage and Hour conducts on-site inspections and briefings to achieve child labor law compliance. | <ul style="list-style-type: none"> • Wage and Hour audits certified payrolls to check compliance with Alaska Resident Hire laws. • Occupational Safety and Health provides recognition awards for exemplary workplace safety and health programs. • Occupational Safety and Health Consultation performs on-site reviews and improvements of employer safety and health programs. • Occupational Safety and Health Enforcement conducts inspections, provides abatement assistance and assesses penalties when required. |
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Key RDU Challenges

Mechanical Inspection continues to have difficulty recruiting for qualified Boiler/Pressure Vessel Inspectors and Elevator Inspectors and this is expected to have a negative impact on the section's ability to maintain timely inspections of boilers, pressure vessels and elevators.

The economic downturn in the continental United States is expected to increase the number of non-resident workers in Alaska and this will increase the workload for Wage and Hour. Economic pressures may also reduce industry participation in occupational safety and health voluntary compliance efforts and increase the demands on enforcement programs.

Significant Changes in Results to be Delivered in FY2011

A Wage and Hour Investigator position was added in FY2010. This position will focus on Alaska resident hire and prevailing wage enforcement on public construction projects to assist with maintaining and improving the number of Alaska residents employed. The number of on-site inspections is anticipated to increase by 10% in FY2011 as this position becomes fully trained and operational.

Major RDU Accomplishments in 2009

Wage and Hour staff collected over \$828,244 in wages, penalties and interest owed to Alaskan workers.

The ratio for Alaska Employment Preference Act (AEPA) violations to on-site inspections increased from 3% to 5% in FY2009. This is primarily due to a 6% increase in on-site inspections and a 117% increase in the number of violations identified from the previous year. Penalties increased by nearly 70%. The deterrent effect of the increased inspections and penalties is expected to reduce the number of violations in the future.

Despite continued Boiler/Pressure Vessel Inspector position vacancies and recruitment difficulties in FY2009, Mechanical Inspection achieved a 4% reduction in the boiler inspection backlog.

Compared to FY2008, there was one less workplace fatality in FY2009 within the Alaska Occupational Safety and Health (AKOSH) section's jurisdiction.

The AKOSH Consultation program provided 500 on-site visits in FY2009 compared to 472 in FY2008, while AKOSH Enforcement conducted 295 compliance inspections in FY2009 compared to 228 the year before.

Contact Information

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**Labor Standards and Safety
RDU Financial Summary by Component**

All dollars shown in thousands

| | FY2009 Actuals | | | | FY2010 Management Plan | | | | FY2011 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 | | | | | | | | | | | | |
| Wage and Hour Administration | 1,535.3 | 0.0 | 478.7 | 2,014.0 | 1,709.0 | 0.0 | 509.4 | 2,218.4 | 1,709.2 | 0.0 | 509.4 | 2,218.6 |
| Mechanical Inspection | 72.0 | 0.0 | 2,035.3 | 2,107.3 | 75.2 | 0.0 | 2,595.4 | 2,670.6 | 75.2 | 0.0 | 2,596.1 | 2,671.3 |
| Occupational Safety and Health | 0.0 | 2,140.5 | 2,480.8 | 4,621.3 | 12.6 | 2,410.8 | 3,170.6 | 5,594.0 | 12.6 | 2,411.4 | 3,173.3 | 5,597.3 |
| Alaska Safety Advisory Council | 0.0 | 0.0 | 52.5 | 52.5 | 0.0 | 0.0 | 125.8 | 125.8 | 0.0 | 0.0 | 125.8 | 125.8 |
| Totals | 1,607.3 | 2,140.5 | 5,047.3 | 8,795.1 | 1,796.8 | 2,410.8 | 6,401.2 | 10,608.8 | 1,797.0 | 2,411.4 | 6,404.6 | 10,613.0 |

Labor Standards and Safety
Summary of RDU Budget Changes by Component
From FY2010 Management Plan to FY2011 Governor

All dollars shown in thousands

| | <u>General Funds</u> | <u>Federal Funds</u> | <u>Other Funds</u> | <u>Total Funds</u> |
|--|----------------------|----------------------|--------------------|--------------------|
| FY2010 Management Plan | 1,796.8 | 2,410.8 | 6,401.2 | 10,608.8 |
| Adjustments which will continue current level of service: | | | | |
| -Wage and Hour Administration | 0.2 | 0.0 | 0.0 | 0.2 |
| -Mechanical Inspection | 0.0 | 0.0 | 0.7 | 0.7 |
| -Occupational Safety and Health | 0.0 | 0.6 | 2.7 | 3.3 |
| FY2011 Governor | 1,797.0 | 2,411.4 | 6,404.6 | 10,613.0 |