

State of Alaska FY2012 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 FY2010, occupations within the jurisdiction of Alaska Occupational Safety and Health experienced seven workplace fatalities as opposed to five in FY2009. However, the long-term trend illustrates a sustained reduction in the fatality rate.

Status of Strategies to Achieve End Result

- The FY2006 to FY2010 five-year average rate of workplace fatalities is 1.46 per 100,000 employees; up from 1.34 last year. This represents a 9 percent growth while the target was a 3 percent reduction.

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

- The lost workday illness and injury rate per 100 employees was reduced by 9 percent from 1.76 in FY2009 to 1.6 in FY2010, and the target reduction was 2 percent.

Status of Strategies to Achieve End Result

- For FY2010, there was a reduction in lost time injuries and illness rate per 100 employees of 47 percent in transportation and 55 percent in construction far surpassing the goal of a 3 percent reduction. Alaska Occupational Safety and Health plans to continue providing more education through compliance and consultation on the causes of "struck by" and "falling" incidents in order to continue to reduce the rates.
- In FY2010, there were 16 Alaskan job sites that achieved for the Voluntary Protection Program (VPP) and 17 sites that qualified for the Safety & Health Achievement Recognition Program (SHARP) for a total of 33 sites; a 9 percent increase from FY2009. The target increase was 10 percent; the division will increase educational presentations to employers on these programs to meet its goals going forward.

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 no loss of life or property in FY2010 from devices within Mechanical Inspections' jurisdiction.

Status of Strategies to Achieve End Result

- There was a 23 percent reduction in the number of overdue boiler inspections for FY2010.
- 133 percent of boiler and pressure vessel violations were corrected in FY2010.
- 99 percent of electrical code violations were corrected in FY2010.
- 80 percent of the plumbing code violations were corrected in FY2010.
- 49 percent of elevator violations were corrected in FY2010.

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

- There was a 40 percent reduction in the ratio of Alaska Employment Preference violations to on-site inspections for FY2010.

Status of Strategies to Achieve End Result

- 64 percent of the certified payrolls were checked in FY2010, above the target of 60 percent, 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 FY2010 was 4.8 months which was 18 percent less than the resolution time in FY2009.

Status of Strategies to Achieve End Result

- There was an 18 percent increase in the number of employer briefings for FY2010.

Major Activities to Advance Strategies

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| <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

Economic pressures tend to reduce industry participation in occupational safety and health voluntary compliance efforts and increase the demands on enforcement programs. Maintaining workplace safety and health results as measured by reduced accidents may become more difficult due to economic pressure on industry to reduce investments in safety and health and due to unfunded policy and procedural shifts mandated by the federal Occupational Safety and Health Administration.

Mechanical Inspection has reduced elevator and boiler inspection backlogs over the past year, but any changes in staffing will have a negative impact, as qualified Boiler/Pressure Vessel Inspectors and Elevator Inspectors continue to be in short supply in Alaska and nationwide.

Significant Changes in Results to be Delivered in FY2012

No significant changes in results are anticipated.

Major RDU Accomplishments in 2010

In FY2010 Wage and Hour staff collected over \$1,240,595 in wages, penalties and interest owed to Alaskan workers. This is an increase of 48 percent from FY2009.

Wage and Hour increased the number of on-site inspections by 50 percent from FY2009 to FY2010. At the same time the ratio of Alaska Employment Preference Act (AEPA) violations to on-site inspections was reduced by 40 percent which demonstrates that educational and deterrent efforts are promoting voluntary compliance.

Although qualified Boiler/Pressure Vessel Inspectors and Elevator Inspectors continue to be in short supply in Alaska and nationwide the department Mechanical Inspection component is now fully-staffed. This allowed the component to reduce the backlog of overdue boiler inspections by 23 percent in FY2010 and the department is on-track to eliminate the backlog in the next three years.

The backlog of overdue boiler inspections in Mechanical Inspection was reduced by 23 percent in FY2010 to put the division back on track to eliminate the overdue boiler inspection backlog in the next three years.

The Alaska Occupational Safety and Health (AKOSH) section reduced the overall workplace illness and injury rate by 9 percent from 1.76 per 100 employee in FY2009 to 1.60 in FY2010. The target was a 2 percent reduction.

The AKOSH Consultation program provided 545 on-site visits in FY2010 compared to 500 in FY2009, and AKOSH Enforcement conducted 353 compliance inspections in FY2010 compared to 295 the year before.

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

All dollars shown in thousands

	FY2010 Actuals				FY2011 Management Plan				FY2012 Governor			
	UGF+DGF Funds	Other Funds	Federal Funds	Total Funds	UGF+DGF Funds	Other Funds	Federal Funds	Total Funds	UGF+DGF Funds	Other Funds	Federal Funds	Total Funds
Formula Expenditures None.												
Non-Formula Expenditures												
Wage and Hour Administration	1,708.4	420.0	0.0	2,128.4	1,760.5	531.6	0.0	2,292.1	1,812.9	575.7	0.0	2,388.6
Mechanical Inspection	2,012.8	360.5	0.0	2,373.3	2,066.5	679.5	0.0	2,746.0	2,122.2	704.5	0.0	2,826.7
Occupational Safety and Health	2,695.5	255.0	2,076.7	5,027.2	2,982.0	291.6	2,445.2	5,718.8	3,176.3	301.1	2,441.9	5,919.3
Alaska Safety Advisory Council	0.0	49.2	0.0	49.2	0.0	125.8	0.0	125.8	0.0	125.8	0.0	125.8
Totals	6,416.7	1,084.7	2,076.7	9,578.1	6,809.0	1,628.5	2,445.2	10,882.7	7,111.4	1,707.1	2,441.9	11,260.4

Labor Standards and Safety
Summary of RDU Budget Changes by Component
From FY2011 Management Plan to FY2012 Governor

All dollars shown in thousands

	<u>Unrestricted Gen (UGF)</u>	<u>Designated Gen (DGF)</u>	<u>Other Funds</u>	<u>Federal Funds</u>	<u>Total Funds</u>
FY2011 Management Plan	1,761.8	5,047.2	1,628.5	2,445.2	10,882.7
Adjustments which will continue current level of service:					
-Wage and Hour Administration	52.4	0.0	21.9	0.0	74.3
-Mechanical Inspection	0.0	55.7	25.0	0.0	80.7
-Occupational Safety and Health	0.0	194.3	9.5	-3.3	200.5
Proposed budget increases:					
-Wage and Hour Administration	0.0	0.0	22.2	0.0	22.2
FY2012 Governor	1,814.2	5,297.2	1,707.1	2,441.9	11,260.4