

**State of Alaska**  
**FY2003 Governor's Operating Budget**

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

## **Component: Wage and Hour Administration**

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### **Component Mission**

To ensure that employees are justly compensated for their work, safeguard workers from unscrupulous employment practices, and ensure that children are not exploited by employment in dangerous occupations.

### **Component Services Provided**

- Collection of wages for employees who haven't been properly paid is performed by a staff of investigators and technicians in three regional offices statewide who investigate underpayment or nonpayment of wages earned or benefits accrued.
- Child labor laws are enforced by the investigative and technical staff who review and approve or deny work permits for all minors employed in the state. Investigators visit employers in each of the three regions to check for understanding of, and compliance with, the child labor laws.
- Enforcement of employment preference and prevailing wage laws is accomplished through audits of certified payrolls for public construction projects.
- Investigative staff educates employers and employees about their rights and obligations under Alaska labor laws through employer visits, seminars, briefings and other forums.
- Component staff assist the Alaska State Troopers in the enforcement of the vehicle registration requirements under AS 28.10.121 to license and register a vehicle in the state within 10 days of commencement of employment in this state. Some component staff hold a special commission from the Troopers whereby they carry a badge and can cite offenders. The enforcement assistance is accomplished by checking for out of state license plates on a vehicle at a job site they are inspecting.

### **Component Goals and Strategies**

#### **EDUCATE EMPLOYERS AND EMPLOYEES ABOUT ALASKA LABOR LAWS.**

-Inform the public of the labor laws Wage and Hour enforces and services the agency provides. Maintain the current level of 20,000 contacts through seminars, briefings, in-person and telephone discussions.

-Consolidate on-site investigations in rural Alaska with outreach to employers by answering questions, providing published materials and encouraging employers and employees to contact the Wage and Hour office with questions. It is anticipated that staff will conduct 1,000 on-site visits to maintain the current level of service.

-Participate as an exhibitor at employment/human resource and personnel law conferences to display and distribute labor law literature and answer questions.

-Expand and enhance the information available to the public regarding Wage and Hour issues on the division's internet web site.

#### **ENSURE THAT ALASKAN WORKERS ARE PROPERLY COMPENSATED IN ACCORDANCE WITH MINIMUM WAGE, OVERTIME AND PREVAILING WAGE LAWS.**

-Monitor more than 4,000 public construction projects for compliance with prevailing wage laws.

-Audit certified payrolls submitted to the Wage and Hour office for public constructions.

-Educate employers through seminars, briefings, in-person and telephone meetings and e-mail contacts.

### **Key Component Issues for FY2002 – 2003**

- Child labor continues to be a focal point for the Wage and Hour Section. Investigative staff travels throughout the state to conduct "on-site" inspections to ensure that minors are being paid properly and are not being required to perform hazardous duties on the job. Child work permits and the associated caseload have increased incrementally over the past decade, with no associated increase in Wage and Hour positions.

- The requested increase in general funds for the Wage and Hour section will allow the program to begin improving enforcement of the minimum wage, overtime, child labor and public contract laws for the citizens of Alaska. However, the section is still unable to enforce many of the provisions of AS 36.05, creating an unfair situation for contractors who abide by the prevailing wage requirements of Title 36, and causing increased wage claims and penalties for employers found to be in violation of the statute. The section continues to focus on education efforts to best utilize limited resources.

### **Major Component Accomplishments in 2001**

Wage and Hour section collected over \$700,000 in owed wages for Alaskan workers.

- Wage and Hour staff monitored over 4,900 public construction projects for prevailing wage enforcement, and over 4,000 projects for employment preference compliance.

- Wage and Hour disseminated information on child labor, prevailing wage, and wage claim programs through approximately 18,600 contacts; and processed more than 12,000 child labor work permits.

-The Wage and Hour section published Wage & Hour forms and information on the Internet for public access.

### **Statutory and Regulatory Authority**

#### Statutory Authorities:

AS 23.10.500-23.10.550  
AS 36.10.005-36.10.990  
AS 23.10.325-23.10.400  
AS 08.18.010-08.18.171  
AS 23.05.010-23.05.340  
AS 36.05.010-36.05.110  
AS 36.95.010  
AS 23.15.330-23.15.520  
AS 23.10.015-23.10.150  
AS 23.30.005-23.30.270  
AS 23.10.430

#### Regulatory Authorities:

8 AAC 25.010-25.030  
8 AAC 30.010-30.920  
8 AAC 20.010-20.030  
8 AAC 15.010-15.910  
8 AAC 05.010-05.900  
8 AAC 10.010-10.915

## Wage and Hour Administration

### Component Financial Summary

*All dollars in thousands*

Non-Formula Program:	FY2001 Actuals	FY2002 Authorized	FY2003 Governor
<b>Component Expenditures:</b>			
71000 Personal Services	1,051.8	1,070.2	1,208.7
72000 Travel	32.4	54.5	54.5
73000 Contractual	217.8	196.5	183.4
74000 Supplies	27.1	23.1	32.8
75000 Equipment	7.0	3.9	0.0
76000 Land/Buildings	0.0	0.0	0.0
77000 Grants, Claims	0.0	0.0	0.0
78000 Miscellaneous	0.0	0.0	0.0
<b>Expenditure Totals</b>	<b>1,336.1</b>	<b>1,348.2</b>	<b>1,479.4</b>
<b>Funding Sources:</b>			
1004 General Fund Receipts	1,301.7	1,326.1	1,456.8
1007 Inter-Agency Receipts	19.8	22.1	22.6
1108 Statutory Designated Program Receipts	14.6	0.0	0.0
<b>Funding Totals</b>	<b>1,336.1</b>	<b>1,348.2</b>	<b>1,479.4</b>

### Estimated Revenue Collections

Description	Master Revenue Account	FY2001 Actuals	FY2002 Authorized	FY2002 Cash Estimate	FY2003 Governor	FY2004 Forecast
<b>Unrestricted Revenues</b>						
None.		0.0	0.0	0.0	0.0	0.0
<b>Unrestricted Total</b>		<b>0.0</b>	<b>0.0</b>	<b>0.0</b>	<b>0.0</b>	<b>0.0</b>
<b>Restricted Revenues</b>						
Interagency Receipts	51015	19.8	22.1	22.1	22.6	22.6
Statutory Designated Program Receipts	51063	14.6	0.0	0.0	0.0	0.0
<b>Restricted Total</b>		<b>34.4</b>	<b>22.1</b>	<b>22.1</b>	<b>22.6</b>	<b>22.6</b>
<b>Total Estimated Revenues</b>		<b>34.4</b>	<b>22.1</b>	<b>22.1</b>	<b>22.6</b>	<b>22.6</b>

## Wage and Hour Administration

### Proposed Changes in Levels of Service for FY2003

The requested increase of \$102.0 in operating monies would fund two Wage and Hour technicians, enabling the section to once again perform routine and specific monitoring of certified payrolls, and to take a more proactive role in compliance enforcement. Discrepancies found during the monitoring process would lead to specific audits of certified payrolls allowing the employers ample time to correct violations and comply with public construction laws.

### Summary of Component Budget Changes

#### From FY2002 Authorized to FY2003 Governor

*All dollars in thousands*

	<u>General Funds</u>	<u>Federal Funds</u>	<u>Other Funds</u>	<u>Total Funds</u>
<b>FY2002 Authorized</b>	1,326.1	0.0	22.1	1,348.2
<b>Adjustments which will continue current level of service:</b>				
-Year 3 Labor Costs - Net Change from FY2002	28.7	0.0	0.5	29.2
<b>Proposed budget increases:</b>				
-Add Two Wage and Hour Technician Positions and Funding	102.0	0.0	0.0	102.0
<b>FY2003 Governor</b>	<b>1,456.8</b>	<b>0.0</b>	<b>22.6</b>	<b>1,479.4</b>

**Wage and Hour Administration**

**Personal Services Information**

	Authorized Positions		Personal Services Costs	
	<u>FY2002</u> <u>Authorized</u>	<u>FY2003</u> <u>Governor</u>		
Full-time	21	23	Annual Salaries	906,546
Part-time	0	0	COLA	22,133
Nonpermanent	0	0	Premium Pay	0
			Annual Benefits	339,257
			<i>Less 4.67% Vacancy Factor</i>	<i>(59,236)</i>
			Lump Sum Premium Pay	0
<b>Totals</b>	<b>21</b>	<b>23</b>	<b>Total Personal Services</b>	<b>1,208,700</b>

**Position Classification Summary**

Job Class Title	Anchorage	Fairbanks	Juneau	Others	Total
Administrative Clerk II	2	0	0	0	2
Administrative Clerk III	1	1	1	0	3
Administrative Manager I	1	0	0	0	1
Administrative Supervisor	1	0	0	0	1
Chief, Labor Standards	1	0	0	0	1
Wage Hour Invest I	5	2	2	0	9
Wage Hour Invest II	1	1	1	0	3
Wage-Hour Technician	2	1	0	0	3
<b>Totals</b>	<b>14</b>	<b>5</b>	<b>4</b>	<b>0</b>	<b>23</b>