

**State of Alaska
FY2005 Governor's Operating Budget**

**Department of Labor and Workforce Development
Mechanical Inspection
Component Budget Summary**

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Component: Mechanical Inspection

Contribution to Department's Mission

The Mechanical Inspection component contributes to the department's mission by reducing hazards to life and property posed by unsafe boilers, pressure vessels, elevators, escalators, trams, lifts, and electrical and plumbing work.

Core Services

Inspect boilers, pressure vessels, elevators, escalators, lifts, and electrical and plumbing work for code compliance.

Issue certificates of fitness to electricians, power linemen, plumbers, boiler operators, asbestos workers, hazardous painters, and explosives handlers.

Assist the Department of Revenue, Child Support Enforcement Division, by identifying certificate of fitness applicants who are in arrears on child support payments to comply with federal law.

Provide enforcement assistance to the Department of Community and Economic Development to ensure that electricians, plumbers, construction contractors and electrical/mechanical administrators have proper certificates and licenses.

Enforce Alaska vehicle registration requirements under AS 28.10.121 on construction projects 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

- Mechanical Inspection tests applicants and issues certificates to qualified plumbers, electricians, power lineworkers and boiler operators.
- Mechanical Inspection performs on-site inspections of boilers, pressure vessels, elevators, and electrical and plumbing work for code compliance.
- Mechanical Inspection issues certificates of fitness for asbestos workers, hazardous painters and explosives handlers.

FY2005 Resources Allocated to Achieve Results

FY2005 Component Budget: \$1,867,400	<p>Personnel:</p> <table style="width: 100%; border-collapse: collapse;"> <tr> <td style="width: 80%;">Full time</td> <td style="text-align: right;">18</td> </tr> <tr> <td>Part time</td> <td style="text-align: right;">0</td> </tr> <tr> <td>Total</td> <td style="text-align: right; border-top: 1px solid black;">18</td> </tr> </table>	Full time	18	Part time	0	Total	18
Full time	18						
Part time	0						
Total	18						

Key Component Challenges

Mechanical Inspection is focused on decreasing the boiler and pressure vessel inspection backlog. With the two new inspectors hired in FY 2003, and the ability to retain current staff, the section will eliminate the backlog by the end of FY 2008.

Mechanical Inspection is experiencing difficulties locating a qualified Elevator Inspector to fill a vacancy. Mechanical Inspection may be forced to recruit outside Alaska to fill the current vacancy. The elevator inspection backlog is expected to increase from 130 to 200 devices as a result of this vacancy.

In FY 2004, Mechanical Inspection is operating almost entirely on a cash basis. Cash flows in Mechanical Inspection have been extremely strained due to increased operating costs. Staff turnover in revenue generating positions or unforeseen cost increases could create major fund sufficiency challenges. The section is pursuing fee increases to address the cash flow problem.

Mechanical Inspection has not filled a vacant electrical inspector position due to increased operating costs. With just one electrical inspector remaining to cover the entire state, Mechanical Inspection is only providing minimal electrical inspection coverage. To help remedy this situation and provide funds to hire at least one additional electrical inspector, legislation will be introduced this year to increase certificate of fitness fees.

Due to a lack of funding Mechanical Inspection has not renewed amusement ride inspection certifications for any staff. Legislation will be introduced this session to provide for a reasonable fee for these services.

Significant Changes in Results to be Delivered in FY2005

With current staffing levels, Mechanical Inspection will eliminate the boiler/pressure vessel inspection backlog by completing 33% of the backlog per year until the end of FY 2008.

Through legislation to increase certificate of fitness fees for plumbers and electricians, Mechanical Inspection will add one inspector to increase statewide electrical inspections by a minimum of 100%. Additional inspections will result in a minimum 100% increase in the identification and correction of code violations.

Due to resource reorganization, the Mechanical Inspection section will issue certificate of fitness cards for hazardous painters, asbestos workers and explosives handlers. These were previously issued by the Alaska Occupational Safety and Health Administration program. To ensure that the public service level is maintained, Mechanical Inspection is budgeting an increase in program receipt authority to cover the costs of administering the program.

Mechanical Inspection will delete the Chief of Labor Standards and Assistant Chief positions to reduce middle management and streamline the organization. The job functions of the Chief and Assistant Chief positions will be redistributed to the Division Director and the Investigator III. The Investigator III, who currently focuses on service delivery, will be required to spend more time on administrative tasks.

Through legislation, Mechanical Inspection will establish fees for recreational device inspections required by AS 05.20.020. The fee will support the program by providing funds for travel, training and inspection costs associated with the inspections.

Major Component Accomplishments in 2003

Mechanical Inspection exceeded the goal of 5,350 boiler/pressure vessel inspections by completing 6,616 inspections.

Statutory and Regulatory Authority

Statutory Authority:

AS 05.20.010 - .120	Recreational Devices
AS 08.18.011 - .171	Construction Contractors
AS 08.40.090 - .490	Electrical/Mechanical Administrators
AS 18.31.010 - .500	Asbestos Health Hazard Abatement
AS 08.52.010 - .100	Explosives Handlers
AS 18.60.180 - .395	Boilers
AS 18.60.580 - .660	Electrical Safety
AS 18.60.670 - .695	High Voltage Lines
AS 18.60.705 - .740	Plumbing Code
AS 18.60.800 - .820	Elevators
AS 18.62.010 - .080	Certificate of Fitness
AS 18.63.010 - .100	Hazardous Painting Certification
AS 23.05.060	Certificate of Fitness - Powers of the Department
AS 25.27.244	Certificate of Fitness - Child Support Enforcement

AS 44.31.025	Building Safety Account
AS 44.62.450	Hearings - Amusement park/tramway rides
AS 45.45.910	Electrical Safety - Sale or transfer of consumer electrical products

Administrative Regulations:

8 AAC 61.600 - .790	Asbestos Abatement Certification
8 AAC 61.800 - .890	Painting Certification
8 AAC 62.010 - .070	Explosives Handlers
8 AAC 63.010 - .030	Plumbing Code
8 AAC 70.010 - .090	Electrical Safety
8 AAC 77.005 - .905	Elevator Safety
8 AAC 78.010 - .900	Amusement Rides and Tramways
8 AAC 80.010 - .900	Boilers & Pressure Vessels
8 AAC 90.105 - .900	Certificates of Fitness
12 AAC 21.010 - .990	Construction Contractors
12 AAC 32.005 - .995	Electrical Administrators
12 AAC 39.007 - .992	Mechanical Administrators

Contact Information
<p>Contact: Grey Mitchell, Director Phone: (907) 465-4855 Fax: (907) 465-6012 E-mail: grey_mitchell@labor.state.ak.us</p>

**Mechanical Inspection
Component Financial Summary**

All dollars shown in thousands

	FY2003 Actuals	FY2004 Authorized	FY2005 Governor
Non-Formula Program:			
Component Expenditures:			
71000 Personal Services	1,268.9	1,318.3	1,328.3
72000 Travel	136.5	151.4	151.4
73000 Contractual	153.9	333.9	352.3
74000 Supplies	14.6	35.4	35.4
75000 Equipment	16.0	0.0	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
Expenditure Totals	1,589.9	1,839.0	1,867.4
Funding Sources:			
1004 General Fund Receipts	137.7	0.0	0.0
1005 General Fund/Program Receipts	0.0	0.0	61.1
1007 Inter-Agency Receipts	206.9	235.3	254.1
1172 Building Safety Account	1,245.3	1,603.7	1,552.2
Funding Totals	1,589.9	1,839.0	1,867.4

Estimated Revenue Collections

Description	Master Revenue Account	FY2003 Actuals	FY2004 Authorized	FY2005 Governor
Unrestricted Revenues				
Building Safety Account	51480	1,245.3	1,603.7	1,552.2
Unrestricted Total		1,245.3	1,603.7	1,552.2
Restricted Revenues				
Interagency Receipts	51015	206.9	235.3	254.1
General Fund Program Receipts	51060	0.0	0.0	61.1
Restricted Total		206.9	235.3	315.2
Total Estimated Revenues		1,452.2	1,839.0	1,867.4

**Summary of Component Budget Changes
From FY2004 Authorized to FY2005 Governor**

All dollars shown in thousands

	<u>General Funds</u>	<u>Federal Funds</u>	<u>Other Funds</u>	<u>Total Funds</u>
FY2004 Authorized	0.0	0.0	1,839.0	1,839.0
Adjustments which will continue current level of service:				
-Changes to Retirement and Other Personal Services Rates	0.0	0.0	59.6	59.6
Proposed budget decreases:				
-Delete Administrative Positions Through Management Efficiencies	0.0	0.0	-103.7	-103.7
Proposed budget increases:				
-Establish Program Receipt Authorization for Certificate of Fitness Program for Hazardous Workers	61.1	0.0	0.0	61.1
-Increase Interagency Receipts from Community & Economic Development for Contractor Licensing Enforcement	0.0	0.0	11.4	11.4
FY2005 Governor	61.1	0.0	1,806.3	1,867.4

**Mechanical Inspection
Personal Services Information**

Authorized Positions		Personal Services Costs		
	FY2004 Authorized	FY2005 Governor		
Full-time	18	18	Annual Salaries	951,029
Part-time	0	0	Premium Pay	12,249
Nonpermanent	0	0	Annual Benefits	398,479
			<i>Less 2.46% Vacancy Factor</i>	<i>(33,457)</i>
			Lump Sum Premium Pay	0
Totals	18	18	Total Personal Services	1,328,300

Position Classification Summary

Job Class Title	Anchorage	Fairbanks	Juneau	Others	Total
Accounting Clerk I	1	0	0	0	1
Accounting Tech I	1	0	0	0	1
Administrative Clerk III	2	0	0	0	2
Administrative Supervisor	1	0	0	0	1
Boiler & Pressure Vssl Insp I	2	1	0	1	4
Boiler & Pressure Vssl Insp II	1	0	0	0	1
Investigator IV	1	0	0	0	1
SIC Electrical Inspector	1	0	0	1	2
SIC Elevator Inspector	0	1	1	0	2
SIC Plumbing Inspector	1	1	0	1	3
Totals	11	3	1	3	18