

**State of Alaska**  
**FY2006 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

Labor Standards and Safety contributes to the Department's mission by providing safe and legal working conditions.

### Core Services

Occupational safety and health law enforcement, training and consultation.

Wage law enforcement and training.

Prevailing wage and Alaska resident hire law enforcement and training.

Electrical and mechanical code compliance inspections and training.

Certification of electricians, power linemen, plumbers, blasters, painters and asbestos workers.

End Results	Strategies to Achieve Results
<p><b>A: Eliminate workplace fatalities caused by circumstances that are under Alaska Occupational Safety and Health (AKOSH) jurisdiction.</b></p> <p><u>Target #1:</u> Zero accidental workplace fatalities.  <u>Measure #1:</u> The number of accidental workplace fatalities compared to the previous year.</p>	<p><b>A1: Reduce the number of worker fatalities under AKOSH jurisdiction by focusing compliance, consultation and outreach efforts on the causes of fatalities.</b></p> <p><u>Target #1:</u> 2% reduction in the number of workplace fatalities per 100,000 employees compared to the previous year.  <u>Measure #1:</u> The change in the number of workplace fatalities per 100,000 employees compared to the previous year.</p>
End Results	Strategies to Achieve Results
<p><b>B: Reduce the number of worker lost time injuries and illnesses in the workplace that are within AKOSH jurisdiction.</b></p> <p><u>Target #1:</u> 2% per year reduction in the rate of workplace lost time injuries and illnesses per 100 employees.  <u>Measure #1:</u> The rate of workplace lost time injuries and illnesses per 100 employees compared to the previous year.</p>	<p><b>B1: Reduce the number of lost time worker injuries/ illnesses in the construction and transportation industries by focusing on causes.</b></p> <p><u>Target #1:</u> 2% reduction per year in lost time injuries and illnesses per 100 employees in the construction and transportation industries.  <u>Measure #1:</u> The change in the rate of lost time injuries and illnesses per 100 employees in the construction and transportation industries compared to the previous year.</p> <p><b>B2: Improve voluntary compliance with Occupational Safety and Health requirements.</b></p> <p><u>Target #1:</u> Increase the number of Voluntary Protection Program (VPP) sites in Alaska by 10% per year.  <u>Measure #1:</u> The percentage change in the number of VPP sites in comparison to the previous year.</p> <p><u>Target #2:</u> Increase the number of Safety and Health</p>

	Achievement Recognition Program (SHARP) sites in Alaska by 9% per year. <u>Measure #2:</u> The percentage change in the number of SHARP sites in comparison to the previous year.
<b>End Results</b>	<b>Strategies to Achieve Results</b>
<b>C: Reduce hazards to life and property posed by unsafe boilers and pressure vessels within Mechanical Inspection's jurisdiction.</b>  <u>Target #1:</u> Zero loss of life or property caused by unsafe boilers or pressure vessels. <u>Measure #1:</u> Total number of boiler or pressure vessel incidents resulting in loss of life or property.	<b>C1: Ensure boilers and pressure vessels are maintained and operating to code through timely inspections.</b>  <u>Target #1:</u> Reduce boiler inspection backlog by 33% per year commencing 7/01/03. <u>Measure #1:</u> Annual percentage change in the number of overdue inspections in comparison to the previous year.  <u>Target #2:</u> 80% of boiler and pressure vessel code violations corrected upon inspection. <u>Measure #2:</u> Percentage of boiler and pressure vessel violations corrected compared to the total number detected.
<b>End Results</b>	<b>Strategies to Achieve Results</b>
<b>D: Reduce hazards to life and property posed by unsafe electrical/plumbing work within Mechanical Inspection's jurisdiction that fails to meet current codes.</b>  <u>Target #1:</u> Zero loss of life or property due to unsafe electrical/plumbing work. <u>Measure #1:</u> Total number of electrical/plumbing incidents resulting in loss of life or property.	<b>D1: Eliminate electrical and plumbing code violations.</b>  <u>Target #1:</u> 80% correction of electrical code violations identified through inspection. <u>Measure #1:</u> Percentage of electrical code violations corrected compared to the total number detected.  <u>Target #2:</u> 80% correction of plumbing code violations identified upon inspection. <u>Measure #2:</u> Percentage of plumbing code violations corrected compared to the total number detected.
<b>End Results</b>	<b>Strategies to Achieve Results</b>
<b>E: Reduce hazards to life and property posed by unsafe elevators, escalators, wheelchair lifts and other lifting devices within Mechanical Inspection's jurisdiction.</b>  <u>Target #1:</u> Zero loss of life or property due to unsafe elevators, escalators, wheelchair lifts or other lifting devices. <u>Measure #1:</u> Total number of elevator, escalator, wheelchair lift or other lifting device incidents resulting in loss of life or property.	<b>E1: Timely inspection of elevators, escalators, wheelchair lifts and other lifting devices.</b>  <u>Target #1:</u> 90% of inspections completed within required inspection period. <u>Measure #1:</u> Percentage of inspections completed within inspection period.  <b>E2: Eliminate elevator code violations.</b>  <u>Target #1:</u> 80% correction of code violations identified through inspection. <u>Measure #1:</u> Percentage of code violations corrected compared to the total number detected.
<b>End Results</b>	<b>Strategies to Achieve Results</b>
<b>F: Safe and legal work environments for children in Alaska.</b>	<b>F1: Eliminate unlawful child labor employment.</b>  <u>Target #1:</u> 10% reduction in child labor violations while

<p><u>Target #1:</u> Zero child labor violations.  <u>Measure #1:</u> Total number of child labor violations.</p> <p><u>Target #2:</u> Zero child labor fatalities.  <u>Measure #2:</u> Number of child labor fatalities.</p>	<p>maintaining the number of child labor on-site inspections.  <u>Measure #1:</u> Percentage change of child labor violations and the number of on-site inspections compared to the previous year.</p>
---	--

End Results	Strategies to Achieve Results
-------------	-------------------------------

<p><b>G: Increase Alaskan employment on public construction projects.</b></p> <p><u>Target #1:</u> 100% compliance with Alaska's Employment Preference Act.  <u>Measure #1:</u> The number of resident hire violations compared to the previous year.</p>	<p><b>G1: Reduce the number of Alaska resident hire violations.</b></p> <p><u>Target #1:</u> Check 75% of certified payrolls for compliance with Alaska resident hire requirements.  <u>Measure #1:</u> Percentage of certified payrolls checked for compliance.</p>
---	--

End Results	Strategies to Achieve Results
-------------	-------------------------------

<p><b>H: Provide legal employment conditions within the Wage and Hour Administration's jurisdiction.</b></p> <p><u>Target #1:</u> Eliminate unlawful employment conditions.  <u>Measure #1:</u> The number of valid wage claims filed in comparison to the previous year.</p>	<p><b>H1: Reduce the time and cost of resolving wage claims.</b></p> <p><u>Target #1:</u> Reduce average wage claim resolution time to 7 months or less.  <u>Measure #1:</u> Average claim resolution time.</p> <p><b>H2: Reduce wage claims by improving employer education efforts.</b></p> <p><u>Target #1:</u> Increase the number of employer briefings by 5% from the previous year.  <u>Measure #1:</u> The percentage change in the total number of employer briefings in comparison to the previous year.</p>
---	--

Major Activities to Advance Strategies
--

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

### FY2006 Resources Allocated to Achieve Results

<b>FY2006 Results Delivery Unit Budget: \$7,873,100</b>	<b>Personnel:</b>	
	Full time	79
	Part time	1
	<b>Total</b>	<b>80</b>

### Performance Measure Detail

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

**Target #1:** Zero accidental workplace fatalities.

**Measure #1:** The number of accidental workplace fatalities compared to the previous year.

Year	% Change	Fatalities	YTD
2001	0	3	
2002	67%	5	
2003	-20%	4	
2004	-75%	1	

**Analysis of results and challenges:** Alaska Occupational Safety and Health (AKOSH) will reduce workplace fatalities through a combination of consultation and enforcement activities targeted at eliminating the most prevalent causes of fatalities in industries with high fatality rates. The numerical information on workplace fatalities is maintained by AKOSH and Workers' Compensation.

#### A1: Strategy - Reduce the number of worker fatalities under AKOSH jurisdiction by focusing compliance, consultation and outreach efforts on the causes of fatalities.

**Target #1:** 2% reduction in the number of workplace fatalities per 100,000 employees compared to the previous year.

**Measure #1:** The change in the number of workplace fatalities per 100,000 employees compared to the previous year.

Year	% Change	YTD
2001	0	1.05
2002	+63%	1.71
2003	-21%	1.35
2004	-75%	.33

**Analysis of results and challenges:** This statistic will be calculated using workplace fatality reports submitted to the Alaska Occupational Safety and Health (AKOSH) section and employment statistics maintained by Research and Analysis. AKOSH will reduce workplace fatalities through a combination of consultation and enforcement activities targeted on eliminating the most prevalent causes of fatalities in industries with high fatality rates.

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

**Target #1:** 2% per year reduction in the rate of workplace lost time injuries and illnesses per 100 employees.

**Measure #1:** The rate of workplace lost time injuries and illnesses per 100 employees compared to the previous year.

Year	% Change	YTD
2001		3.59
2002	-9.8%	3.24
2003	-15.7%	2.73
2004	-28.9%	1.94

**Analysis of results and challenges:** Alaska Occupational Safety and Health will reduce lost workday injuries and illnesses by targeting consultation and enforcement efforts on the most prevalent causes of illnesses and injuries in industries with the highest illness/injury rates. The primary focus will be on the construction and transportation industries. This statistic will be calculated using Alaska Workers' Compensation Insurance claim data and employment data collected by the Research and Analysis section.

### B1: Strategy - Reduce the number of lost time worker injuries/ illnesses in the construction and transportation industries by focusing on causes.

**Target #1:** 2% reduction per year in lost time injuries and illnesses per 100 employees in the construction and transportation industries.

**Measure #1:** The change in the rate of lost time injuries and illnesses per 100 employees in the construction and transportation industries compared to the previous year.

#### Lost Workday Illness/Injury Rates for Transportation and Construction

Year	Trans. Rate	% Change	Const. Rate	% Change	YTD
2001	3.53		7.59	0	
2002	3.5	-9%	7.39	-3%	
2003	3.1	-11%	6.16	-17%	
2004	2.84	-8%	4.21	-32%	

**Analysis of results and challenges:** Alaska Occupational Safety and Health (AKOSH) will reduce illnesses and injuries by targeting consultation and enforcement efforts on the causes of lost work day illnesses and injuries in construction and transportation. AKOSH obtains illness and injury data from Workers' Compensation insurance claim data and employment statistics maintained by Research and Analysis.

### B2: Strategy - Improve voluntary compliance with Occupational Safety and Health requirements.

**Target #1:** Increase the number of Voluntary Protection Program (VPP) sites in Alaska by 10% per year.

**Measure #1:** The percentage change in the number of VPP sites in comparison to the previous year.

Year	#Sites	%Change	YTD
2000			
2001	2		
2002	4	+100%	
2003	5	+25%	
2004	6	+20%	

**Analysis of results and challenges:** There are currently five Voluntary Protection Program (VPP) sites in Alaska. Our goal requires the Alaska Occupational Safety and Health Administration to maintain these five sites and add at least one VPP site over the course of the next year. VPP participation will be improved by promoting the benefits of the program to businesses. Consultants will work in partnership with businesses to assist with the development, implementation and maintenance of occupational safety and health programs and performance

necessary to meet VPP participation standards.

**Target #2:** Increase the number of Safety and Health Achievement Recognition Program (SHARP) sites in Alaska by 9% per year.

**Measure #2:** The percentage change in the number of SHARP sites in comparison to the previous year.

Year	# Sites	% Change	YTD
2000			
2001	3		
2002	5	+166%	
2003	11	+220%	
2004	12	+9%	

**Analysis of results and challenges:** With the current number of Safety and Health Recognition Program (SHARP) sites within Alaska, this goal will require the Alaska Occupational Safety and Health Administration to add at least one SHARP site, while maintaining existing sites. SHARP participation will be improved through promoting the benefits of participation in the program to businesses. Consultants will work in partnership with businesses to assist with development, implementation and maintenance of occupational safety and health programs and performance necessary to meet SHARP standards.

### C: Result - Reduce hazards to life and property posed by unsafe boilers and pressure vessels within Mechanical Inspection's jurisdiction.

**Target #1:** Zero loss of life or property caused by unsafe boilers or pressure vessels.

**Measure #1:** Total number of boiler or pressure vessel incidents resulting in loss of life or property.

Year					YTD
2004	0	0	0	0	0

**Analysis of results and challenges:** The Mechanical Inspection section will work to inspect boilers and pressure vessels by the inspection due date and eliminate code violations. The data on the number of boiler/pressure vessel incidents causing loss of life or property had not been tracked in the past. On 1/1/04, Mechanical Inspection began tracking the specific number of incidents causing loss of life or property as a result of unsafe boilers or pressure vessels.

### C1: Strategy - Ensure boilers and pressure vessels are maintained and operating to code through timely inspections.

**Target #1:** Reduce boiler inspection backlog by 33% per year commencing 7/01/03.

**Measure #1:** Annual percentage change in the number of overdue inspections in comparison to the previous year.

Year	% Change	YTD
2001		6200
2002	+16%	7200
2003	-27%	5268
2004	-43%	2996

**Analysis of results and challenges:** Mechanical Inspection tracks boiler/pressure vessel inspection due dates and inspection certifications. Boiler Inspectors work to complete inspections for all boilers/pressure vessels due for inspection, while eliminating overdue boilers/pressure vessels from the backlog.

**Target #2:** 80% of boiler and pressure vessel code violations corrected upon inspection.

**Measure #2:** Percentage of boiler and pressure vessel violations corrected compared to the total number detected.

Year	# Violations	# Corrected	% Corrected	YTD
2001	1434	1152	80%	
2002	905	636	70%	
2003	1242	809	65%	
2004	1189	789	66%	

**Analysis of results and challenges:** Mechanical Inspection currently tracks the number of code violations identified during inspections and verifies corrections. Inspectors will inspect boilers and pressure vessels for code compliance and focus on pursuing enforcement actions to obtain verifications that code violations have been corrected. The number of code violations corrected is affected by the timing of the correction. Corrections may not be realized until the following year. Inspectors will focus efforts on receiving timely verification of code violation abatements to increase this percentage.

#### D: Result - Reduce hazards to life and property posed by unsafe electrical/plumbing work within Mechanical Inspection's jurisdiction that fails to meet current codes.

**Target #1:** Zero loss of life or property due to unsafe electrical/plumbing work.

**Measure #1:** Total number of electrical/plumbing incidents resulting in loss of life or property.

Year					YTD
2004	0	0	0	0	0

**Analysis of results and challenges:** Mechanical Inspection will track incidents involving the loss of life or property as a result of unsafe electrical or plumbing work. The data will be collected primarily from the Alaska State Fire Marshal. Mechanical Inspection began tracking this data on 1/1/2004. Mechanical Inspection will eliminate hazards to life and property by inspecting electrical and plumbing work and pursuing correction of any code or licensing violations identified.

#### D1: Strategy - Eliminate electrical and plumbing code violations.

**Target #1:** 80% correction of electrical code violations identified through inspection.

**Measure #1:** Percentage of electrical code violations corrected compared to the total number detected.

Year	# Violations	# Corrected	YTD
2001	768	534	69%
2002	287	221	77%
2003	666	259	39%
2004	188	232	123%

**Analysis of results and challenges:** Mechanical Inspection tracks code violations identified and the number of verified code corrections. Inspectors physically review electrical work during random on-site inspections to verify that code requirements are met. The percent change in code violations corrected is affected by the number of violations that are corrected in the following year. Inspectors will focus efforts on receiving timely verification of code violation abatements to increase this percentage.

**Target #2:** 80% correction of plumbing code violations identified upon inspection.

**Measure #2:** Percentage of plumbing code violations corrected compared to the total number detected.

Year	# Violations	# Corrected	% Corrected	YTD
2001	243	136	56%	
2002	176	70	40%	
2003	565	262	46%	
2004	679	442	65%	

**Analysis of results and challenges:** Mechanical Inspection tracks code violations identified and the number of verified code corrections. Inspectors physically review plumbing work during random on-site inspections to verify that code requirements are met. The percent change in code violations corrected is affected by the number of violations that are corrected in the following year. Inspectors will focus efforts on receiving timely verification of code violation abatements to increase the percentage.

### E: Result - Reduce hazards to life and property posed by unsafe elevators, escalators, wheelchair lifts and other lifting devices within Mechanical Inspection's jurisdiction.

**Target #1:** Zero loss of life or property due to unsafe elevators, escalators, wheelchair lifts or other lifting devices.

**Measure #1:** Total number of elevator, escalator, wheelchair lift or other lifting device incidents resulting in loss of life or property.

Year					YTD
2004	0	0	0	0	0

**Analysis of results and challenges:** This data has not been tracked in the past. On 1/1/2004, Mechanical Inspection began tracking the incidents causing loss of life or property associated with unsafe elevators, escalators, wheelchair lifts and other lifting devices. Mechanical Inspection will reduce hazards by striving to inspect elevators, escalators, wheelchair lifts and other lifting devices within the inspection due dates. Upon discovering a code violation, Mechanical Inspection will work to eliminate the violation.

### E1: Strategy - Timely inspection of elevators, escalators, wheelchair lifts and other lifting devices.

**Target #1:** 90% of inspections completed within required inspection period.

**Measure #1:** Percentage of inspections completed within inspection period.

Year	% Completed	YTD
2004	14%	

**Analysis of results and challenges:** Mechanical Inspection began tracking the number of inspections completed within the inspection due date as of January 1, 2004. Elevator inspectors perform biennial inspections of elevators, escalators, wheelchair lifts and other lifting devices for code compliance. Achievement of this result will depend on whether the ratio of elevators to elevator inspectors can be maintained at 275 to one.

### E2: Strategy - Eliminate elevator code violations.

**Target #1:** 80% correction of code violations identified through inspection.

**Measure #1:** Percentage of code violations corrected compared to the total number detected.

Year	# Violations	# Corrected	% Corrected	YTD
2001	708	377	53%	
2002	819	315	38%	
2003	1128	589	52%	
2004	820	601	73%	

**Analysis of results and challenges:** Mechanical Inspection maintains data on elevator inspections, code violations and abatements. Elevator Inspectors strive to perform timely inspections of elevators, escalators, wheelchair lifts and other lifting devices for code compliance. The number of code violations corrected is affected by the number of violations that are corrected in the following year. Inspectors will focus efforts on receiving timely verification of code violation abatements to increase this percentage.

## F: Result - Safe and legal work environments for children in Alaska.

**Target #1:** Zero child labor violations.

**Measure #1:** Total number of child labor violations.

Year			% Change	# Violations	YTD
2001	0	0	0	121	
2002	0	0	55%	188	
2003	0	0	68%	315	
2004	0	0	-52%	150	

**Analysis of results and challenges:** Child Labor violations are investigated and resolved through actions to cease the violation and/or penalize the employer. Violations are identified through on-site inspections, work permit application reviews and complaints. Wage and Hour maintains the data on the number of child labor violations. Wage and Hour Investigators will reduce the number of violations by focusing efforts on educating employers about child labor legal requirements.

**Target #2:** Zero child labor fatalities.

**Measure #2:** Number of child labor fatalities.

Year	# Fatalities	YTD
2002	1	
2003	1	
2004	0	0

**Analysis of results and challenges:** Wage and Hour maintains statistics on child labor fatalities in Alaska, identifies and eliminates violations through on-site inspections, work permit application reviews and complaints, targets industries such as fish processing and retail where child employment is high, and provides briefings to employers and children to promote awareness of child labor laws and safety issues.

## F1: Strategy - Eliminate unlawful child labor employment.

**Target #1:** 10% reduction in child labor violations while maintaining the number of child labor on-site inspections.

**Measure #1:** Percentage change of child labor violations and the number of on-site inspections compared to the previous year.

Year	% Change	# Violations	YTD
2001		121	
2002	+55%	188	
2003	+68%	315	
2004	-52%	150	

**Analysis of results and challenges:** The Wage and Hour Administration currently tracks the number of child labor violations and on-site inspections. Through increased focus on providing seminars and training sessions to employers and children, Wage and Hour will increase awareness of child labor requirements. Wage and Hour will eliminate violations with appropriate enforcement action up to and including criminal prosecution for serious violations.

### G: Result - Increase Alaskan employment on public construction projects.

**Target #1:** 100% compliance with Alaska's Employment Preference Act.

**Measure #1:** The number of resident hire violations compared to the previous year.

Year	% Change	# Violations	YTD
2001	0	40	
2002	-60%	16	
2003	-19%	13	
2004	46%	19	
0	0	0	0

**Analysis of results and challenges:** Wage and Hour currently tracks the number of employment preference violations. While the statistics show a decrease in violations since 2001, this is due to reduced enforcement over the past several years due to lack of staff. Proposals in FY 2005 increased staff by 2 positions for identifying employment preference violations, but additional staff are needed in FY 2006 or Wage and Hour Investigators will have difficulty resolving all of the violations identified due to the current backlog. The number of violations is expected to increase as the enforcement effort increases and then decrease as the enforcement effort stabilizes.

### G1: Strategy - Reduce the number of Alaska resident hire violations.

**Target #1:** Check 75% of certified payrolls for compliance with Alaska resident hire requirements.

**Measure #1:** Percentage of certified payrolls checked for compliance.

Year	# Received	# Audited	% Change	YTD
2001	N/A	6428		0
2002	N/A	6653	+4%	0
2003	N/A	4853	-27%	0
2004	16,770	762	5%	0

**Analysis of results and challenges:** Wage and Hour had not monitored the number of certified payrolls collected until 1/1/04. Consequently, although statistics had been maintained for the number of certified payrolls checked, an accurate percentage of certified payrolls checked won't be available until FY 2005. The two Wage & Hour Technicians added in FY 2005 will check 45% of the payrolls received. However, with the additional Wage and Hour Technician requested in FY 06, Wage and Hour intends to check 75% of certified payrolls. This increased enforcement activity will lead to an increase in employment preference violations and then a decrease once the enforcement activity stabilizes.

### H: Result - Provide legal employment conditions within the Wage and Hour Administration's jurisdiction.

**Target #1:** Eliminate unlawful employment conditions.

**Measure #1:** The number of valid wage claims filed in comparison to the previous year.

Year	% Change	# of Claims	YTD
2001	0	555	
2002	-25%	417	
2003	-10%	375	
2004	6%	397	

**Analysis of results and challenges:** Wage and Hour tracks wage claims filed and determines the validity of those claims. Wage and Hour investigates claims, offers conferences and persuasion to resolve claims informally, and pursues court action when necessary to enforce wage payment laws. Through increased efforts to provide employer/employee conferences and seminars, Wage and Hour has experienced a decrease in the number of valid wage claims filed, but the number increased slightly in 2004.

### H1: Strategy - Reduce the time and cost of resolving wage claims.

**Target #1:** Reduce average wage claim resolution time to 7 months or less.

**Measure #1:** Average claim resolution time.

Year	% Change	# Months	YTD
2001		8.9	
2002	-33%	6	
2003	+35%	8.1	
2004	-39%	4.95	

**Analysis of results and challenges:** The Wage and Hour Administration tracks the average length of time required to resolve wage claims. By reviewing wage claims more frequently and creating standards for case resolution times, Wage and Hour expects to increase claims handling efficiency.

### H2: Strategy - Reduce wage claims by improving employer education efforts.

**Target #1:** Increase the number of employer briefings by 5% from the previous year.

**Measure #1:** The percentage change in the total number of employer briefings in comparison to the previous year.

Year	% Change	# Briefings	YTD
2001	0	6748	
2002	-9%	6161	
2003	+47%	9046	
2004	+3%	9282	

**Analysis of results and challenges:** The Wage and Hour Administration currently tracks the number of employer briefings. This strategy will be achieved through continued efforts to provide seminars, on-site visits, and quick and accurate responses to employer inquiries.

## Key RDU Challenges

The Alaska Occupational Safety and Health (AKOSH) program will be in the second year of the five-year strategic performance plan required by the federal Occupational Safety and Health Administration. Meeting the fatality and injury reduction objectives will require increased consultation and enforcement efforts.

AKOSH is requesting the establishment of a Safety Consultant position to devote more effort toward the Governor's Transition Team recommendation of shifting the focus in Occupational Safety & Health to assisting employers rather than enforcement and penalties. This new position will perform voluntary compliance visits at employer worksites, training sessions and other initiatives, which lead to improved results with the performance measure to reduce workplace illnesses, injuries and fatalities.

The Wage and Hour Administration focuses significant resources on child labor compliance. Child labor work permits and investigations have increased over the past decade with no increase in Wage and Hour positions and, as a result, the division will be challenged to provide adequate protection for child employees.

The Governor's budget proposal enables the Department to establish an additional Wage and Hour Technician to check 75% of the certified payrolls and improve Alaska resident hire compliance.

Until FY 05, general funded programs within the department such as Wage and Hour were exempted from the department's indirect overhead rate because Management Services had general funds to cover the cost. However, that is no longer the case and Wage and Hour has insufficient funding to pay the cost. Wage and Hour has requested funding for these costs in this budget.

In Mechanical Inspection, efforts to decrease the boiler and pressure vessel inspection backlog continue. With current staff the section will eliminate the backlog by the end of FY 2008, provided there is not a significant increase in the number of new boilers/vessels.

### Significant Changes in Results to be Delivered in FY2006

The Mechanical Inspection section expects to reduce the boiler/pressure vessel backlog by 33% from the previous year. Also, with the recently hired Elevator Inspector the elevator backlog will begin to decrease.

The Wage and Hour Administration will increase resident hire enforcement efforts with the addition of a Wage and Hour Technician position to check 75% of certified payrolls. The identification of resident hire violations is expected to increase initially and then decrease as the enforcement activity stabilizes.

The Wage and Hour Administration intends to reduce child labor violations by 10% in FY 2006 by maintaining the level of on-site inspections and providing seminars and training sessions.

The Occupational Safety and Health Administration intends to reduce rates for workplace injuries and illness per 100 employees by 15% over five years (2% in FY 2004, 3% in FY 2005-2007 and 4% in FY 2008).

### Major RDU Accomplishments in 2004

Wage and Hour staff collected over \$2,360,000 in wages, penalties and interest owed to Alaskan workers and reduced the average claim resolution time from 8.1 to 7.9 months.

The Mechanical Inspection section inspected 6,622 boiler/pressure vessels and reduced the backlog from 5,268 to 2,996 overdue boiler/pressure vessels.

The Occupational Safety and Health section facilitated a reduction in the rate of lost workday injuries and illnesses per 100 employees in Alaska's targeted, high hazard industries (construction and transportation and warehousing) by a combined total of 9.35% and in all industries by a combined total of 2.43% based on Workers' Compensation claim data.

#### Contact Information

**Contact:** Grey Mitchell, Director  
**Phone:** (907) 465-4855  
**Fax:** (907) 465-6012  
**E-mail:** grey\_mitchell@labor.state.ak.us

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

*All dollars shown in thousands*

	FY2004 Actuals				FY2005 Management Plan				FY2006 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
<b>Formula Expenditures</b>												
None.												
<b>Non-Formula Expenditures</b>												
Wage and Hour Administration	1,310.6	0.0	23.9	1,334.5	1,391.6	0.0	36.1	1,427.7	1,214.2	0.0	374.9	1,589.1
Mechanical Inspection	0.0	0.0	1,564.2	1,564.2	61.0	0.0	1,952.9	2,013.9	63.2	0.0	2,001.6	2,064.8
Occupational Safety and Health	2.6	1,816.2	1,451.6	3,270.4	2.6	2,009.4	1,562.6	3,574.6	2.6	2,057.5	2,045.8	4,105.9
Alaska Safety Advisory Council	0.0	0.0	90.9	90.9	0.0	0.0	111.3	111.3	0.0	0.0	113.3	113.3
<b>Totals</b>	<b>1,313.2</b>	<b>1,816.2</b>	<b>3,130.6</b>	<b>6,260.0</b>	<b>1,455.2</b>	<b>2,009.4</b>	<b>3,662.9</b>	<b>7,127.5</b>	<b>1,280.0</b>	<b>2,057.5</b>	<b>4,535.6</b>	<b>7,873.1</b>

**Labor Standards and Safety**  
**Summary of RDU Budget Changes by Component**  
**From FY2005 Management Plan to FY2006 Governor**

*All dollars shown in thousands*

	<u>General Funds</u>	<u>Federal Funds</u>	<u>Other Funds</u>	<u>Total Funds</u>
<b>FY2005 Management Plan</b>	<b>1,455.2</b>	<b>2,009.4</b>	<b>3,662.9</b>	<b>7,127.5</b>
<b>Adjustments which will continue current level of service:</b>				
-Wage and Hour Administration	-290.7	0.0	338.8	48.1
-Mechanical Inspection	2.2	0.0	48.7	50.9
-Occupational Safety and Health	0.0	48.1	45.7	93.8
-Alaska Safety Advisory Council	0.0	0.0	2.0	2.0
<b>Proposed budget increases:</b>				
-Wage and Hour Administration	113.3	0.0	0.0	113.3
-Occupational Safety and Health	0.0	0.0	437.5	437.5
<b>FY2006 Governor</b>	<b>1,280.0</b>	<b>2,057.5</b>	<b>4,535.6</b>	<b>7,873.1</b>