

State of Alaska
FY2004 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

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 have not 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 the more than 5,000 public construction projects for compliance with prevailing wage laws.

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

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

Key Component Issues for FY2003 – 2004

- Child labor continues to be a major focus of 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 Wage and Hour section is seeking operating efficiencies within the program. To that end, a fee program has been proposed which would generate revenue and streamline the department's activities required under AS 36, eliminate a technician position and put more investigators into the field where their efforts could be directed toward education and compliance assistance for public contractors. Statutory and regulatory changes would be required in order to implement this strategy.

Major Component Accomplishments in 2002

- Wage and Hour section collected over \$1,095,000 in owed wages for Alaskan workers.
- Wage and Hour staff monitored over 5,000 public construction projects for prevailing wage enforcement, and over 4,100 projects for employment preference compliance.
- Wage and Hour disseminated information on child labor, prevailing wage, and wage claim programs through approximately 23,000 contacts; and processed more than 13,500 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 22.15.040
AS 22.15.120
AS 23.05.010 - 340
AS 23.10.015 - 150
AS 23.10.325 - 400
AS 23.10.430
AS 23.10.500 - 550
AS 23.15.330 - 520
AS 36.05.010 - 110
AS 36.10.005 - 990
AS 08.18.010 - 171
AS 36.95.010
AS 08.18.010 - 171
AS 23.30.005 - 270

Regulatory Authorities:

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

Wage and Hour Administration
Component Financial Summary

All dollars in thousands

	FY2002 Actuals	FY2003 Authorized	FY2004 Governor
Non-Formula Program:			
Component Expenditures:			
71000 Personal Services	1,068.3	1,120.5	1,080.8
72000 Travel	43.9	54.5	54.5
73000 Contractual	199.2	197.9	159.6
74000 Supplies	24.0	27.0	27.0
75000 Equipment	0.7	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	1,336.1	1,399.9	1,321.9
Funding Sources:			
1004 General Fund Receipts	1,317.9	1,377.3	1,287.1
1007 Inter-Agency Receipts	18.2	22.6	34.8
Funding Totals	1,336.1	1,399.9	1,321.9

Wage and Hour Administration
Proposed Changes in Levels of Service for FY2004

No service changes are anticipated.

Summary of Component Budget Changes
From FY2003 Authorized to FY2004 Governor

All dollars in thousands

	<u>General Funds</u>	<u>Federal Funds</u>	<u>Other Funds</u>	<u>Total Funds</u>
FY2003 Authorized	1,377.3	0.0	22.6	1,399.9
Adjustments which will continue current level of service:				
-Annualize FY2003 COLA Increase for General Government and Supervisory Bargaining Units	0.0	0.0	12.2	12.2
Proposed budget decreases:				
-Delete One-Time General Funds for HB 128 (Ch 76, SLA 2002)	-22.5	0.0	0.0	-22.5
-Reduce Funding for Wage and Hour Administration	-67.7	0.0	0.0	-67.7
FY2004 Governor	1,287.1	0.0	34.8	1,321.9

Wage and Hour Administration

Personal Services Information

	Authorized Positions		Personal Services Costs	
	<u>FY2003</u> <u>Authorized</u>	<u>FY2004</u> <u>Governor</u>		
Full-time	21	20	Annual Salaries	826,427
Part-time	0	0	Premium Pay	0
Nonpermanent	0	0	Annual Benefits	299,379
			<i>Less 4.00% Vacancy Factor</i>	(45,006)
			Lump Sum Premium Pay	0
Totals	21	20	Total Personal Services	1,080,800

Position Classification Summary

Job Class Title	Anchorage	Fairbanks	Juneau	Others	Total
Administrative Clerk II	2	0	0	0	2
Administrative Clerk III	0	1	1	0	2
Administrative Manager I	1	0	0	0	1
Administrative Supervisor	1	0	0	0	1
Chief, Labor Standards	1	0	0	0	1
Secretary	1	0	0	0	1
Wage Hour Invest I	5	2	2	0	9
Wage Hour Invest II	1	1	1	0	3
Totals	12	4	4	0	20