

State of Alaska
FY2006 Governor's Operating Budget

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

Component: Wage and Hour Administration

Contribution to Department's Mission

The Wage and Hour component contributes to the department's mission of promoting full employment by providing legal employment conditions and reduces workplace injuries, fatalities and illnesses by providing safe and legal work environments for children.

Core Services

Collect wages and other amounts for employees who have not been properly paid as required by law.

Enforce child labor laws by approving work permits and inspecting work sites.

Enforce employment preference and prevailing wage laws on public construction projects by auditing certified payrolls, providing employer briefings and inspecting work sites.

Promote voluntary compliance with laws covering employee wages and conditions of employment, prevailing wages, child labor and Alaska resident hire requirements by educating employers and employees about legal obligations.

Enforce Alaska vehicle registration requirements under AS 28.10.121 on public construction projects as a method 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

- Conduct on-site inspections at public construction projects to enforce resident hire and prevailing wage requirements.
- Review wage claim caseloads and redistribute cases to promote claim-handling efficiency.
- Audit certified payrolls to ensure compliance with Alaska's resident hire law.
- Conduct on-site inspections and briefings to achieve child labor law compliance.

FY2006 Resources Allocated to Achieve Results

FY2006 Component Budget: \$1,589,100	Personnel:	
	Full time	22
	Part time	0
	Total	22

Key Component Challenges

Child labor is a major focus of the Wage and Hour Administration. Investigators review work permits and travel throughout Alaska to inspect work sites to ensure that minors are working under legal conditions investigations and that employers are aware of child labor legal requirements. Child labor work permits and have increased over the past decade with no additional staff to address all of the growth. The child labor enforcement program is a direct extension of Occupational Safety and Health (OSH) consultation and enforcement, but is targeted at workers under 18 years old. As an OSH program, funding for it is appropriate from the Worker Safety Account instead of the General Fund and transactions to accomplish that change are included in this budget.

With the passage of CSHB 155 into law, the Wage and Hour Administration began collecting filing fees on public construction projects in FY 2004. In FY05, the department requested 4 positions and was funded to fill 2 Alaska hire enforcement positions (Wage & Hour Technicians). These positions are essential to maximize the number of Alaskans employed. With the requested additional Wage & Hour Technician, 75% of the public construction project certified payrolls received will be checked for 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. Wage and Hour has included a request for funding of these increased costs the Management Services can no longer cover.

Significant Changes in Results to be Delivered in FY2006

With an additional Wage and Hour Technician position requested for FY 2006, Wage and Hour will check approximately 75% of certified payrolls submitted on public construction projects to enforce Alaska's resident hire law. This will increase the identification of resident hire violations followed by a reduction in violations as the enforcement effort stabilizes and companies employ more Alaskans.

Wage and Hour will reduce the average wage claim resolution time from 7.9 months to 7 months or less by prioritizing older cases and taking action to resolve all claims within 12 months.

Wage and Hour will reduce child labor violations 10% by increasing efforts to educate employers about child labor legal requirements.

Major Component Accomplishments in 2004

Wage and Hour staff collected over \$2,360,000 in wages, penalties, and interest owed to Alaskan workers.

Wage and Hour staff monitored over 6,750 public construction projects for prevailing wage enforcement and over 5,600 projects for employment preference compliance.

Wage and Hour processed more than 11,300 work permits and disseminated information on child labor, prevailing wage, and wage claim programs to over 19,400 businesses and individuals.

Statutory and Regulatory Authority

Statutory Authority:

AS 04.16.049	Access of persons under 21 to licensed premises
AS 08.18.010 - .171	Construction Contractors
AS 11.66.300	Minor presence prohibited at Adult Entertainment Business
AS 22.15.040	Small Claims Court Cases
AS 22.15.120	Magistrate Authority
AS 23.05.010 - .340	Administration and Wage Claims
AS 23.10.015 - .045	Wage Payment
AS 23.10.050 - .150	Alaska Wage and Hour Act
AS 23.10.325 - .370	Employment of Children
AS 23.10.375 - .400	Return Transportation
AS 23.10.430	Access to Personnel Files
AS 23.10.500 - .550	Alaska Family Medical Leave Act
AS 23.15.330 - .520	Employment Agencies
AS 28.10.121, .171, .451, and .461	Vehicle Registration
AS 36.05.010 - .110	Public Contracts
AS 36.10.005 - .990	Employment Preference
AS 36.95.010	Public Contracts/Definitions
AS 44.25.040	Security for wage and payment for raw fish

Administrative Regulations:

8 AAC 05.010 - .900	Child Labor
8 AAC 10.010 - .915	Private Employment Agencies
8 AAC 15.010 - .910	Wages and Hours
8 AAC 20.010 - .030	Transportation of Employees
8 AAC 25.010 - .030	Payment of Wages
8 AAC 27.010 - .900	Fish Processors & Buyers
8 AAC 30.010 - .920	Public Contracts
12 AAC 21.010 - .300	Construction Contractors

Federal Regulations:

(Federal Regulations are adopted by reference under AS 23.10.095)

29 CFR 516.2 – 516.6	Overtime Pay
29 CFR 531.3 – 531.5 & 531.29 – 531.35	Board and Lodging
29 CFR 541.118 & .313	Salary Basis and Fee Basis
29 CFR 541.303	Computer Related Occupations
29 CFR 541.314	Exception for physicians, lawyers, and teachers
29 CFR 778.111	Pieceworker
29 CFR 778.115 - .122	Computation of Overtime
29 CFR 778.208 - .215	Bonuses
29 CFR 778.301 - .302	Workweek
29 CFR 785.11 - .48	Hours Worked

Contact Information

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Wage and Hour Administration Component Financial Summary

All dollars shown in thousands

	FY2004 Actuals	FY2005 Management Plan	FY2006 Governor
Non-Formula Program:			
Component Expenditures:			
71000 Personal Services	1,049.0	1,206.9	1,308.3
72000 Travel	24.1	28.5	28.5
73000 Services	200.9	165.1	236.9
74000 Commodities	60.5	27.2	15.4
75000 Capital Outlay	0.0	0.0	0.0
77000 Grants, Benefits	0.0	0.0	0.0
78000 Miscellaneous	0.0	0.0	0.0
Expenditure Totals	1,334.5	1,427.7	1,589.1
Funding Sources:			
1004 General Fund Receipts	1,310.6	1,391.6	1,214.2
1007 Inter-Agency Receipts	23.9	36.1	374.9
Funding Totals	1,334.5	1,427.7	1,589.1

Estimated Revenue Collections

Description	Master Revenue Account	FY2004 Actuals	FY2005 Management Plan	FY2006 Governor
Unrestricted Revenues				
None.		0.0	0.0	0.0
Unrestricted Total		0.0	0.0	0.0
Restricted Revenues				
Interagency Receipts	51015	23.9	36.1	376.1
Restricted Total		23.9	36.1	376.1
Total Estimated Revenues		23.9	36.1	376.1

**Summary of Component Budget Changes
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>
FY2005 Management Plan	1,391.6	0.0	36.1	1,427.7
Adjustments which will continue current level of service:				
-Change Funding Source for Child Labor Enforcement Program	-337.5	0.0	337.5	0.0
-FY 05 Bargaining Unit Contract Terms: GGU	10.5	0.0	0.3	10.8
-FY06 Cost Increases for Bargaining Units and Non-Covered Employees	36.3	0.0	1.0	37.3
Proposed budget increases:				
-Add a Full Time Wage and Hour Technician to Review Certified Payrolls for Resident Hire Enforcement	65.0	0.0	0.0	65.0
-Increase Authorization for Payment of Indirect Cost Chargeback	48.3	0.0	0.0	48.3
FY2006 Governor	1,214.2	0.0	374.9	1,589.1

**Wage and Hour Administration
Personal Services Information**

Authorized Positions		Personal Services Costs		
	<u>FY2005</u> <u>Management</u> <u>Plan</u>	<u>FY2006</u> <u>Governor</u>		
Full-time	21	22	Annual Salaries	893,528
Part-time	0	0	COLA	13,122
Nonpermanent	0	0	Premium Pay	0
			Annual Benefits	488,941
			<i>Less 3.18% Vacancy Factor</i>	(44,391)
			Lump Sum Premium Pay	0
Totals	21	22	Total Personal Services	1,351,200

Position Classification Summary

Job Class Title	Anchorage	Fairbanks	Juneau	Others	Total
Accounting Tech I	1	0	0	0	1
Administrative Assistant	1	0	0	0	1
Administrative Clerk I	1	0	0	0	1
Administrative Clerk III	1	1	1	0	3
Administrative Supervisor	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	1	1	1	0	3
Totals	12	5	5	0	22