

# **State of Alaska FY2008 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.
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### FY2008 Resources Allocated to Achieve Results

<b>FY2008 Component Budget: \$2,140,200</b>	<b>Personnel:</b>	
	Full time	24
	Part time	0
	<b>Total</b>	<b>24</b>

### Key Component Challenges

The Wage and Hour Administration requests \$170.0 of General Funds to establish two new Wage and Hour Investigator I positions to improve resident hire results. Public construction capital projects have increased by 23% since FY 2003 and existing staff is insufficient to effectively perform on-site inspections. In FY 2005 Wage & Hour staff monitored 4,602 projects and performed 196 on-site inspections or approximately 4%. This proposal will result in an additional 500 on-site inspections annually. These positions will help promote a 2% decrease in the ratio of non-residents to residents employed and assist with the department's goal to increase the overall percentage of the Alaska workforce employed.

## Significant Changes in Results to be Delivered in FY2008

With the requested funding, increase the number of public construction on-site inspections for resident hire compliance by 200%.

## Major Component Accomplishments in 2006

Wage and Hour staff collected over \$2,985,000 in wages, penalties, and interest owed to Alaskan workers, which equates to nearly a two to one return on investment for the people of Alaska.

Wage and Hour staff monitored over 4,602 public construction projects for prevailing wage enforcement and over 3,390 projects for employment preference compliance.

Wage and Hour ensured that youth workers were employed in safe working conditions by certifying work permits for more than 12,500 workers under the age of 17 and disseminated information on child labor, prevailing wage, and wage claim programs to over 25,600 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*

	FY2006 Actuals	FY2007 Management Plan	FY2008 Governor
<b>Non-Formula Program:</b>			
<b>Component Expenditures:</b>			
71000 Personal Services	1,264.3	1,461.1	1,786.0
72000 Travel	40.1	32.4	40.4
73000 Services	271.5	272.0	285.2
74000 Commodities	65.3	20.4	28.6
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
<b>Expenditure Totals</b>	<b>1,641.2</b>	<b>1,785.9</b>	<b>2,140.2</b>
<b>Funding Sources:</b>			
1004 General Fund Receipts	1,255.2	1,368.4	1,674.0
1007 Inter-Agency Receipts	386.0	417.5	466.2
<b>Funding Totals</b>	<b>1,641.2</b>	<b>1,785.9</b>	<b>2,140.2</b>

### Estimated Revenue Collections

Description	Master Revenue Account	FY2006 Actuals	FY2007 Management Plan	FY2008 Governor
<b><u>Unrestricted Revenues</u></b>				
None.		0.0	0.0	0.0
<b>Unrestricted Total</b>		<b>0.0</b>	<b>0.0</b>	<b>0.0</b>
<b><u>Restricted Revenues</u></b>				
Interagency Receipts	51015	386.0	417.5	466.2
<b>Restricted Total</b>		<b>386.0</b>	<b>417.5</b>	<b>466.2</b>
<b>Total Estimated Revenues</b>		<b>386.0</b>	<b>417.5</b>	<b>466.2</b>

**Summary of Component Budget Changes  
From FY2007 Management Plan to FY2008 Governor**

*All dollars shown in thousands*

	<u>General Funds</u>	<u>Federal Funds</u>	<u>Other Funds</u>	<u>Total Funds</u>
<b>FY2007 Management Plan</b>	<b>1,368.4</b>	<b>0.0</b>	<b>417.5</b>	<b>1,785.9</b>
<b>Proposed budget increases:</b>				
-Increase General Funds for a Resident Hire Monitoring Initiative	170.0	0.0	0.0	170.0
-FY 08 Retirement Systems Rate Increases	135.6	0.0	48.7	184.3
<b>FY2008 Governor</b>	<b>1,674.0</b>	<b>0.0</b>	<b>466.2</b>	<b>2,140.2</b>

### Wage and Hour Administration Personal Services Information

Authorized Positions			Personal Services Costs	
	<u>FY2007</u> <u>Management</u> <u>Plan</u>	<u>FY2008</u> <u>Governor</u>		
Full-time	22	24	Annual Salaries	1,045,929
Part-time	0	0	Premium Pay	3,386
Nonpermanent	0	0	Annual Benefits	819,308
			<i>Less 4.42% Vacancy Factor</i>	(82,623)
			Lump Sum Premium Pay	0
<b>Totals</b>	<b>22</b>	<b>24</b>	<b>Total Personal Services</b>	<b>1,786,000</b>

### Position Classification Summary

Job Class Title	Anchorage	Fairbanks	Juneau	Others	Total
Accounting Tech I	1	0	0	0	1
Administrative Clerk III	2	1	1	0	4
Administrative Supervisor	1	0	0	0	1
Wage Hour Invest I	6	3	3	0	12
Wage Hour Invest II	0	1	1	0	2
Wage Hour Invest III	1	0	0	0	1
Wage-Hour Technician	1	1	1	0	3
<b>Totals</b>	<b>12</b>	<b>6</b>	<b>6</b>	<b>0</b>	<b>24</b>