

State of Alaska FY2010 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

The mission of the Labor Standards and Safety RDU is to provide safe and legal working conditions.

Core Services

- Occupational safety and health law enforcement, training and consultation
- Electrical and mechanical code compliance inspections and training
- Certification of electricians, power linemen, plumbers, blasters, painters and asbestos workers
- Wage and child labor law enforcement and training
- Prevailing wage and Alaska resident hire law enforcement and training

End Result	Strategies to Achieve End Result
<p>A: Eliminate workplace fatalities caused by circumstances that are under Alaska Occupational Safety and Health (AKOSH) jurisdiction.</p> <p><u>Target #1:</u> Zero accidental workplace fatalities. <u>Status #1:</u> Two accidental workplace fatalities in 2008, compared to six in the benchmark period.</p>	<p>A1: Reduce the number of worker fatalities under AKOSH jurisdiction by focusing compliance, consultation and outreach efforts on the causes of fatalities.</p> <p><u>Target #1:</u> 3% reduction in the number of workplace fatalities per 100,000 employees compared to the previous 5 year average. <u>Status #1:</u> 76% reduction in the FY 2008 rate of workplace fatalities, exceeding the 3% reduction target.</p>
End Result	Strategies to Achieve End Result
<p>B: Reduce the number of worker lost time injuries and illnesses in the workplace that are within AKOSH jurisdiction.</p> <p><u>Target #1:</u> 2% per year reduction in the rate of workplace lost time injuries and illnesses per 100 employees. <u>Status #1:</u> 21% reduction in the FY2008 rate of workplace lost time injuries and illnesses, exceeding the 2% reduction target.</p>	<p>B1: Reduce the number of lost time worker injuries/ illnesses in the construction and transportation industries by focusing on causes.</p> <p><u>Target #1:</u> 3% reduction per year in lost time injuries and illnesses per 100 employees in the construction and transportation industries. <u>Status #1:</u> For FY 2008 there was an 18% reduction in transportation and a 19% reduction in construction lost time injuries and illnesses rates.</p> <p>B2: Improve voluntary compliance with Occupational Safety and Health requirements.</p> <p><u>Target #1:</u> Increase the number of Voluntary Protection Program (VPP) and Safety & Health Achievement Recognition Program (SHARP) sites in Alaska by 10% per year. <u>Status #1:</u> 15% increase in the number of VPP and SHARP sites in FY2008, exceeding the 10% target.</p>
End Result	Strategies to Achieve End Result

<p>C: Reduce hazards to life and property posed by unsafe boilers/pressure vessels, plumbing and electrical work and elevators within Mechanical Inspection's jurisdiction.</p> <p><u>Target #1:</u> Zero loss of life or property caused by unsafe boilers/pressure vessels, plumbing and electrical work and elevators.</p> <p><u>Status #1:</u> For the period 2004 to 2008 there was zero loss of life, and damage to only one property, caused by unsafe boilers/pressure vessels, plumbing and electrical work and elevators.</p>	<p>C1: Ensure boilers and pressure vessels are maintained and operating to code through timely inspections.</p> <p><u>Target #1:</u> Reduce boiler inspection backlog by 33% per year.</p> <p><u>Status #1:</u> 14% reduction in the number of overdue boiler inspections for FY 2008.</p> <p><u>Target #2:</u> 80% of boiler and pressure vessel code violations corrected upon inspection.</p> <p><u>Status #2:</u> 56% of boiler and pressure vessel violations were corrected in FY 2008.</p> <p>C2: Eliminate electrical and plumbing code violations.</p> <p><u>Target #1:</u> 80% correction of electrical code violations identified through inspection.</p> <p><u>Status #1:</u> 158% of electrical code violations were corrected in FY 2008. This includes violations detected in previous years.</p> <p><u>Target #2:</u> 80% correction of plumbing code violations identified upon inspection.</p> <p><u>Status #2:</u> 62% of the plumbing code violations were corrected in FY 2008.</p> <p>C3: Eliminate elevator code violations.</p> <p><u>Target #1:</u> 80% correction of code violations identified through inspection.</p> <p><u>Status #1:</u> 13% of elevator violations were corrected in FY 2008.</p>
End Result	Strategies to Achieve End Result
<p>D: Full compliance with Alaska's Employment Preference Act (AS 36.10).</p> <p><u>Target #1:</u> 20% reduction in ratio of Alaska Employment Preference Act violations to on-site inspections compared to the previous year.</p> <p><u>Status #1:</u> 66% reduction in the ratio of Alaska Employment Preference violations to on-site inspections for FY 2008, exceeding the 20% target ratio.</p>	<p>D1: Reduce the number of Alaska resident hire violations.</p> <p><u>Target #1:</u> Check 60% of certified payrolls for compliance with Alaska resident hire requirements.</p> <p><u>Status #1:</u> 55% of certified payrolls were checked in FY 2008.</p>
End Result	Strategies to Achieve End Result
<p>E: Provide legal employment conditions within the Wage and Hour Administration's jurisdiction.</p> <p><u>Target #1:</u> Maintain average wage claim resolution time to 6 months or less.</p> <p><u>Status #1:</u> Wage claim resolution time for FY 2008 is 4.5 months, 1.5 months less than the target of 6 months.</p>	<p>E1: Reduce wage claims by improving employer education efforts.</p> <p><u>Target #1:</u> Increase the number of employer briefings by 5% from the previous year.</p> <p><u>Status #1:</u> 2% increase in the number of employer briefings for FY 2008.</p>

Major Activities to Advance Strategies

- Mechanical Inspection and Wage and Hour enforce contractor licensing and electrical and mechanical administrator licensing requirements.
- Mechanical Inspection enforces certification requirements for plumbers, electricians, explosives handlers, hazardous painters and asbestos workers.
- Mechanical Inspection inspects mechanical and electrical systems, boilers and elevators to enforce code compliance.
- Wage and Hour investigates wage claims and prevailing wage complaints and pursues collection of unpaid wages, benefits, penalties and interest.
- Wage and Hour conducts on-site inspections and briefings to achieve child labor law compliance.
- Wage and Hour audits certified payrolls to check compliance with Alaska Resident Hire laws.
- Occupational Safety and Health provides recognition awards for exemplary workplace safety and health programs.
- Occupational Safety and Health Consultation performs on-site reviews and improvements of employer safety and health programs.
- Occupational Safety and Health Enforcement conducts inspections, provides abatement assistance and assesses penalties when required.

FY2010 Resources Allocated to Achieve Results

FY2010 Results Delivery Unit Budget: \$10,516,100

Personnel:

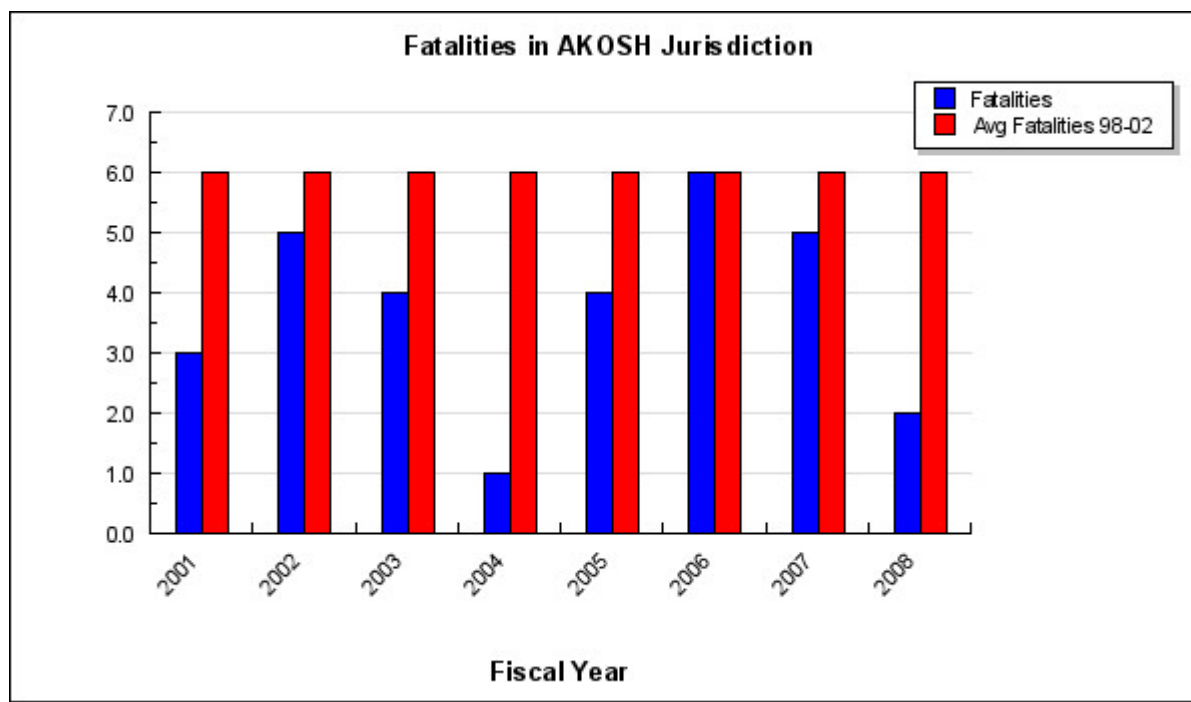
Full time	86
Part time	2
Total	88

Performance

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

Target #1: Zero accidental workplace fatalities.

Status #1: Two accidental workplace fatalities in 2008, compared to six in the benchmark period.



Methodology: The number of workplace fatalities will be calculated using fatality reports submitted to AKOSH.

Fatalities in AKOSH Jurisdiction

Fiscal Year	Fatalities	Avg Fatalities 98-02
FY 2008	2	6
FY 2007	5	6
FY 2006	6	6
FY 2005	4	6
FY 2004	1	6
FY 2003	4	6
FY 2002	5	6
FY 2001	3	6

Analysis of results and challenges: The number of workplace fatalities will be calculated using fatality reports submitted to the Alaska Occupational Safety and Health Administration (AKOSH). AKOSH will reduce workplace fatalities through consultation and enforcement inspections by targeting industries with high fatality rates and eliminating the most prevalent causes of fatalities.

Due to the relatively small number of workplace fatalities and the annual fluctuations, it is useful to compare the current number of fatalities to the average number of fatalities over a 5 year period. The benchmark is from 1998-2002 when there was an average of six fatalities per year. The number of fatalities in 2008 decreased from five to two and the rolling five year average from 2004 through 2008 is 3.6 per year, for a 40% reduction from the benchmark period.

Of note, through targeted inspections and consultations in the construction industry the number of fatalities was reduced from 12 during the benchmark period of 1998-2002 to six during state fiscal years 2004-2008. This equates to a 50% reduction in the number of fatalities in the construction industry at a time when construction has increased significantly to meet the demands of a growing population and economy.

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: 3% reduction in the number of workplace fatalities per 100,000 employees compared to the previous 5 year average.

Status #1: 76% reduction in the FY 2008 rate of workplace fatalities, exceeding the 3% reduction target.

Workplace Fatalities

Fiscal Year	Yearly Rate	Previous 5-year Average	% Change
FY 2008	.31	1.31	-76%
FY 2007	1.58	1.27	24%
FY 2006	1.94	1.43	35%
FY 2005	1.32	1.87	-29%
FY 2004	0	2.33	0

Methodology: Rate is calculated each year on September 30.

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.

Status #1: 21% reduction in the FY2008 rate of workplace lost time injuries and illnesses, exceeding the 2% reduction target.

Worker Lost Time Injuries and Illnesses

Fiscal Year	Rate	% Change
FY 2008	1.59	-21%
FY 2007	2.02	-10%
FY 2006	2.24	-2%
FY 2005	2.29	18%
FY 2004	1.94	-29%
FY 2003	2.73	-16%
FY 2002	3.24	-10%
FY 2001	3.59	

Methodology: Rate is calculated each year on September 30.

Analysis of results and challenges: Since FY01, the AKOSH program has reduced the lost workday illness and injury rate by 48% by targeting consultation and enforcement efforts on the causes of illnesses and injuries in industries with high incident rates. In FY03, the program initiated a five year strategic plan, which focused inspection, training and consultation efforts on high growth, high hazard industries (construction and transportation/warehousing) as evidenced by Worker's Compensation Insurance claim data.

To help put the rate into perspective, there were 6,390 recorded injuries with 317,092 employees in FY07 and 5,455 recorded injuries with 318,077 employees in FY08. Even though almost a thousand more employees have been added to the Alaska economy over the last year, there were 935 fewer recorded injuries in FY08.

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

Target #1: 3% reduction per year in lost time injuries and illnesses per 100 employees in the construction and transportation industries.

Status #1: For FY 2008 there was an 18% reduction in transportation and a 19% reduction in construction lost time injuries and illnesses rates.

Lost Workday Illness/Injury Rates for Transportation and Construction

Fiscal Year	Trans. Rate	% Change	Const. Rate	% Change
FY 2008	2.81	-18%	3.03	-19%
FY 2007	3.42	-19%	3.75	+12%
FY 2006	4.22	+27%	3.34	-24%
FY 2005	3.33	+17%	4.38	+4%
FY 2004	2.84	-8%	4.21	-32%
FY 2003	3.10	-11%	6.16	-17%
FY 2002	3.50	-.9%	7.39	-3%
FY 2001	3.53		7.59	0

Methodology: Rate is calculated each year on September 30.

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. Due to increased resource development projects, the construction, transportation and warehousing industries have increased significantly over the past three years. The increased activity creates a challenge for the AKOSH staff to keep up with the number of inspections required to impact the industry accident rate, which may result in inconsistent results in the near term. We expect that long term trends will reflect reduced illness and injury rates in these industries.

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

Target #1: Increase the number of Voluntary Protection Program (VPP) and Safety & Health Achievement Recognition Program (SHARP) sites in Alaska by 10% per year.

Status #1: 15% increase in the number of VPP and SHARP sites in FY2008, exceeding the 10% target.

VPP and SHARP Sites

Fiscal Year	VPP Sites	SHARP Sites	Total Sites	%Change
FY 2008	13	16	29	16%
FY 2007	12	13	25	14%
FY 2006	11	11	22	29%
FY 2005	6	11	17	0
FY 2004	6	11	17	31%
FY 2003	4	9	13	44%
FY 2002	3	6	9	200%
FY 2001	3	0	3	

Analysis of results and challenges: The federal SHARP Program targets smaller employers with less than 250 employees at a site and less than 500 employees total. These smaller employers have a difficult time making the commitment necessary to participate in SHARP. In addition, one benefit of participation, deferred enforcement

inspections for 18 months as set in federal regulations, is not significant when Alaska statutes provide a 12 month deferral for any company that receives a comprehensive consultation visit and corrects all hazards. The federal VPP Program is designed for larger employers with 500+ employees. Qualification for VPP is time consuming and Alaska has relatively few employers large enough to qualify.

SHARP and 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 and SHARP participation standards. The benefits to employers to participate in these programs are reductions in injuries and illnesses, a reduction in operational costs and an increase in productivity.

C: Result - Reduce hazards to life and property posed by unsafe boilers/pressure vessels, plumbing and electrical work and elevators within Mechanical Inspection's jurisdiction.

Target #1: Zero loss of life or property caused by unsafe boilers/pressure vessels, plumbing and electrical work and elevators.

Status #1: For the period 2004 to 2008 there was zero loss of life, and damage to only one property, caused by unsafe boilers/pressure vessels, plumbing and electrical work and elevators.

Incidents of Loss of Life or Property

Fiscal Year	Boiler/Pressure Vessel	Plumbing	Electrical	Elevators
FY 2008	1	0	0	0
FY 2007	0	0	0	0
FY 2006	0	0	0	0
FY 2005	0	0	0	0
FY 2004	0	0	0	0

Analysis of results and challenges: 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, plumbing and electrical work and elevators. Mechanical Inspection will strive to inspect boilers, pressure vessels and elevators by the inspection due date and eliminate code violations. Mechanical Inspection will eliminate hazards to life and property by inspecting electrical and plumbing work and pursue correction of any code or licensing violations identified. It is extremely important to maintain a zero incident rate as a single incident could be catastrophic.

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.

Status #1: 14% reduction in the number of overdue boiler inspections for FY 2008.

of Overdue Boiler Inspections and Percentage Change

Fiscal Year	# of Boilers	% Change
FY 2008	3,524	-14%
FY 2007	4,139	+36%
FY 2006	3,033	+11%
FY 2005	2,737	-9%
FY 2004	2,996	-43%
FY 2003	5,268	-27%
FY 2002	7,200	+16%
FY 2001	6,200	

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. The number of overdue boiler inspections was reduced by 14% in FY 2008; however, due to vacancies we have been unable to reach the goal of a 33% reduction. In FY 2007, the program began the process to establish an Assistant Boiler Inspector to provide an entry level training position to improve the ability to fill position vacancies.

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

Status #2: 56% of boiler and pressure vessel violations were corrected in FY 2008.

Boiler Violations

Fiscal Year	# Violations	# Corrected	% Corrected
FY 2008	797	445	56%
FY 2007	847	400	47%
FY 2006	739	618	84%
FY 2005	763	573	75%
FY 2004	1,189	789	66%
FY 2003	1,242	809	65%
FY 2002	905	636	70%
FY 2001	1,434	1,152	80%

Analysis of results and challenges: Mechanical Inspection currently tracks the number of code violations identified during inspections and verifies corrections. Boiler and pressure vessel inspections focus on code compliance and verifications that code violations have been corrected. The number of code violations corrected is affected by the timing of the correction and some corrections may not be realized until the following year.

Some code violations do not pose an imminent threat to life or property. These low priority violations are not pursued as aggressively as violations that pose an immediate threat. Some of these low priority violations are corrected, but the device owner fails to provide notice of the correction. A significant number of low priority boiler violations are identified in areas without a dedicated inspector, which makes following up on low priority violations very difficult. Inspectors focus their efforts on correcting life/safety code violations and on receiving timely verification of all high priority code violation abatements.

C2: Strategy - Eliminate electrical and plumbing code violations.

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

Status #1: 158% of electrical code violations were corrected in FY 2008. This includes violations detected in previous years.

Electrical Violations

Fiscal Year	# Violations	# Corrected	% Corrected
FY 2008	196	309	158%
FY 2007	526	607	115%
FY 2006	793	644	81%
FY 2005	775	636	82%
FY 2004	188	232	123%
FY 2003	666	259	39%
FY 2002	287	221	77%
FY 2001	768	534	69%

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 percentage change in code violations corrected is affected by the number of violations that are corrected in the following year.

Many code violations do not pose an imminent threat to life or property; as a result these violations are not pursued as aggressively as violations that pose an immediate threat. Since 2004, compliance has improved, however a significant number of violations are identified in areas without a dedicated inspector, which makes following up on low priority violations very difficult. Inspectors focus their efforts on correcting life/safety code violations and on receiving timely verification of all high priority code violation abatements.

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

Status #2: 62% of the plumbing code violations were corrected in FY 2008.

Plumbing Violations

Fiscal Year	# Violations	# Corrected	% Corrected
FY 2008	702	437	62%
FY 2007	513	689	134%
FY 2006	819	676	83%
FY 2005	856	675	79%
FY 2004	679	442	65%
FY 2003	565	262	46%
FY 2002	176	70	40%
FY 2001	243	136	56%

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 percentage change in code violations corrected is affected by the number of violations that are corrected in the following year.

Many code violations do not pose an imminent threat to life or property; as a result these violations are not pursued as aggressively as violations that pose an immediate threat. A significant number of violations are identified in areas without a dedicated inspector, which makes following up on low priority violations very difficult. Inspectors will focus efforts on correcting life/safety code violations and on receiving timely verification of all high priority code violation abatements.

C3: Strategy - Eliminate elevator code violations.

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

Status #1: 13% of elevator violations were corrected in FY 2008.

Elevator Violations

Fiscal Year	# Violations	# Corrected	% Corrected
FY 2008	1,324	176	13%
FY 2007	778	572	74%
FY 2006	1,444	801	56%
FY 2005	1,131	651	58%
FY 2004	820	601	73%
FY 2003	1,128	589	52%
FY 2002	819	315	38%
FY 2001	708	377	53%

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.

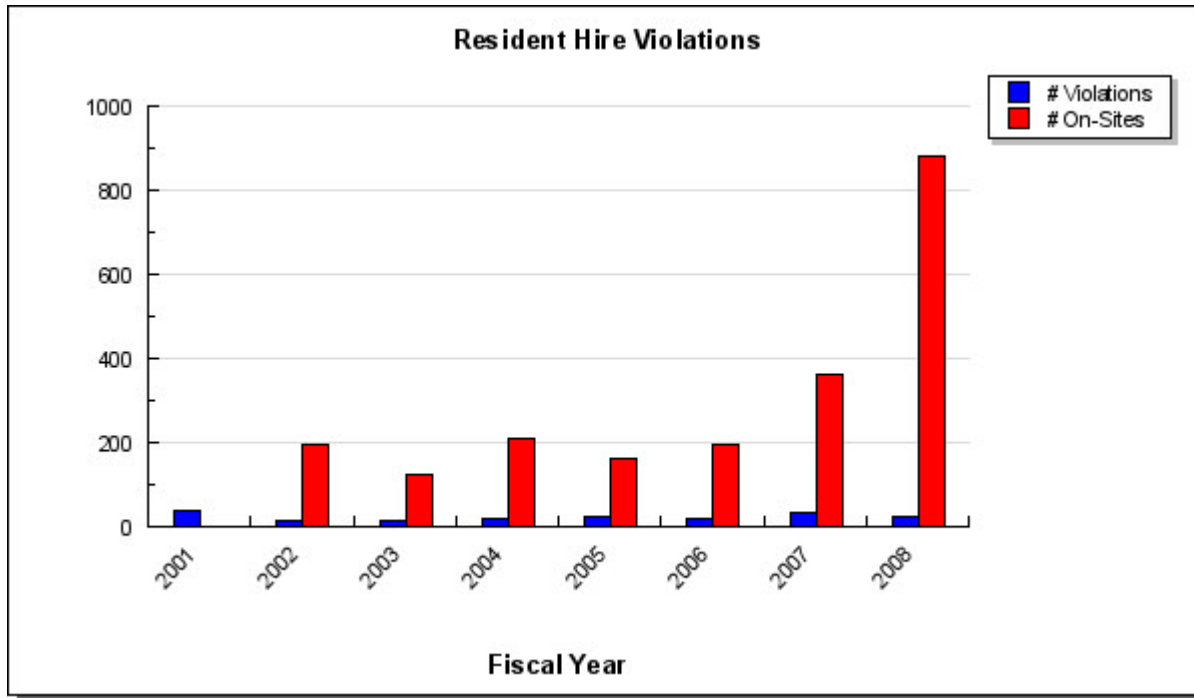
Many code violations do not pose an imminent threat to life or property; as a result these violations are not pursued

as aggressively as violations that pose an immediate threat. A significant number of violations are identified in areas without a dedicated inspector, which makes following up on low priority violations very difficult. Inspectors will focus efforts on correcting life/safety code violations and on receiving timely verification of all high priority code violation abatements.

D: Result - Full compliance with Alaska's Employment Preference Act (AS 36.10).

Target #1: 20% reduction in ratio of Alaska Employment Preference Act violations to on-site inspections compared to the previous year.

Status #1: 66% reduction in the ratio of Alaska Employment Preference violations to on-site inspections for FY 2008, exceeding the 20% target ratio.



Methodology: Wage and Hour collects data on the number of violations and on-sites monthly.

Resident Hire Violations

Fiscal Year	# Violations	# On-Sites	Violations/On-Site Ratio	% Change
FY 2008	23	882	3%	-66%
FY 2007	31	363	9%	-10%
FY 2006	19	196	10%	-37%
FY 2005	26	160	16%	+77%
FY 2004	19	209	9%	-10%
FY 2003	13	126	10%	+25%
FY 2002	16	196	8%	
FY 2001	40			

Analysis of results and challenges: The number of on-site inspections and number of violations identified are tracked each year. In FY05, two Wage and Hour Technicians were added back into the budget to review certified payrolls and this allowed existing investigative staff to increase the number of on-site inspections. In FY06 another Wage and Hour Technician was added to assist with statewide resident hire enforcement through certified payroll reviews.

In FY08, an investigator position was added to increase the number of on-site inspections to identify Alaska hire violations and verify accurate reporting. The ratio of violations to on-sites continues to decline as a result of certified payroll reviews and educational campaigns to promote the benefits of Alaska hire. However, while in FY08 there was a significant increase in the number of on-site inspections, only 18.7% of the projects subject to Alaska Resident Hire were inspected at least once.

D1: Strategy - Reduce the number of Alaska resident hire violations.

Target #1: Check 60% of certified payrolls for compliance with Alaska resident hire requirements.

Status #1: 55% of certified payrolls were checked in FY 2008.

Certified Payrolls

Fiscal Year	# Received	# Checked	% Checked
FY 2008	46,598	25,531	55%
FY 2007	41,266	26,123	63%
FY 2006	42,027	20,929	50%
FY 2005	43,942	9,215	21%
FY 2004	16,770	762	5%

Analysis of results and challenges: Wage and Hour had not monitored the number of certified payrolls collected until 1/1/04. With additional Wage & Hour Technicians the percentage of certified payrolls checked is increasing, however a staff vacancy in FY 2008 caused a small decrease. The department's FY07 proposal for an on-line certified payroll system was approved and the number of certified payrolls checked should increase to 100% when this system goes on-line in FY09. This program will allow improved tracking of resident hire and apprentice utilization performance.

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

Target #1: Maintain average wage claim resolution time to 6 months or less.

Status #1: Wage claim resolution time for FY 2008 is 4.5 months, 1.5 months less than the target of 6 months.

Wage Claim Resolution Time

Fiscal Year	# Months	% Change	# of Valid Claims
FY 2008	4.5	-10%	364
FY 2007	5.0	-9%	399
FY 2006	5.5	+5%	419
FY 2005	5.3	-33%	466
FY 2004	7.9	-2%	397
FY 2003	8.1	+35%	375
FY 2002	6.0	-33%	417
FY 2001	8.9		555

Analysis of results and challenges: The Wage and Hour Administration tracks the average length of time required to resolve wage claims and strives to thoroughly investigate and resolve claims as quickly as possible. Although there are numerous employment conditions enforced by Wage and Hour (return transportation, child labor, record keeping, minimum wage, overtime, etc.), the length of time necessary to resolve wage claims is a representative measure of the agency's ability to ensure legal employment conditions.

To ensure that wage claims are justly resolved, investigators are tasked to collect facts from the claimant and the employer to determine the validity of the claim and the strength of the evidence supporting the claim. By reviewing wage claims more frequently, creating standards for claim resolution times, and streamlining approval for court action and disposition procedures, the section will maintain claims handling efficiency at less than 6 months. This replaces

the 7 month goal from FY06.

The section investigated 467 new claims in FY08 and determined 103 to be invalid, for a total of 364 valid claims filed in the year. Of the 448 claims closed in FY08 (some of which were filed in previous fiscal years), 58% resulted in a collection for the employee. The section collected \$466,982.56 for an average of \$1,789.20 per claim. In some cases, collection is not possible due to bankruptcy or other collection difficulties.

E1: Strategy - Reduce wage claims by improving employer education efforts.

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

Status #1: 2% increase in the number of employer briefings for FY 2008.

Employer Educational Briefings

Fiscal Year	# Briefings	% Change
FY 2008	15,362	+2%
FY 2007	14,997	+32%
FY 2006	11,351	+12%
FY 2005	10,166	+10%
FY 2004	9,282	+3%
FY 2003	9,046	+47%
FY 2002	6,161	-9%
FY 2001	6,748	0

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. The improvement in this area is expected to level out in FY09; we expect to adjust the goal to maintain the level of briefings once that happens. In the event that the demand for briefings continues to increase, existing resources will not be sufficient to adequately provide these services.

Key RDU Challenges

Mechanical Inspection's funding for elevator, boiler/pressure vessel, electrical and plumbing inspections are currently 100 percent fee supported. Current fees are not sufficient to cover program costs, but fee increases may not be appropriate from an equity perspective given associated workplace safety benefits produced by inspections. It is estimated that 20 percent of an inspection is associated with worker safety with the remainder split between public safety and building integrity. Consequently, we request the funding source for the inspections be split with Worker Safety Account revenue providing 20 percent (\$294.5) of the funding. The increase would be offset by a matching reduction to Building Safety Account funding.

Wage and Hour Administration staff are unable to effectively inspect project worksites due to workload increases over the past several years. Public construction capital projects have increased by 23% since FY 2003 and the percentage of projects that actually receive a site inspection is currently 18.7%. This leaves significant room for violations with minimal risk of being exposed.

Significant Changes in Results to be Delivered in FY2010

In Occupational Safety and Health two new positions were added in FY08 to provide services to the seafood industry and educating Alaska's youth about workplace safety and health. These positions have been filled and are in the process of gaining the necessary training and experience to deliver workplace safety and health services in the seafood industry and to Alaska's youth. This will improve performance toward reducing occupational injuries and fatalities in Alaska. In addition, an administrative position was reclassified to an Enforcement Inspector. This is anticipated to increase inspections by 10%.

Mechanical Inspection reclassified an administrative position to a Boiler Inspector at the end of FY08. This position has been filled, however this has created a vacancy in the Northern Region. Our efforts to fill all Boiler Inspector

positions will continue in FY10 with an aim to decrease the boiler inspection backlog and increase the percentage of boiler and pressure vessel violations corrected.

Major RDU Accomplishments in 2008

Wage and Hour staff collected over \$1,085,249.90 in wages, penalties and interest owed to Alaskan workers.

The ratio for Alaska Employment Preference Act violations to on-site inspections is 3% in FY2008. This is a 66% reduction compared to last year, exceeding the 20% target.

Even with continued vacancies, Mechanical Inspection experienced a 14% reduction in the boiler inspection backlog from FY07 to FY 08.

Over 50% reduction in workplace fatalities with two in FY 2008, compared to five in 2007. When comparing the average from the last five years to the average from the five year period before that, we have accomplished a 30% reduction over time.

The Alaska Occupational Safety and Health (AKOSH) Consultation program provided 185 training seminars to 5,952 individuals and identified and eliminated 2,926 workplace hazards during 472 on-site visits, while AKOSH Enforcement conducted 229 compliance inspections in FY08.

Contact Information
<p>Contact: Grey Mitchell, Director Phone: (907) 465-4855 Fax: (907) 465-6012 E-mail: grey.mitchell@alaska.gov</p>

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

All dollars shown in thousands

	FY2008 Actuals				FY2009 Management Plan				FY2010 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
Formula Expenditures None.												
Non-Formula Expenditures												
Wage and Hour Administration	1,500.7	0.0	483.4	1,984.1	1,588.8	0.0	496.8	2,085.6	1,619.0	0.0	509.4	2,128.4
Mechanical Inspection	83.9	0.0	2,123.2	2,207.1	73.3	0.0	2,552.8	2,626.1	75.2	0.0	2,594.4	2,669.6
Occupational Safety and Health	10.2	2,122.3	2,279.8	4,412.3	22.8	2,410.8	2,800.4	5,234.0	12.6	2,410.8	3,168.9	5,592.3
Alaska Safety Advisory Council	0.0	0.0	40.8	40.8	0.0	0.0	125.8	125.8	0.0	0.0	125.8	125.8
Totals	1,594.8	2,122.3	4,927.2	8,644.3	1,684.9	2,410.8	5,975.8	10,071.5	1,706.8	2,410.8	6,398.5	10,516.1

Labor Standards and Safety
Summary of RDU Budget Changes by Component
From FY2009 Management Plan to FY2010 Governor

All dollars shown in thousands

	<u>General Funds</u>	<u>Federal Funds</u>	<u>Other Funds</u>	<u>Total Funds</u>
FY2009 Management Plan	1,684.9	2,410.8	5,975.8	10,071.5
Adjustments which will continue current level of service:				
-Wage and Hour Administration	30.2	0.0	12.6	42.8
-Mechanical Inspection	1.9	0.0	26.6	28.5
-Occupational Safety and Health	-10.2	0.0	74.0	63.8
Proposed budget increases:				
-Mechanical Inspection	0.0	0.0	15.0	15.0
-Occupational Safety and Health	0.0	0.0	294.5	294.5
FY2010 Governor	1,706.8	2,410.8	6,398.5	10,516.1