

State of Alaska FY2013 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 ensure 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

Results at a Glance

(Additional performance information is available on the web at <http://omb.alaska.gov/results>.)

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

Target #1: Zero accidental workplace fatalities.

Status #1: In FY2011, occupations within the jurisdiction of Alaska Occupational Safety and Health experienced nine workplace fatalities as opposed to seven in FY2010. This performance, with increases in the number of fatalities for the past three years, signals that more workplace safety and health resources may be necessary to reverse the trend. However, the overall number across all industries and jurisdictions continued to experience significant reductions based on the most recent data available from the USDOL, Bureau of Labor Statistics. According to the BLS data, the number of workplace fatalities dropped from 33 in 2008 to 17 2009 across all industries in Alaska.

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

Target #1: A three percent reduction in the five-year moving average rate of workplace fatalities per 100,000 employees.

Status #1: The FY2007 to FY2011 five-year average rate of workplace fatalities is 1.44 per 100,000 employees; down from 1.46 last year. This represents a one percent reduction while the target was a three percent reduction.

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

Target #1: A two percent per year reduction in the rate of workplace lost time injuries and illnesses per 100 employees.

Status #1: The lost workday illness and injury rate per 100 employees increased by 7.5 percent from 1.6 in FY2010 to 1.72 in FY2011. However, the increase in FY2011 was offset by a reduction in FY2010, so the FY2011 rate is still lower than the FY2009 rate of 1.76. Since FY2001, the lost time rate has been drastically reduced.

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

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

Status #1: In FY2011, there was an increase in the lost time injury and illness rate per 100 employees of 17 percent in transportation and 90 percent in construction. The goal was a three percent reduction in each industry category. Although the target was not met, the FY2011 performance represents a significant improvement compared to FY2009 and prior years.

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

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

Status #1: In FY2011, there were 16 Alaska job sites that achieved the Voluntary Protection Program (VPP) and 20 sites that qualified for the Safety & Health Achievement Recognition Program (SHARP) for a total of 36 sites. This represents a nine percent increase from FY2010.

End Result C: 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: There was no loss of life or property in FY2011 from devices within Mechanical Inspections' jurisdiction.

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

Target #1: Reduce boiler inspection backlog by 33 percent per year.

Status #1: The number of overdue boiler inspections for FY2011 declined by eight percent.

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

Status #2: 106 percent of boiler and pressure vessel violations were corrected in FY2011.

Strategy C2: Eliminate electrical and plumbing code violations.

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

Status #1: 59 percent of electrical code violations were corrected in FY2011.

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

Status #2: 42 percent of the plumbing code violations were corrected in FY2011.

Strategy C3: Eliminate elevator code violations.

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

Status #1: 56 percent of elevator violations were corrected in FY2011.

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

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

Status #1: There was a 67 percent reduction in the ratio of Alaska Employment Preference violations to on-site inspections for FY2011.

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

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

Status #1: 65 percent of the certified payrolls were checked in FY2011.

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

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

Status #1: The average wage claim resolution for FY2011 was five months.

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

Target #1: Increase the number of employer briefings by five percent from the previous year.

Status #1: In FY2011, the number of employer briefings decreased by 15.6 percent in comparison to FY2010. This is the first decrease in the past several years, but the number of employer briefings in FY2011 was on par with FY2008 and FY2009 levels.

Major Activities to Advance Strategies

- Mechanical Inspection enforces certification requirements for plumbers, electricians, explosives handlers, hazardous painters and asbestos workers.
- Wage and Hour audits certified payrolls to check compliance with Alaska resident hire laws.
- Occupational Safety and Health provides recognition

Major Activities to Advance Strategies	
<ul style="list-style-type: none"> • 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. 	<ul style="list-style-type: none"> 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.

Key RDU Challenges

There is currently \$9,394.4 in Workers' Safety and Compensation Administration Account (WSCAA) expenditure authority in the department's FY2012 budget and the projected WSCAA revenue for FY2012 is \$5,862.7, a difference of \$3,531.7. This discrepancy between revenue and expenditures is not sustainable. WSCAA revenue comes from fees assessed on Workers' Compensation insurance premiums and on Workers' Compensation self-insured program costs. This revenue has declined over the years and program costs have increased. WSCAA funds are used in Occupational Safety and Health (OSH) to match the federal Occupational Safety and Health Administration (OSHA) grant supporting the component.

Significant Changes in Results to be Delivered in FY2013

No significant changes in results are anticipated.

Major RDU Accomplishments in 2011

During FY2011, the Labor Standards and Safety Division:

- Resolved 434 wage claims and collected \$780,229 in wages, penalties and interest owed to Alaska workers and maintained an average wage claim resolution time of five months. Although the amount collected in FY2011 is significantly less than in FY2010, the component resolved 60 more wage claims in the same period. This illustrates a reduction in average wage claim amounts in FY2011, but an increase in the number of workers who requested assistance with getting paid the wages they had earned.
- Increased employer voluntary compliance participation in exemplary performance programs by nine percent. These voluntary compliance programs provide recognition for outstanding employer safety and health performance and leverage resources by encouraging participants to provide mentorship to other employers.
- Reduced the backlog of overdue boiler inspections by eight percent and the backlog of overdue elevator inspections by 63 percent. Although qualified boiler/pressure vessel inspectors and elevator inspectors continue to be in short supply in Alaska and nationwide, the division's Mechanical Inspection component is now fully-staffed. This allowed the component to reduce the backlog of overdue boiler and elevator inspections. The division is on-track to eliminate the backlogs in the next three years.
- Exceeded participation expectations with more than 350 individual participants, 26 sponsor organizations, 50 speakers and 32 exhibitors who attended the 2011 Governor's Safety and Health Conference.

Contact Information

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

All dollars shown in thousands

	FY2011 Actuals				FY2012 Management Plan				FY2013 Governor			
	UGF+DGF Funds	Other Funds	Federal Funds	Total Funds	UGF+DGF Funds	Other Funds	Federal Funds	Total Funds	UGF+DGF Funds	Other Funds	Federal Funds	Total Funds
Formula Expenditures None.												
Non-Formula Expenditures												
Wage and Hour Administration	1,755.2	389.1	0.0	2,144.3	1,812.9	575.7	0.0	2,388.6	1,863.9	624.2	0.0	2,488.1
Mechanical Inspection	1,838.9	614.7	0.0	2,453.6	2,122.2	704.5	0.0	2,826.7	2,191.6	650.6	0.0	2,842.2
Occupational Safety and Health	2,971.0	275.1	1,649.2	4,895.3	3,176.3	301.1	2,441.9	5,919.3	3,202.3	334.2	2,466.9	6,003.4
Alaska Safety Advisory Council	0.0	89.8	0.0	89.8	0.0	125.8	0.0	125.8	0.0	125.8	0.0	125.8
Totals	6,565.1	1,368.7	1,649.2	9,583.0	7,111.4	1,707.1	2,441.9	11,260.4	7,257.8	1,734.8	2,466.9	11,459.5

Labor Standards and Safety
Summary of RDU Budget Changes by Component
From FY2012 Management Plan to FY2013 Governor

All dollars shown in thousands

	<u>Unrestricted Gen (UGF)</u>	<u>Designated Gen (DGF)</u>	<u>Other Funds</u>	<u>Federal Funds</u>	<u>Total Funds</u>
FY2012 Management Plan	1,814.2	5,297.2	1,707.1	2,441.9	11,260.4
Adjustments which will continue current level of service:					
-Wage and Hour Administration	51.0	0.0	48.5	0.0	99.5
-Mechanical Inspection	0.0	69.4	-53.9	0.0	15.5
-Occupational Safety and Health	2,000.0	-1,974.0	33.1	25.0	84.1
FY2013 Governor	3,865.2	3,392.6	1,734.8	2,466.9	11,459.5