

# **State of Alaska FY2026 Governor's Operating Budget**

## **Department of Labor and Workforce Development Labor Standards and Safety Results Delivery Unit Budget Summary**

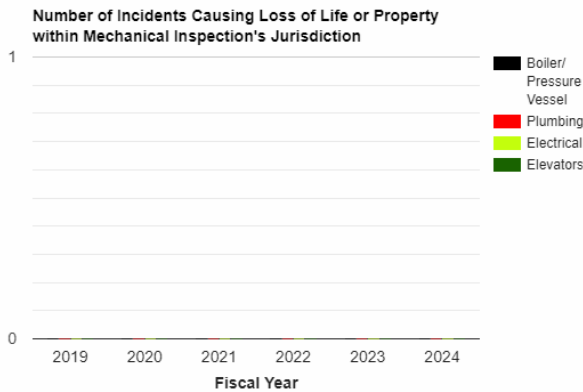
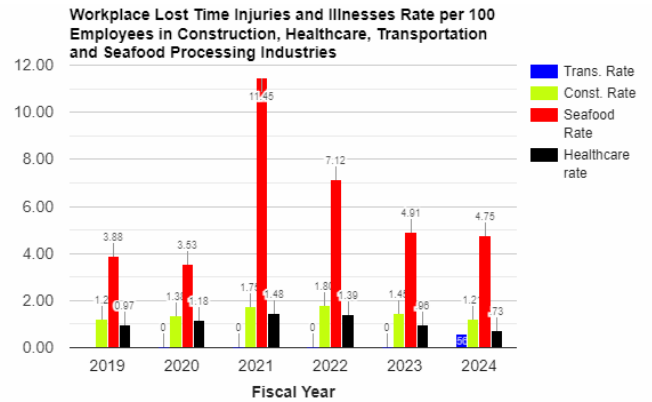
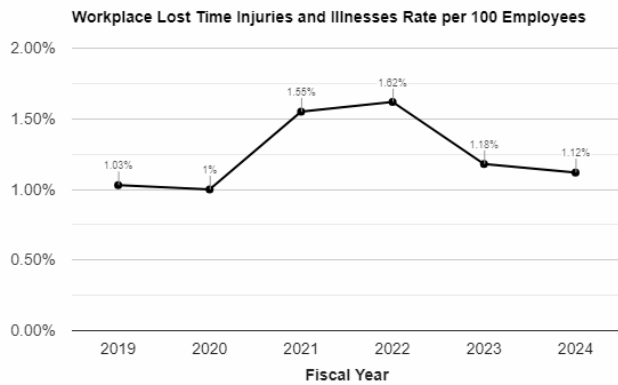
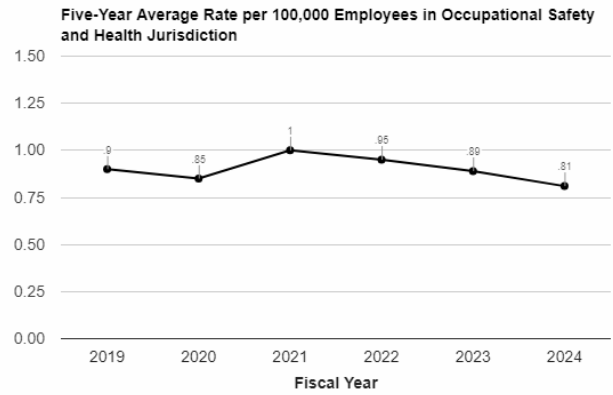
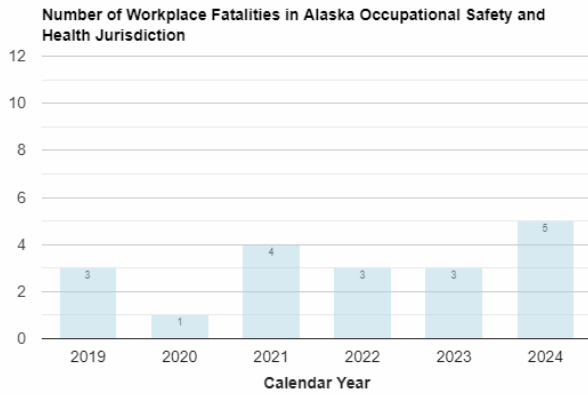
Labor Standards and Safety Results Delivery Unit

Contribution to Department's Mission

Ensure safe and legal working conditions.

Results

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



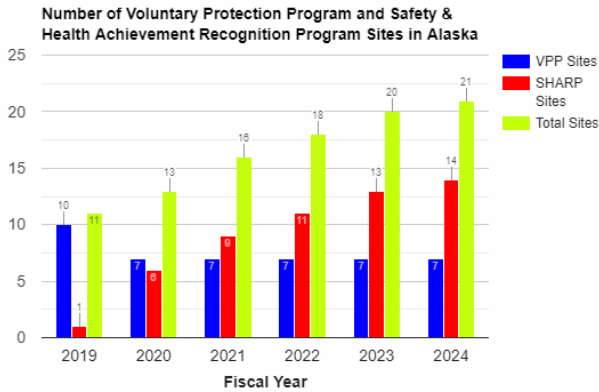
Core Services

- Occupational safety and health, law enforcement, training, and consultation.
- Electrical and mechanical code compliance inspection and training.
- Wage and child labor law enforcement and training.

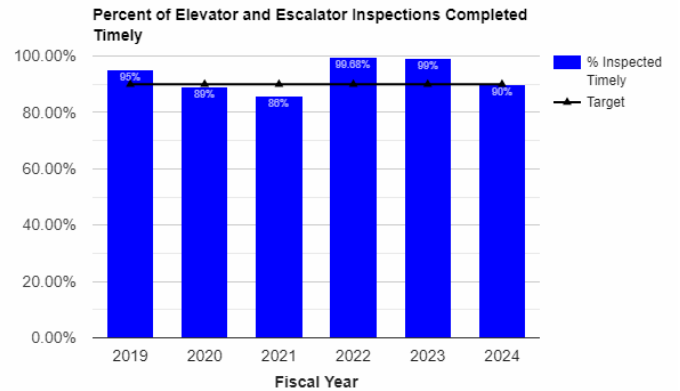
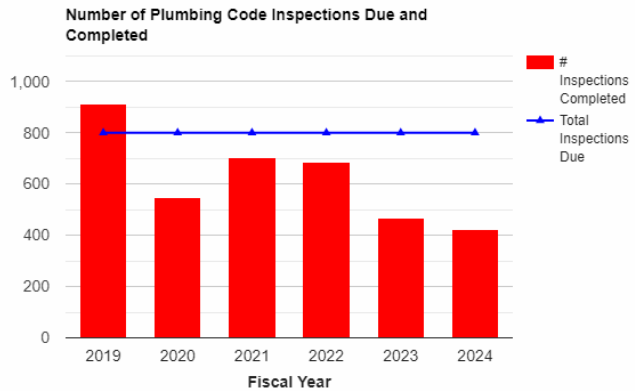
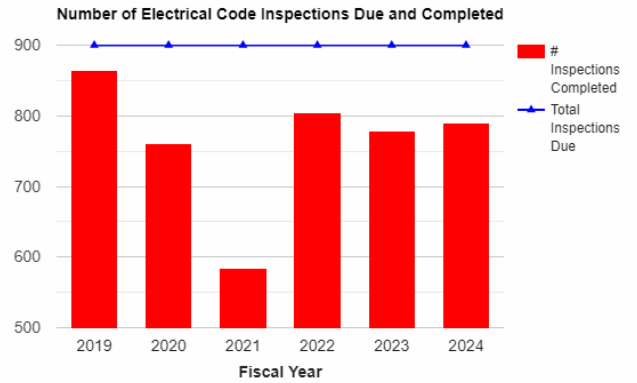
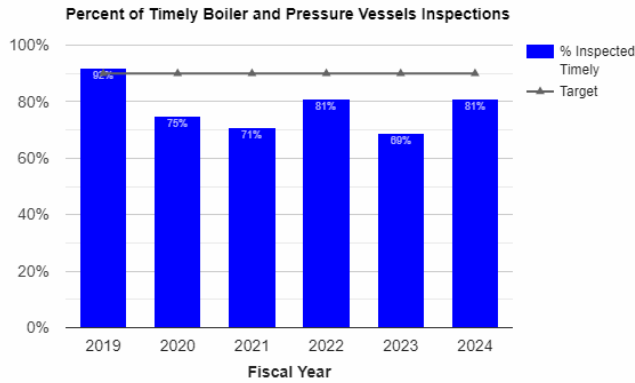
## Measures by Core Service

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

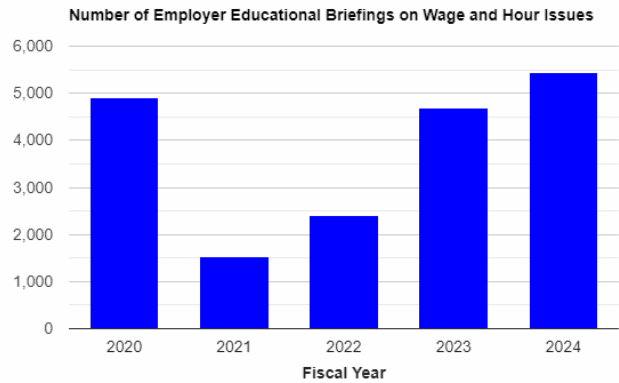
### 1. Occupational safety and health, law enforcement, training, and consultation.



### 2. Electrical and mechanical code compliance inspection and training.



**3. Wage and child labor law enforcement and training.**



**Major RDU Accomplishments in 2024**

- Collected \$627,056.53 in wages, penalties, and damages owed to Alaskan workers. Provided more than 5,434 voluntary compliance briefings to employers.
- Conducted 5,223 boiler, elevator, electrical, and plumbing inspections; and conducted 759 on-site construction project visits statewide to ensure contractor-licensing and Certificate of Fitness compliance, which resulted in 25 enforcement actions.
- Conducted 406 Occupational Safety and Health Consultation visits and training to 9,581 workers, and 356 Enforcement inspections.
- Received final approval from the United States Department of Labor for the Alaska Occupational Safety and Health Diversionary Program; this program was used for 40 employers who had not received citations within the previous five years. Of those 40, 22 have completed the program and received additional safety training and had \$351,656 in penalties, associated with 56 serious citations forgiven.
- Held the 42<sup>nd</sup> annual Governor’s Safety and Health Conference. This event was dedicated to advancing the understanding and practice of safety and health in Alaska’s unique and dynamic landscape. Topics covered included workplace safety best practices, mental health and wellness in the workplace, technology and innovations in safety, regulatory compliance and updates, oil and gas, construction, and/or utilities safety practices, and leadership in safety.

**Key RDU Challenges**

The Division of Labor Standards and Safety (LSS) continues to face challenges in conducting inspections across Alaska due to high staff turnover rates and budgetary constraints. Staffing challenges in Occupational Safety and Health, Mechanical Inspection, and Wage and Hour are aligned with national trends, making recruitment difficult. These issues have resulted in unmet targets for workplace inspections, investigations, and wage claims, as well as fewer opportunities to provide on-site testing. Continued recruitment difficulties in FY2025 are expected to further affect metrics and programmatic elements across all three LSS components.

LSS is also challenged in upholding worker protections due to unpredictable annual legal costs and declining revenues. These legal expenses, which are outside the division’s control, often exceed budgeted amounts.

**Significant Changes in Results to be Delivered in FY2026**

The Trainee Certificate of Fitness will change from a two-year card to a six-year card beginning in FY2025. Renewals at the trainee level will be rare.

In FY2025, Governor Dunleavy issued Executive Order 135, transferring responsibilities to Labor Standards and Safety and replacing the Alaska Safety Advisory Council with the Alaska Safety Advisory Program (ASAP). LSS is in the process of reclassing two vacant positions to support the program's implementation, including organizing the annual Governor's Safety and Health Conference, coordinating planning efforts with various agencies, making safety and health recommendations, and reporting achievements to the governor and legislature.

Sponsoring the Annual Governor's Safety and Health Conference remains a significant challenge. ASAP aims to reestablish itself in stakeholder budgets to ensure continued sponsorship and program sustainability.

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

*All dollars shown in thousands*

	FY2024 Actuals				FY2025 Management Plan				FY2026 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
<b>Formula Expenditures</b> None.												
<b>Non-Formula Expenditures</b>												
Wage and Hour Administration	1,803.5	35.0	0.0	1,838.5	2,185.5	698.9	0.0	2,884.4	2,231.2	709.3	0.0	2,940.5
Mechanical Inspection	2,360.7	363.5	0.0	2,724.2	3,104.6	733.5	0.0	3,838.1	3,214.7	745.8	0.0	3,960.5
Occupational Safety and Health	2,418.7	232.2	2,250.3	4,901.2	3,027.4	200.2	2,453.7	5,681.3	3,078.8	208.0	2,499.6	5,786.4
Alaska Safety Advisory Program	0.0	0.0	0.0	0.0	0.0	540.2	0.0	540.2	290.4	281.8	0.0	572.2
<b>Totals</b>	<b>6,582.9</b>	<b>630.7</b>	<b>2,250.3</b>	<b>9,463.9</b>	<b>8,317.5</b>	<b>2,172.8</b>	<b>2,453.7</b>	<b>12,944.0</b>	<b>8,815.1</b>	<b>1,944.9</b>	<b>2,499.6</b>	<b>13,259.6</b>

**Labor Standards and Safety**  
**Summary of RDU Budget Changes by Component**  
**From FY2025 Management Plan to FY2026 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>
<b>FY2025 Management Plan</b>	<b>3,196.9</b>	<b>5,120.6</b>	<b>2,172.8</b>	<b>2,453.7</b>	<b>12,944.0</b>
<b>Adjustments which continue current level of service:</b>					
-Wage and Hour Administration	0.0	45.7	10.4	0.0	56.1
-Mechanical Inspection	5.7	45.6	12.3	0.0	63.6
-Occupational Safety and Health	43.0	8.4	7.8	45.9	105.1
-Alaska Safety Advisory Program	0.0	0.0	8.1	0.0	8.1
<b>Proposed budget increases:</b>					
-Mechanical Inspection	58.8	0.0	0.0	0.0	58.8
-Alaska Safety Advisory Program	290.4	0.0	0.0	0.0	290.4
<b>Proposed budget decreases:</b>					
-Alaska Safety Advisory Program	0.0	0.0	-266.5	0.0	-266.5
<b>FY2026 Governor</b>	<b>3,594.8</b>	<b>5,220.3</b>	<b>1,944.9</b>	<b>2,499.6</b>	<b>13,259.6</b>