

DEPARTMENT OF LABOR

MISSION

The Department of Labor (DOL) administers New York's Unemployment Insurance system, labor exchange system and State worker protection programs, including enforcement of safety and health regulations in the public sector, State labor laws and Federal statutes related to working conditions, wages and hours and laws related to public work. The Department is a primary advocate for job creation and economic growth through workforce development, and serves as the State's principal source for labor market information, offering a variety of services designed to help businesses find workers and people find jobs.

ORGANIZATION AND STAFFING

The Department is headed by a Commissioner with a central office located in Albany. This office is responsible for two Unemployment Insurance Telephone Claims Centers and eight employment service regional offices that oversee employment services staff at 78 locations throughout the State. In addition, through nine worker protection district offices, the Department enforces child labor laws, fosters workplace health and safety, and ensures that employees are paid in accordance with provisions of the Labor Law. Offices are staffed based upon the workload in each geographic area.

BUDGET HIGHLIGHTS

The Executive Budget recommends **\$3.8 billion All Funds (\$1.5 million General Fund, \$3.8 billion Other Funds, including \$3.0 billion Enterprise Fund)** for the Department of Labor. This is a decrease of **\$299 million All Funds (\$0.2 million General Fund, \$299 million Other Funds, including \$250 million Enterprise Fund)** from the 2007-08 Budget. This change reflects the shift of disaster administration responsibility out of the Department, updated projections in Unemployment Insurance benefits, general inflationary increases, and other adjustments.

The Executive Budget recommends a staffing level of **3,643 positions** in 2008-09, a **decrease of 4** from the 2007-08 Budget, reflecting the conversion of State Employment Relations Board Members to per diem employees. Approximately 82 percent of the Department's positions are financed by Federal grants and 18 percent are supported by fees and assessments. Less than one percent of the Department's positions are supported by State tax dollars from the General Fund.

Major Budget actions include:

- **Joint Enforcement Task Force:** In 2008-09 DOL will continue its aggressive implementation of Executive Order No. 17, which established the Joint Enforcement Task Force on Employee Misclassification. DOL staff will focus on employers who intentionally misclassify workers as independent contractors instead of as employees, or pay them "off the books" to avoid the costs of unemployment insurance, workers' compensation, social security, State and Federal withholding, temporary disability insurance, minimum wage, and overtime.
- **Public Work Enforcement:** In 2008-09 the Department, using available resources, will strengthen enforcement of the State's public work law, including payment of prevailing wages, use of apprentices, and work in excess of eight hours per day/five days per week.

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- **Disaster Relief Program:** The 2008-09 Budget reflects the transfer of responsibility for administering Federal disaster relief grants and loans from DOL to the Federal Emergency Management Agency.
- **Unemployment Insurance Systems Modernization:** Existing fees and assessments received by DOL will support the Department's Unemployment Insurance computer systems modernization efforts. Appropriations totaling \$17.8 million are recommended for this project, a decrease of \$5 million from the 2007-08 Budget.
- **State Employment Relations Board (SERB):** The Budget recommends that a \$750 fee be charged to each party, labor and management, involved in an arbitration performed by a SERB staff person. Additionally, the Budget recommends that SERB Board members be paid a per diem rate for their services rather than an annual salary. Together, these actions will result in General Fund savings of \$339,000. SERB is the only Department of Labor program supported by the General Fund.

PROGRAM HIGHLIGHTS

JOB SERVICES

Consistent with the requirements of the Federal Workforce Investment Act, the Department of Labor and local governments work together at local One-Stop Centers and affiliated sites across the State that offer access to a variety of employment services including job referral and placement, education and training, resume preparation, employer services, human resources consultation, and support services such as child care and transportation. The Centers benefit employers by providing them with access to worker resumes and information on tax credits, workplace safety issues and apprenticeship services.

Through the use of job orders, on-line forms, electronic job banks and talent banks available through the Internet, the Department of Labor has made it easier for job seekers and employers to use and benefit from DOL services and to immediately access relevant information without assistance from Department staff.

In addition to partnering in One-Stop Centers across the State, the Department continues to work with other State and local agencies, community colleges and others to ensure that New York's workforce development system provides access to information and services across agency lines regardless of where a person may initially go for assistance.

WORKFORCE INVESTMENT ACT

Federally funded local assistance appropriation authority includes \$252 million for Workforce Investment Act (WIA) services. WIA provides job training to youth, adults and dislocated workers. WIA also upgrades the skills of those currently working, thus helping employers meet the changing needs of their business operations. Eligible participants access WIA services through the network of local One-Stop Centers for the delivery of employment and training services. WIA also improves customer choice and program effectiveness, as participants can choose training providers based on past performance through the use of individual training accounts.

WORKER PROTECTION

Worker Protection functions are carried out by two Department of Labor programs: Occupational Safety and Health and Labor Standards/Public Work.

The Occupational Safety and Health program is responsible for health and safety inspections and granting licenses to qualified persons to operate or handle dangerous equipment or substances. Statistics for the last two completed State fiscal years show that the Division inspected 20,463 amusement park devices, 941 ski lifts, 6,115 places of public assembly (e.g., bleachers at concerts) and 30,797 commercial boilers. It also reviewed applications for 46,968 asbestos licenses and certificates.

The Labor Standards program enforces the Labor Law in such areas as minimum and prevailing wage, child labor and garment industry registration. During the last two completed State fiscal years, the Division inspected 1,065 businesses for compliance with child labor laws and collected nearly \$23 million in back wages, unpaid fringe benefits and minimum wage underpayments for approximately 33,034 employees.

A Bureau of Immigrant Worker's Rights was established within the Department in May 2007 in order to detect and address abuses against immigrant workers throughout New York State.

In 2008-09, the Department will play a lead role in the Governor's Joint Enforcement Task Force on Employee Misclassification. Through coordinated audit and investigative activities, this enforcement initiative is aimed at employers who intentionally mislabel workers as independent contractors instead of employees, or pay them "off the books," to avoid employee-related costs. Misclassification puts law-abiding businesses at a competitive disadvantage, since they must bear the expense of providing these benefits, while those who skirt the law bear no such costs.

UNEMPLOYMENT INSURANCE

The Unemployment Insurance program makes weekly payments to eligible, unemployed workers who have lost a job through no fault of their own. These temporary payments, generally available for up to 26 weeks, help workers and their families pay bills and buy basic household items while looking for work. The Department also operates a re-employment services program to further strengthen efforts to move individuals back to work. The 2008-09 Budget reduces Unemployment Insurance Fiduciary funding by \$250 million – to \$3 billion – to more accurately reflect the level of claims anticipated in the upcoming State fiscal year.

As part of a continuing effort to make government more efficient, the Department of Labor operates a telephone claims system that uses computer technology and information received to determine if applicants are eligible to receive Unemployment Insurance benefits and to handle all other processing issues related to an individual's benefits. The system, which operates through two Tele-Claims Centers located in Troy and Endicott, replaced a process which required DOL staff to determine eligibility from paper forms filled out by applicants at local Department of Labor offices. In addition, the Department currently accepts Unemployment Insurance claims and employer registration through the Internet.

In 2006, the Department began issuing all Unemployment Insurance benefit payments through debit cards. The cards, known as Direct Payment Cards, offer customers a safe, convenient way to access their benefits. In 2007, the Department began offering a Direct

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Deposit program for Unemployment Insurance benefit payments to provide claimants with an additional option. These efforts are intended to modernize the unemployment system, while making the process more customer friendly and cost effective.

ALL FUNDS APPROPRIATIONS (dollars)

Category	Available 2007-08	Appropriations Recommended 2008-09	Change	Reappropriations Recommended 2008-09
State Operations	3,853,366,000	3,561,441,000	(291,925,000)	628,287,000
Aid To Localities	259,519,750	252,427,000	(7,092,750)	475,709,500
Capital Projects	0	0	0	0
Total	4,112,885,750	3,813,868,000	(299,017,750)	1,103,996,500

ALL FUND TYPES PROJECTED LEVELS OF EMPLOYMENT BY PROGRAM FILLED ANNUAL SALARIED POSITIONS

Full-Time Equivalent Positions (FTE)

Program	2007-08 Estimated FTEs 03/31/08	2008-09 Estimated FTEs 03/31/09	FTE Change
Administration			
Special Revenue Funds - Federal	2,996	2,996	0
Employment Relations Board			
General Fund	16	12	(4)
Employment and Training			
Special Revenue Funds - Other	74	69	(5)
Labor Standards			
Special Revenue Funds - Other	279	282	3
Occupational Safety and Health			
Special Revenue Funds - Other	282	284	2
Total	3,647	3,643	(4)

STATE OPERATIONS ALL FUNDS FINANCIAL REQUIREMENTS BY FUND TYPE APPROPRIATIONS (dollars)

Fund Type	Available 2007-08	Recommended 2008-09	Change
General Fund	1,720,000	1,495,000	(225,000)
Special Revenue Funds - Federal	526,425,000	482,328,000	(44,097,000)
Special Revenue Funds - Other	75,221,000	77,618,000	2,397,000
Enterprise Funds	3,250,000,000	3,000,000,000	(250,000,000)
Total	3,853,366,000	3,561,441,000	(291,925,000)
Adjustments:			
Transfer(s) From			
Special Pay Bill			
Special Revenue Funds - Federal	(464,000)		
Special Revenue Funds - Other	(512,000)		
Appropriated 2007-08	3,852,390,000		

**STATE OPERATIONS
ALL FUNDS FINANCIAL REQUIREMENTS BY PROGRAM
APPROPRIATIONS
(dollars)**

Program	Available 2007-08	Recommended 2008-09	Change
Administration			
Special Revenue Funds - Federal	454,925,000	460,828,000	5,903,000
Special Revenue Funds - Other	512,000	0	(512,000)
Employment Relations Board			
General Fund	1,720,000	1,495,000	(225,000)
Special Revenue Funds - Other	0	225,000	225,000
Employment and Training			
Special Revenue Funds - Other	9,673,000	9,673,000	0
Labor Standards			
Special Revenue Funds - Other	25,546,000	26,655,000	1,109,000
Occupational Safety and Health			
Special Revenue Funds - Other	39,490,000	41,065,000	1,575,000
Unemployment Insurance Benefit Fund			
Special Revenue Funds - Federal	71,500,000	21,500,000	(50,000,000)
Enterprise Funds	3,250,000,000	3,000,000,000	(250,000,000)
Total	<u>3,853,366,000</u>	<u>3,561,441,000</u>	<u>(291,925,000)</u>

**STATE OPERATIONS - GENERAL FUND
SUMMARY OF PERSONAL SERVICE APPROPRIATIONS AND CHANGES
2008-09 RECOMMENDED
(dollars)**

Program	Total		Personal Service Regular (Annual Salaried)	
	Amount	Change	Amount	Change
Employment Relations Board	1,251,000	0	1,218,000	0
Total	<u>1,251,000</u>	<u>0</u>	<u>1,218,000</u>	<u>0</u>

Program	Temporary Service (Nonannual Salaried)	
	Amount	Change
Employment Relations Board	33,000	0
Total	<u>33,000</u>	<u>0</u>

**STATE OPERATIONS - GENERAL FUND
SUMMARY OF NONPERSONAL SERVICE AND MAINTENANCE UNDISTRIBUTED
APPROPRIATIONS AND CHANGES
2008-09 RECOMMENDED
(dollars)**

Program	Total		Supplies and Materials	
	Amount	Change	Amount	Change
Employment Relations Board	244,000	(225,000)	36,000	0
Total	<u>244,000</u>	<u>(225,000)</u>	<u>36,000</u>	<u>0</u>

Program	Travel		Contractual Services	
	Amount	Change	Amount	Change
Employment Relations Board	33,000	0	150,000	(225,000)
Total	<u>33,000</u>	<u>0</u>	<u>150,000</u>	<u>(225,000)</u>

Program	Equipment	
	Amount	Change
Employment Relations Board	25,000	0
Total	<u>25,000</u>	<u>0</u>

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**STATE OPERATIONS - OTHER THAN GENERAL FUND
SUMMARY OF APPROPRIATIONS AND CHANGES
2008-09 RECOMMENDED
(dollars)**

Program	Total		Personal Service	
	Amount	Change	Amount	Change
Administration	460,828,000	5,391,000	0	(670,000)
Employment Relations Board	225,000	225,000	0	0
Employment and Training	9,673,000	0	2,847,000	39,000
Labor Standards	26,655,000	1,109,000	15,713,000	720,000
Occupational Safety and Health	41,065,000	1,575,000	18,813,000	995,000
Unemployment Insurance Benefit Fund	3,021,500,000	(300,000,000)	0	0
Total	3,559,946,000	(291,700,000)	37,373,000	1,084,000

Program	Nonpersonal Service		Maintenance	Undistributed
	Amount	Change	Amount	Change
Administration	0	(306,000)	460,828,000	6,367,000
Employment Relations Board	225,000	225,000	0	0
Employment and Training	1,826,000	(39,000)	5,000,000	0
Labor Standards	10,942,000	389,000	0	0
Occupational Safety and Health	22,252,000	580,000	0	0
Unemployment Insurance Benefit Fund	0	0	3,021,500,000	(300,000,000)
Total	35,245,000	849,000	3,487,328,000	(293,633,000)

**AID TO LOCALITIES
ALL FUNDS FINANCIAL REQUIREMENTS BY FUND TYPE
APPROPRIATIONS
(dollars)**

Fund Type	Available 2007-08	Recommended 2008-09	Change
General Fund	20,470,750	0	(20,470,750)
Special Revenue Funds - Federal	238,619,000	251,997,000	13,378,000
Special Revenue Funds - Other	430,000	430,000	0
Total	259,519,750	252,427,000	(7,092,750)

**AID TO LOCALITIES
ALL FUNDS FINANCIAL REQUIREMENTS BY PROGRAM
APPROPRIATIONS
(dollars)**

Program	Available 2007-08	Recommended 2008-09	Change
Employment and Training			
General Fund	18,649,500	0	(18,649,500)
Special Revenue Funds - Federal	238,619,000	251,997,000	13,378,000
Occupational Safety and Health			
Special Revenue Funds - Other	430,000	430,000	0
Community Projects			
General Fund	1,821,250	0	(1,821,250)
Total	259,519,750	252,427,000	(7,092,750)