

DEPARTMENT OF LABOR

MISSION

The Department of Labor is New York State's primary advocate for job creation and economic growth through workforce development. The Department 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 of Labor serves as the State's principal source for labor market information and offers 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 three Unemployment Insurance Telephone Claims Centers and eight employment service regional offices that oversee employment services staff at 103 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.

FISCAL BACKGROUND AND BUDGET HIGHLIGHTS

The Department of Labor will have a workforce of 6,236 in SFY 2005-06. Approximately 66 percent of these positions are financed by Federal grants and 34 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.

Federal funds support specific programs and activities that include Workforce Investment Act (WIA) job training services and re-employment services for persons who may be affected adversely by international trade agreements. Federal appropriations also include funding to assist individuals and families that are the victims of disasters.

Fee revenues support funding for worker protection and compensation enforcement activities and job training programs. These accounts are financed by fees for health and safety inspections, revenue from Workers' Compensation Board assessments and penalties for misreporting wages for Unemployment Insurance purposes. The Unemployment Insurance benefit appropriation of \$3.8 billion is funded from Unemployment Insurance (UI) taxes paid by employers.

UI penalty revenue of \$3.5 million is appropriated in 2005-06 for upgrades to the outdated UI computer system. High maintenance costs for the UI system, which is nearly 40-years old, cannot be supported with declining Federal UI administration funding.

PROGRAM HIGHLIGHTS

JOB SERVICES

Consistent with the Workforce Investment Act (WIA) requirements, the Department of Labor and local governments have worked together to open 78 local One-Stop Centers 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.

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Through the use of job orders, on-line forms, America's Job Bank and America's Talent Bank available through the Internet, the Department of Labor has made it easier for job seekers and employers to use and benefit from Agency services. The internet capabilities allow employers and job seekers to immediately access relevant information without assistance from Department staff.

In addition to the opening of 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 — State office, local government office, community service agency or college placement office.

WORKFORCE INVESTMENT ACT (WIA)

Federally funded local assistance appropriation authority includes \$304 million for 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 a 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 recent years show that the Division inspected 20,754 amusement park devices, 951 ski lifts, 6,164 places of public assembly (e.g., bleachers at concerts) and 29,231 commercial boilers. It also reviewed applications for 766 radioactive materials licenses and 54,366 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. Statistics for recent years indicate the Division inspected 694 businesses for compliance with child labor laws and collected over \$17 million in back wages, unpaid fringe benefits and minimum wage underpayments for approximately 31,159 employees.

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.

As part of Governor Pataki's continuing efforts to make government more efficient, the Department of Labor operates a telephone claims system that uses computer technology and information received over the phone to determine if applicants are eligible to receive Unemployment Insurance benefits and handle all other processing issues related to an individual's benefits. The system operates through three Tele-Claims Centers located in Troy, Endicott and New York City, and replaces the old, inefficient 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 is currently piloting programs for filing Unemployment Insurance claims and employer registration through the Internet.

A continued projected deficit in the Unemployment Insurance Trust Fund, which originally resulted from the September 11th terrorist attacks and the downturn in the national economy, will require the State to continue to borrow funding from the Federal government in 2005 thereby incurring Federal interest costs. The Budget includes an interest assessment on employer taxes to pay these interest costs.

WORKERS COMPENSATION BOARD

In SFY 2005-06, legislation will be introduced that transfers the Workers' Compensation Board (WCB) to DOL. This transfer will permit WCB to continue to carry out its current functions while combining with DOL to improve its efficiency.

Through its 11 district offices and 30 satellite service centers located across New York State, the WCB reviews workers' claims for benefits, reports of injury filed by employers and medical reports from physicians and other health care providers. The WCB also monitors employers to ensure that they properly provide coverage for their employees and imposes penalties on those employers who fail to do so.

VOCATIONAL REHABILITATION

In SFY 2005-06 legislation will be introduced that transfers Vocational Rehabilitation (VR) services for persons with disabilities to DOL to improve the overall effectiveness of these programs.

The Vocational and Educational Services for Individuals with Disabilities Program's (VESID) VR component will be transferred from the Education Department to provide job training, counseling and placement services for disabled persons throughout New York. The programs relating to the education of children with disabilities will remain with the State Education Department.

Using its network of 15 district offices across the State, VESID provides vocational rehabilitation services to disabled clients tailored to their individual goals, capabilities and needs. This program arranges for job placements for more than 15,000 individuals annually from an active caseload of over 54,000. VESID also administers 36 Independent Living Centers across New York State.

**ALL FUNDS
APPROPRIATIONS
(dollars)**

Category	Available 2004-05	Appropriations Recommended 2005-06	Change	Reappropriations Recommended 2005-06
State Operations	5,639,299,100	4,646,559,500	(992,739,600)	706,897,000
Aid To Localities	272,268,000	304,457,000	32,189,000	665,344,000
Capital Projects	0	0	0	0
Total	5,911,567,100	4,951,016,500	(960,550,600)	1,372,241,000

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

Program	Full-Time Equivalent Positions (FTE)		
	2004-05	2005-06	FTE Change
	Estimated FTEs 03/31/05	Estimated FTEs 03/31/06	
Administration			
General Fund	18	18	0
Special Revenue Funds - Federal	3,524	3,339	(185)
Disability Benefits			
Special Revenue Funds - Other	0	51	51
Employment Relations Board			
General Fund	16	0	(16)
Employment and Training			
Special Revenue Funds - Other	89	89	0
Labor Standards			
Special Revenue Funds - Other	242	242	0
Occupational Safety and Health			
Special Revenue Funds - Other	249	259	10
Systems Modernization			
Special Revenue Funds - Other	0	81	81
Vocational and Educational Services for Individuals with Disabilities			
Special Revenue Funds - Federal	0	750	750
Workers Compensation			
Special Revenue Funds - Other	0	1,407	1,407
Total	<u>4,138</u>	<u>6,236</u>	<u>2,098</u>

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

Fund Type	Available	Recommended	Change
	2004-05	2005-06	
General Fund	3,429,000	1,417,000	(2,012,000)
Special Revenue Funds - Federal	532,751,500	532,074,500	(677,000)
Special Revenue Funds - Other	303,118,600	313,068,000	9,949,400
Enterprise Funds	4,800,000,000	3,800,000,000	(1,000,000,000)
Total	<u>5,639,299,100</u>	<u>4,646,559,500</u>	<u>(992,739,600)</u>
Adjustments:			
Transfer(s) From			
Special Pay Bill			
General Fund	(28,000)		
Special Revenue Funds - Federal	(12,436,500)		
Special Revenue Funds - Other	(1,232,600)		
Workers Compensation Board			
Special Revenue Funds - Federal	(12,000)		
Special Revenue Funds - Other	(174,924,000)		
Appropriated 2004-05	<u>5,450,666,000</u>		

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

Program	Available 2004-05	Recommended 2005-06	Change
Administration			
General Fund	1,387,000	1,417,000	30,000
Special Revenue Funds - Federal	465,239,500	420,344,000	(44,895,500)
Disability Benefits			
Special Revenue Funds - Other	7,082,000	7,516,000	434,000
Employment Relations Board			
General Fund	1,720,000	0	(1,720,000)
Employment and Training			
General Fund	322,000	0	(322,000)
Special Revenue Funds - Other	9,511,800	7,817,000	(1,694,800)
Labor Standards			
Special Revenue Funds - Other	20,224,928	20,991,000	766,072
Occupational Safety and Health			
Special Revenue Funds - Other	33,457,872	34,608,000	1,150,128
Systems Modernization			
Special Revenue Funds - Other	35,960,000	36,798,000	838,000
Unemployment Insurance Benefit Fund			
Special Revenue Funds - Federal	67,500,000	67,500,000	0
Special Revenue Funds - Other	65,000,000	65,000,000	0
Enterprise Funds	4,800,000,000	3,800,000,000	(1,000,000,000)
Vocational and Educational Services for Individuals with Disabilities			
Special Revenue Funds - Federal	0	44,230,500	44,230,500
Special Revenue Funds - Other	0	456,000	456,000
Workers Compensation			
Special Revenue Funds - Federal	12,000	0	(12,000)
Special Revenue Funds - Other	131,882,000	139,882,000	8,000,000
Total	5,639,299,100	4,646,559,500	(992,739,600)

STATE OPERATIONS - GENERAL FUND
SUMMARY OF PERSONAL SERVICE APPROPRIATIONS AND CHANGES
2005-06 RECOMMENDED
(dollars)

Program	Total		Personal Service Regular (Annual Salaried)	
	Amount	Change	Amount	Change
Administration	1,111,000	179,000	1,111,000	179,000
Employment Relations Board	0	(1,251,000)	0	(1,234,000)
Total	1,111,000	(1,072,000)	1,111,000	(1,055,000)
	Temporary Service (Nonannual Salaried)			
Program	Amount	Change		
Administration	0	0		
Employment Relations Board	0	(17,000)		
Total	0	(17,000)		

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**STATE OPERATIONS - GENERAL FUND
SUMMARY OF NONPERSONAL SERVICE AND MAINTENANCE UNDISTRIBUTED
APPROPRIATIONS AND CHANGES
2005-06 RECOMMENDED
(dollars)**

Program	Total		Supplies and Materials	
	Amount	Change	Amount	Change
Administration	306,000	(149,000)	34,000	0
Employment Relations Board	0	(469,000)	0	(19,000)
Employment and Training	0	(322,000)	0	0
Total	306,000	(940,000)	34,000	(19,000)

Program	Travel		Contractual Services	
	Amount	Change	Amount	Change
Administration	20,000	0	222,000	51,000
Employment Relations Board	0	(65,000)	0	(383,000)
Employment and Training	0	0	0	0
Total	20,000	(65,000)	222,000	(332,000)

Program	Equipment		Maintenance Undistributed	
	Amount	Change	Amount	Change
Administration	30,000	0	0	(200,000)
Employment Relations Board	0	(2,000)	0	0
Employment and Training	0	0	0	(322,000)
Total	30,000	(2,000)	0	(522,000)

**STATE OPERATIONS - OTHER THAN GENERAL FUND
SUMMARY OF APPROPRIATIONS AND CHANGES
2005-06 RECOMMENDED
(dollars)**

Program	Total		Personal Service	
	Amount	Change	Amount	Change
Administration	420,344,000	(44,895,500)	8,549,200	0
Disability Benefits	7,516,000	434,000	3,856,000	212,000
Employment and Training	7,817,000	(1,694,800)	0	(962,100)
Labor Standards	20,991,000	766,072	12,507,000	157,300
Occupational Safety and Health	34,608,000	1,150,128	16,409,000	747,200
Systems Modernization	36,798,000	838,000	4,646,000	254,000
Unemployment Insurance Benefit Fund	3,932,500,000	(1,000,000,000)	0	0
Vocational and Educational Services for Individuals with Disabilities	44,230,500	44,230,500	21,351,500	21,351,500
Workers Compensation	139,882,000	7,988,000	72,558,000	3,736,000
Total	4,644,686,500	(991,183,600)	139,876,700	25,495,900

Program	Nonpersonal Service		Maintenance Undistributed	
	Amount	Change	Amount	Change
Administration	3,887,300	0	407,907,500	(44,895,500)
Disability Benefits	3,660,000	222,000	0	0
Employment and Training	0	(503,700)	7,817,000	(229,000)
Labor Standards	8,484,000	608,772	0	0
Occupational Safety and Health	18,199,000	402,928	0	0
Systems Modernization	32,152,000	584,000	0	0
Unemployment Insurance Benefit Fund	0	0	3,932,500,000	(1,000,000,000)
Vocational and Educational Services for Individuals with Disabilities	22,879,000	22,879,000	0	0
Workers Compensation	66,621,000	4,165,000	703,000	87,000
Total	155,882,300	28,358,000	4,348,927,500	(1,045,037,500)

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

Fund Type	Available 2004-05	Recommended 2005-06	Change
Special Revenue Funds - Federal	271,838,000	304,457,000	32,619,000
Special Revenue Funds - Other	430,000	0	(430,000)
Total	<u>272,268,000</u>	<u>304,457,000</u>	<u>32,189,000</u>

Adjustments:

Transfer(s) To			
Temporary and Disability Assistance, Office of			
Special Revenue Funds - Federal	51,553,000		
Appropriated 2004-05	<u>323,821,000</u>		

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

Program	Available 2004-05	Recommended 2005-06	Change
Employment and Training			
Special Revenue Funds - Federal	271,838,000	304,457,000	32,619,000
Occupational Safety and Health			
Special Revenue Funds - Other	430,000	0	(430,000)
Total	<u>272,268,000</u>	<u>304,457,000</u>	<u>32,189,000</u>