

# **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 two Unemployment Insurance Telephone Claims Centers and eight employment service regional offices that oversee employment services staff at 83 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 3,946 in State fiscal year 2006-07. Approximately 84 percent of these positions are financed by Federal grants and 15 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.

In 2006-07, existing fees and assessments received by the Department of Labor will help to finance the Department's ongoing program to modernize its unemployment insurance computer system, which is 40 years old and incapable of providing the level of services or accountability expected from a system of its type.

## **PROGRAM HIGHLIGHTS**

### **JOB SERVICES**

Consistent with the Workforce Investment Act (WIA) requirements, the Department of Labor and local governments have worked together to open 83 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.

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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 \$299 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 20,326 amusement park devices, 963 ski lifts, 6,042 places of public assembly (e.g., bleachers at concerts) and 29,428 commercial boilers. It also reviewed applications for 672 radioactive materials licenses and 46,108 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 the last two completed State fiscal years indicate the Division inspected 899 businesses for compliance with child labor laws and collected nearly \$16 million in back wages, unpaid fringe benefits and minimum wage underpayments for approximately 27,856 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 two Tele-Claims Centers located in Troy and Endicott, 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 currently accepts 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 11<sup>th</sup> terrorist attacks and the downturn in the national economy, will require the State to continue to borrow funding from the Federal government in 2006 thereby incurring Federal interest costs. These interest costs, normally paid through an assessment on employer taxes, are expected to be paid from existing funds in the interest assessment account; therefore, no new interest assessment payments will be required of employers in 2006. In addition, according to current projections the Unemployment Insurance Trust Fund is expected to achieve structural balance during the second half of calendar year 2006.

**ALL FUNDS  
APPROPRIATIONS  
(dollars)**

<b>Category</b>	<b>Available 2005-06</b>	<b>Appropriations Recommended 2006-07</b>	<b>Change</b>	<b>Reappropriations Recommended 2006-07</b>
State Operations	4,419,397,000	4,370,680,000	(48,717,000)	686,896,000
Aid To Localities	315,329,000	299,671,000	(15,658,000)	487,606,000
Capital Projects	0	0	0	0
<b>Total</b>	<b>4,734,726,000</b>	<b>4,670,351,000</b>	<b>(64,375,000)</b>	<b>1,174,502,000</b>

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

**Full-Time Equivalent Positions (FTE)**

<b>Program</b>	<b>2005-06 Estimated FTEs 03/31/06</b>	<b>2006-07 Estimated FTEs 03/31/07</b>	<b>FTE Change</b>
Administration			
General Fund	18	0	(18)
Special Revenue Funds - Federal	3,339	3,339	0
Employment Relations Board			
General Fund	16	16	0
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	260	11
<b>Total</b>	<b>3,953</b>	<b>3,946</b>	<b>(7)</b>

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

<b>Fund Type</b>	<b>Available 2005-06</b>	<b>Recommended 2006-07</b>	<b>Change</b>
General Fund	3,137,000	1,720,000	(1,417,000)
Special Revenue Funds - Federal	487,844,000	466,509,000	(21,335,000)
Special Revenue Funds - Other	128,416,000	102,451,000	(25,965,000)
Enterprise Funds	3,800,000,000	3,800,000,000	0
<b>Total</b>	<b>4,419,397,000</b>	<b>4,370,680,000</b>	<b>(48,717,000)</b>

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

<b>Program</b>	<b>Available 2005-06</b>	<b>Recommended 2006-07</b>	<b>Change</b>
Administration			
General Fund	1,417,000	0	(1,417,000)
Special Revenue Funds - Federal	420,344,000	395,009,000	(25,335,000)
Employment Relations Board			
General Fund	1,720,000	1,720,000	0
Employment and Training			
Special Revenue Funds - Other	7,817,000	11,644,000	3,827,000
Labor Standards			
Special Revenue Funds - Other	20,991,000	22,888,000	1,897,000
Occupational Safety and Health			
Special Revenue Funds - Other	34,608,000	37,919,000	3,311,000
Unemployment Insurance Benefit Fund			
Special Revenue Funds - Federal	67,500,000	71,500,000	4,000,000
Special Revenue Funds - Other	65,000,000	30,000,000	(35,000,000)
Enterprise Funds	3,800,000,000	3,800,000,000	0
Total	<u>4,419,397,000</u>	<u>4,370,680,000</u>	<u>(48,717,000)</u>

**STATE OPERATIONS - GENERAL FUND  
SUMMARY OF PERSONAL SERVICE APPROPRIATIONS AND CHANGES  
2006-07 RECOMMENDED  
(dollars)**

<b>Program</b>	<b>Total</b>		<b>Personal Service Regular (Annual Salaried)</b>	
	<b>Amount</b>	<b>Change</b>	<b>Amount</b>	<b>Change</b>
Administration	0	(1,111,000)	0	(1,111,000)
Employment Relations Board	1,251,000	0	1,251,000	0
Total	<u>1,251,000</u>	<u>(1,111,000)</u>	<u>1,251,000</u>	<u>(1,111,000)</u>

**STATE OPERATIONS - GENERAL FUND  
SUMMARY OF NONPERSONAL SERVICE AND MAINTENANCE UNDISTRIBUTED  
APPROPRIATIONS AND CHANGES  
2006-07 RECOMMENDED  
(dollars)**

<b>Program</b>	<b>Total</b>		<b>Supplies and Materials</b>	
	<b>Amount</b>	<b>Change</b>	<b>Amount</b>	<b>Change</b>
Administration	0	(306,000)	0	(34,000)
Employment Relations Board	469,000	0	469,000	0
Total	<u>469,000</u>	<u>(306,000)</u>	<u>469,000</u>	<u>(34,000)</u>

<b>Program</b>	<b>Travel</b>		<b>Contractual Services</b>	
	<b>Amount</b>	<b>Change</b>	<b>Amount</b>	<b>Change</b>
Administration	0	(20,000)	0	(222,000)
Employment Relations Board	0	0	0	0
Total	<u>0</u>	<u>(20,000)</u>	<u>0</u>	<u>(222,000)</u>

<b>Program</b>	<b>Equipment</b>	
	<b>Amount</b>	<b>Change</b>
Administration	0	(30,000)
Employment Relations Board	0	0
Total	<u>0</u>	<u>(30,000)</u>

**STATE OPERATIONS - OTHER THAN GENERAL FUND  
SUMMARY OF APPROPRIATIONS AND CHANGES  
2006-07 RECOMMENDED  
(dollars)**

<b>Program</b>	<b>Total</b>		<b>Personal Service</b>	
	<b>Amount</b>	<b>Change</b>	<b>Amount</b>	<b>Change</b>
Administration	395,009,000	(25,335,000)	8,549,200	0
Employment and Training	11,644,000	3,827,000	0	0
Labor Standards	22,888,000	1,897,000	13,546,000	1,039,000
Occupational Safety and Health	37,919,000	3,311,000	17,249,000	840,000
Unemployment Insurance Benefit Fund	3,901,500,000	(31,000,000)	0	0
<b>Total</b>	<b>4,368,960,000</b>	<b>(47,300,000)</b>	<b>39,344,200</b>	<b>1,879,000</b>

<b>Program</b>	<b>Nonpersonal Service</b>		<b>Maintenance Undistributed</b>	
	<b>Amount</b>	<b>Change</b>	<b>Amount</b>	<b>Change</b>
Administration	3,887,300	0	382,572,500	(25,335,000)
Employment and Training	0	0	11,644,000	3,827,000
Labor Standards	9,342,000	858,000	0	0
Occupational Safety and Health	20,670,000	2,471,000	0	0
Unemployment Insurance Benefit Fund	0	0	3,901,500,000	(31,000,000)
<b>Total</b>	<b>33,899,300</b>	<b>3,329,000</b>	<b>4,295,716,500</b>	<b>(52,508,000)</b>

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

<b>Fund Type</b>	<b>Available 2005-06</b>	<b>Recommended 2006-07</b>	<b>Change</b>
General Fund	10,442,000	0	(10,442,000)
Special Revenue Funds - Federal	304,457,000	299,241,000	(5,216,000)
Special Revenue Funds - Other	430,000	430,000	0
<b>Total</b>	<b>315,329,000</b>	<b>299,671,000</b>	<b>(15,658,000)</b>

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

<b>Program</b>	<b>Available 2005-06</b>	<b>Recommended 2006-07</b>	<b>Change</b>
Employment and Training			
General Fund	10,442,000	0	(10,442,000)
Special Revenue Funds - Federal	304,457,000	299,241,000	(5,216,000)
Occupational Safety and Health			
Special Revenue Funds - Other	430,000	430,000	0
<b>Total</b>	<b>315,329,000</b>	<b>299,671,000</b>	<b>(15,658,000)</b>