

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 76 One-Stop Career Centers located 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 **\$5.3 billion All Funds** (\$5.3 billion Other Funds, including \$4.5 billion Enterprise Fund) for the Department of Labor. This is an increase of **\$462 million All Funds** from the 2008-09 budget, reflecting a projected increase in Unemployment Insurance claims.

The Executive Budget recommends a staffing level of **3,461 positions** in 2009-10, a **decrease of 86** from the 2008-09 budget, reflecting the elimination of the State Employment Relations Board and the transfer of its functions to the Public Employment Relations Board (PERB) and more closely aligning authorized workforce levels with filled positions. Approximately 83 percent of the Department's positions are financed by Federal grants and 17 percent are supported by fees and assessments.

Major budget actions include:

- **Unemployment Insurance Systems Modernization:** Federal grant funding received by DOL will support the Department's Unemployment Insurance computer systems modernization efforts. Appropriations totaling \$12 million are recommended for this project, a decrease of \$5.8 million from the 2008-09 budget.
- **State Employment Relations Board (SERB):** The budget recommends eliminating SERB and transferring its functions to PERB. This action will result in General Fund savings of \$1.7 million. SERB is the only Department of Labor program supported by the General Fund.

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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 \$238 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 20,230 amusement park devices, 936 ski lifts, 5,533 places of public assembly (e.g., bleachers at concerts) and 30,292 commercial boilers. It also reviewed applications for 50,517 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 991 businesses for compliance with child labor laws and collected nearly \$26.6 million in back wages, unpaid fringe benefits and minimum wage underpayments for approximately 34,577 employees.

Through coordinated audit and investigative activities, the Governor's Joint Enforcement Task Force on Employee Misclassification 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. During 2008-09, the Division of Labor Standards participated in job site sweeps with 6 other State and local agencies, targeting 30 large construction sites, 14 specialty grocery/food stores and 1 restaurant, revealing thousands of misclassified workers and millions of dollars of unreported wages. These actions resulted in collection of additional Unemployment Insurance taxes, as well as wage underpayments that were due to workers.

The Bureau of Immigrant Worker's Rights established within the Department in 2007-08 will continue to detect and address abuses against immigrant workers throughout New York State.

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. In June 2008, the Federal Extended Unemployment Compensation Program (EUC08) was enacted, which provides an additional 13 weeks of benefits to eligible claimants who have exhausted their regular Unemployment Insurance benefits. Based on current legislation, this EUC08 program will continue into the first quarter of 2009-10, and could possibly be extended beyond June 2009. Additional Federal legislation was enacted in November 2008 to further extend Unemployment Insurance benefits by another 7 weeks for eligible claimants who remain unemployed. The 2009-10 budget increases Unemployment Insurance Fiduciary funding by \$1.5 billion – to \$4.5 billion – to 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.

The Department offers two safe and convenient options for receiving benefit payments, Unemployment Insurance benefit payment debit cards, known as Direct Payment Cards, and the Direct Deposit program. These efforts are intended to modernize the unemployment system, while making the process more customer friendly and cost effective.

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ALL FUNDS APPROPRIATIONS (dollars)

Category	Available 2008-09	Appropriations Recommended 2009-10	Change	Reappropriations Recommended 2009-10
State Operations	4,589,586,000	5,084,836,000	495,250,000	553,726,000
Aid To Localities	271,613,500	238,719,000	(32,894,500)	399,221,100
Capital Projects	0	0	0	0
Total	<u>4,861,199,500</u>	<u>5,323,555,000</u>	<u>462,355,500</u>	<u>952,947,100</u>

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

Full-Time Equivalent Positions (FTE)

Program	2008-09 Estimated FTEs 03/31/09	2009-10 Estimated FTEs 03/31/10	FTE Change
Administration			
Special Revenue Funds - Federal	2,846	2,846	0
Employment Relations Board			
General Fund	15	0	(15)
Employment and Training			
Special Revenue Funds - Other	74	74	0
Labor Standards			
Special Revenue Funds - Other	269	269	0
Occupational Safety and Health			
Special Revenue Funds - Other	272	272	0
Total	<u>3,476</u>	<u>3,461</u>	<u>(15)</u>

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

Fund Type	Available 2008-09	Recommended 2009-10	Change
General Fund	1,772,000	0	(1,772,000)
Special Revenue Funds - Federal	507,766,000	499,788,000	(7,978,000)
Special Revenue Funds - Other	80,048,000	85,048,000	5,000,000
Enterprise Funds	4,000,000,000	4,500,000,000	500,000,000
Total	<u>4,589,586,000</u>	<u>5,084,836,000</u>	<u>495,250,000</u>

Adjustments:

Recommended Deficiency	
Labor, Department of	
Enterprise Funds	(1,000,000,000)
Transfer(s) From	
Special Pay Bill	
General Fund	(52,000)
Special Revenue Funds - Federal	(25,438,000)
Special Revenue Funds - Other	(2,655,000)
Appropriated 2008-09	<u>3,561,441,000</u>

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

Program	Available 2008-09	Recommended 2009-10	Change
Administration			
Special Revenue Funds - Federal	486,266,000	478,288,000	(7,978,000)
Employment Relations Board			
General Fund	1,772,000	0	(1,772,000)
Employment and Training			
Special Revenue Funds - Other	9,673,000	4,673,000	(5,000,000)
Labor Standards			
Special Revenue Funds - Other	28,197,000	28,197,000	0
Occupational Safety and Health			
Special Revenue Funds - Other	42,178,000	42,178,000	0
Unemployment Insurance Benefit Fund			
Special Revenue Funds - Federal	21,500,000	21,500,000	0
Special Revenue Funds - Other	0	10,000,000	10,000,000
Enterprise Funds	4,000,000,000	4,500,000,000	500,000,000
Total	<u>4,589,586,000</u>	<u>5,084,836,000</u>	<u>495,250,000</u>

**STATE OPERATIONS - GENERAL FUND
SUMMARY OF PERSONAL SERVICE APPROPRIATIONS AND CHANGES
2009-10 RECOMMENDED
(dollars)**

Program	Total		Personal Service Regular (Annual Salaried)	
	Amount	Change	Amount	Change
Employment Relations Board	0	(1,303,000)	0	(1,270,000)
Total	<u>0</u>	<u>(1,303,000)</u>	<u>0</u>	<u>(1,270,000)</u>

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

**STATE OPERATIONS - GENERAL FUND
SUMMARY OF NONPERSONAL SERVICE AND MAINTENANCE UNDISTRIBUTED
APPROPRIATIONS AND CHANGES
2009-10 RECOMMENDED
(dollars)**

Program	Total		Supplies and Materials	
	Amount	Change	Amount	Change
Employment Relations Board	0	(469,000)	0	(36,000)
Total	<u>0</u>	<u>(469,000)</u>	<u>0</u>	<u>(36,000)</u>

Program	Travel		Contractual Services	
	Amount	Change	Amount	Change
Employment Relations Board	0	(33,000)	0	(375,000)
Total	<u>0</u>	<u>(33,000)</u>	<u>0</u>	<u>(375,000)</u>

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

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STATE OPERATIONS - OTHER THAN GENERAL FUND SUMMARY OF APPROPRIATIONS AND CHANGES 2009-10 RECOMMENDED (dollars)

Program	Total		Personal Service	
	Amount	Change	Amount	Change
Administration	478,288,000	(7,978,000)	0	(17,027,000)
Employment and Training	4,673,000	(5,000,000)	2,847,000	0
Labor Standards	28,197,000	0	16,745,000	0
Occupational Safety and Health	42,178,000	0	19,558,000	0
Unemployment Insurance Benefit Fund	4,521,500,000	500,000,000	0	0
Total	5,074,836,000	487,022,000	39,150,000	(17,027,000)

Program	Nonpersonal Service		Maintenance Undistributed	
	Amount	Change	Amount	Change
Administration	0	(8,411,000)	478,288,000	17,460,000
Employment and Training	1,826,000	0	0	(5,000,000)
Labor Standards	11,452,000	0	0	0
Occupational Safety and Health	22,620,000	0	0	0
Unemployment Insurance Benefit Fund	0	0	4,521,500,000	500,000,000
Total	35,898,000	(8,411,000)	4,999,788,000	512,460,000

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

Fund Type	Available 2008-09	Recommended 2009-10	Change
General Fund	19,186,500	0	(19,186,500)
Special Revenue Funds - Federal	251,997,000	238,289,000	(13,708,000)
Special Revenue Funds - Other	430,000	430,000	0
Total	271,613,500	238,719,000	(32,894,500)

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

Program	Available 2008-09	Recommended 2009-10	Change
Administration			
General Fund	4,606,000	0	(4,606,000)
Employment and Training			
General Fund	7,428,000	0	(7,428,000)
Special Revenue Funds - Federal	251,997,000	238,289,000	(13,708,000)
Occupational Safety and Health			
Special Revenue Funds - Other	430,000	430,000	0
Community Projects			
General Fund	7,152,500	0	(7,152,500)
Total	271,613,500	238,719,000	(32,894,500)