

# **DEPARTMENT OF LABOR**

## **MISSION**

The Department of Labor (DOL) administers New York's Unemployment Insurance system, Workforce Development Employment and Training 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 **\$8.1 billion All Funds** (\$8.1 billion Other Funds, including \$7.2 billion Enterprise Fund) for the Department of Labor. This is a decrease of **\$4.1 billion All Funds** from the 2009-10 budget, reflecting the non-recurrence of one-time Federal American Recovery and Reinvestment Act (ARRA) appropriations.

The Executive Budget recommends a staffing level of 4,001 **positions** in 2010-11, a decrease of **10** from the 2009-10 budget, reflecting the elimination of the State Employment Relations Board and the transfer of its functions to the Public Employment Relations Board (PERB). Approximately 86 percent of the Department's positions are financed by Federal grants and 14 percent are supported by fees and assessments.

Major budget actions include:

- **Continuation of ARRA Programs:** The budget recommends \$232 million in new appropriations and \$1.5 billion in reappropriation authority to allow the Department to fully disburse ARRA related Workforce Investment Act and Unemployment Insurance program funding.
- **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 continuation of the funding level from the 2009-10 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 \$1.3 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 about tax credits, workplace safety issues and apprenticeship services.

Through the use of job orders, online 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 direct 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.

In September 2009, there were 746,245 active customers in the Department's workforce development system, a 20 percent increase since September 2008.

#### **WORKFORCE INVESTMENT ACT**

Federally funded appropriation authority includes \$246 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. WIA customers in the Department's workforce development system increased by 50 percent since 2008 with the dislocated workers component of the total increasing by nearly 90 percent.

#### **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 17,111 amusement park devices, 912 ski lifts, 4,665 places of public assembly (e.g., bleachers at concerts) and 30,696 commercial boilers. It also reviewed applications for 54,382 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 2008, the Department's Labor Standards Division inspected 699 businesses for compliance with child labor laws and the Division, together with the Bureau of Public Work, collected nearly \$17.5 million in back wages, unpaid and underpaid prevailing wage monies, unpaid fringe benefits, and minimum wage underpayments for approximately 16,500 employees. In 2009, the programs collected a record total of \$28.8 million of underpaid wages from employers for 18,000 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.

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. Since its establishment in September 2007, the enforcement and data sharing activities of the Task Force have identified more than 25,900 instances of employee misclassification and over \$302 million in unreported wages, resulting in the assessment of over \$8.9 million in UI taxes due, over \$1.3 million in UI fraud penalties, and over \$14 million in unpaid wages. In addition, unreported wage information provided to the Department of Taxation and Finance is expected to result in increased State and Federal income tax payments.

### **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. Since the inception of EUC08, various Federal legislation has been enacted to add additional weeks of EUC08 benefits, to provide a weekly \$25 Federal Additional Compensation (FAC) benefit payment, to authorize Federal reimbursement for the Extended Benefits (EB) program, and to extend the eligibility date for EUC08, FAC, and EB. Based on current legislation, a maximum total of 99 weeks of regular, EUC08 and EB benefits are available to eligible claimants, with payments continuing into the first half of 2010-11. In addition, new Federal legislation has been proposed which, if enacted, would extend the EUC08, FAC, and EB payments further into 2010-11. During calendar year 2009 the Department made 28 million weekly benefit payments totaling \$9.2 billion in combined regular and extended UI benefit payments compared to 11.7 million payments totaling \$3.4 billion paid in calendar year 2008. As of December 2009, there were 611,000 claimants receiving weekly UI benefit payments compared to 140,000 in December 2007.

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

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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.

### ALL FUNDS APPROPRIATIONS (dollars)

Category	Available 2009-10	Appropriations Recommended 2010-11	Change	Reappropriations Recommended 2010-11
State Operations	11,686,708,000	7,840,163,000	(3,846,545,000)	5,453,112,656
Aid To Localities	500,961,825	225,617,000	(275,344,825)	541,186,141
Capital Projects	0	0	0	0
Total	12,187,669,825	8,065,780,000	(4,121,889,825)	5,994,298,797

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

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

Program	2009-10 Estimated FTEs 03/31/10	2010-11 Estimated FTEs 03/31/11	FTE Change
Administration			
Special Revenue Funds - Federal	3,421	3,421	0
Employment Relations Board			
General Fund	10	0	(10)
Employment and Training			
Special Revenue Funds - Other	74	74	0
Labor Standards			
Special Revenue Funds - Other	249	249	0
Occupational Safety and Health			
Special Revenue Funds - Other	257	257	0
Total	4,011	4,001	(10)

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

<b>Fund Type</b>	<b>Available 2009-10</b>	<b>Recommended 2010-11</b>	<b>Change</b>
General Fund	1,772,000	0	(1,772,000)
Special Revenue Funds - Federal	587,888,000	545,583,000	(42,305,000)
Special Revenue Funds - Other	95,048,000	94,580,000	(468,000)
Enterprise Funds	11,002,000,000	7,200,000,000	(3,802,000,000)
Total	11,686,708,000	7,840,163,000	(3,846,545,000)

Adjustments:	
Prior Year Deficiency	
Labor, Department of	
Enterprise Funds	2,000,000,000
Recommended Deficiency	
Labor, Department of	
Enterprise Funds	(1,000,000,000)
Appropriated 2009-10	12,686,708,000

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

<b>Program</b>	<b>Available 2009-10</b>	<b>Recommended 2010-11</b>	<b>Change</b>
Administration			
Special Revenue Funds - Federal	544,888,000	497,855,000	(47,033,000)
Employment Relations Board			
General Fund	1,772,000	0	(1,772,000)
Employment and Training			
Special Revenue Funds - Federal	0	26,228,000	26,228,000
Special Revenue Funds - Other	4,673,000	4,644,000	(29,000)
Labor Standards			
Special Revenue Funds - Other	28,197,000	28,016,000	(181,000)
Occupational Safety and Health			
Special Revenue Funds - Other	42,178,000	41,920,000	(258,000)
Unemployment Insurance Benefit Fund			
Special Revenue Funds - Federal	43,000,000	21,500,000	(21,500,000)
Special Revenue Funds - Other	20,000,000	20,000,000	0
Enterprise Funds	11,002,000,000	7,200,000,000	(3,802,000,000)
Total	11,686,708,000	7,840,163,000	(3,846,545,000)

**STATE OPERATIONS - GENERAL FUND  
SUMMARY OF PERSONAL SERVICE APPROPRIATIONS AND CHANGES  
2010-11 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>
Employment Relations Board	0	(1,303,000)	0	(1,269,000)
Total	0	(1,303,000)	0	(1,269,000)

<b>Program</b>	<b>Temporary Service (Nonannual Salaried)</b>	
	<b>Amount</b>	<b>Change</b>
Employment Relations Board	0	(34,000)
Total	0	(34,000)

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**STATE OPERATIONS - GENERAL FUND**  
**SUMMARY OF NONPERSONAL SERVICE AND MAINTENANCE UNDISTRIBUTED**  
**APPROPRIATIONS AND CHANGES**  
**2010-11 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>
Employment Relations Board	0	(469,000)	0	(36,000)
Total	0	(469,000)	0	(36,000)

  

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

  

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

**STATE OPERATIONS - OTHER THAN GENERAL FUND**  
**SUMMARY OF APPROPRIATIONS AND CHANGES**  
**2010-11 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	497,855,000	(47,033,000)	0	0
Employment and Training	30,872,000	26,199,000	2,823,000	(24,000)
Labor Standards	28,016,000	(181,000)	16,588,000	(157,000)
Occupational Safety and Health	41,920,000	(258,000)	19,340,000	(218,000)
Unemployment Insurance Benefit Fund	7,241,500,000	(3,823,500,000)	0	0
Total	7,840,163,000	(3,844,773,000)	38,751,000	(399,000)

  

<b>Program</b>	<b>Nonpersonal Service</b>		<b>Maintenance Undistributed</b>	
	<b>Amount</b>	<b>Change</b>	<b>Amount</b>	<b>Change</b>
Administration	0	0	497,855,000	(47,033,000)
Employment and Training	1,821,000	(5,000)	26,228,000	26,228,000
Labor Standards	11,428,000	(24,000)	0	0
Occupational Safety and Health	22,580,000	(40,000)	0	0
Unemployment Insurance Benefit Fund	0	0	7,241,500,000	(3,823,500,000)
Total	35,829,000	(69,000)	7,765,583,000	(3,844,305,000)

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

<b>Fund Type</b>	<b>Available 2009-10</b>	<b>Recommended 2010-11</b>	<b>Change</b>
General Fund	11,242,825	0	(11,242,825)
Special Revenue Funds - Federal	489,289,000	225,187,000	(264,102,000)
Special Revenue Funds - Other	430,000	430,000	0
Total	500,961,825	225,617,000	(275,344,825)

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

<b>Program</b>	<b>Available 2009-10</b>	<b>Recommended 2010-11</b>	<b>Change</b>
Administration			
Special Revenue Funds - Federal	0	9,660,000	9,660,000
Employment and Training			
General Fund	8,685,125	0	(8,685,125)
Special Revenue Funds - Federal	489,289,000	215,527,000	(273,762,000)
Occupational Safety and Health			
Special Revenue Funds - Other	430,000	430,000	0
Community Projects			
General Fund	2,557,700	0	(2,557,700)
Total	<u>500,961,825</u>	<u>225,617,000</u>	<u>(275,344,825)</u>