

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, appointed by the Governor and subject to confirmation by the Senate, 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 **\$9.2 billion** All Funds (\$9 billion Other Funds, including \$8.4 billion Enterprise Fund) for the Department of Labor. This is a decrease of **\$1.6 billion** All Funds (**-14.9 percent**) from the 2010-11 budget, reflecting the non-recurrence of one-time Federal American Recovery and Reinvestment Act (ARRA) appropriations.

Major budget actions include:

- **Continuation of ARRA Programs:** The budget recommends \$3.3 billion in new appropriations and \$158.8 million 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 \$6.8 million are recommended for this project.

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

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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.

WORKFORCE INVESTMENT ACT

Federally funded appropriation authority includes \$234 million for Workforce Investment Act (WIA) services, which provide job training to youth, adults and dislocated workers. WIA funding also supports programs to upgrade 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. Continuing trends that began in 2008 with the downturn in the economy, the number of WIA customers in the Department's workforce development system increased by 9 percent in 2009 to 800,374, with the dislocated workers component of the total increasing by 32 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 17,687 amusement park devices, 840 ski lifts, 4,730 places of public assembly (e.g., bleachers at concerts) and 32,964 commercial boilers. It also reviewed applications for 54,472 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 2009, the Department's Labor Standards Division inspected 138 businesses for compliance with child labor laws and the Division, together with the Bureau of Public Work, and collected a record total of \$28.8 million in back wages, unpaid and underpaid prevailing wage monies, unpaid fringe benefits, and minimum wage underpayments for approximately 18,000 employees. In 2010, Labor Standards inspected 168 businesses for compliance with child labor laws and the two programs collected a total of \$25.7 million of underpaid wages from employers for 21,000 workers. The Bureau of Immigrant Workers' Rights, established within the Department in 2007-08, will continue to detect and address abuses against immigrant workers throughout New York State.

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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 44,600 instances of employee misclassification and over \$607 million in unreported wages, resulting in the assessment of over \$18 million in UI taxes due, over \$1.7 million in UI fraud penalties, and over \$15 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. It 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 93 weeks of regular, EUC08 and EB benefits are available to eligible claimants, with payments continuing into the first quarter of 2012-13. In calendar year 2009, 28 million weekly benefit payments totaling \$9.2 billion were made. During calendar year 2010, as of December 17, 2010, - the high workload experienced in calendar year 2009 continued with the Department making 30 million weekly benefit payments totaling \$9.0 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, and as of December 10, 2010, there were 546,000 claimants receiving weekly 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 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. The Department currently accepts Unemployment Insurance claims and employer registration through the Internet, with recent statistics indicating 70 percent internet usage for original and continued claims, up from 65 percent in 2009. In addition, over 50 percent of current UI claims initiated on the Internet are completed without the assistance of a call center agent.

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The Department offers two secure and convenient options for receiving benefit payments: Unemployment Insurance benefit payment debit cards, known as Direct Payment Cards, and the Direct Deposit program. These modernization initiatives have resulted in improved customer access and cost efficiencies.

ALL FUNDS APPROPRIATIONS (dollars)

Category	Available 2010-11	Appropriations Recommended 2011-12	Change	Reappropriations Recommended 2011-12
State Operations	10,638,548,000	9,048,595,000	(1,589,953,000)	2,284,869,456
Aid To Localities	227,565,000	192,869,000	(34,696,000)	417,123,000
Capital Projects	0	0	0	0
Total	<u>10,866,113,000</u>	<u>9,241,464,000</u>	<u>(1,624,649,000)</u>	<u>2,701,992,456</u>

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

Program	Full-Time Equivalent Positions (FTE)		
	2010-11 Estimated FTEs	2011-12 Estimated FTEs	FTE Change
	03/31/11	03/31/12	
Administration			
Special Revenue Funds - Federal	3,389	3,417	28
Employment and Training			
Special Revenue Funds - Other	54	54	0
Labor Standards			
Special Revenue Funds - Other	249	249	0
Occupational Safety and Health			
Special Revenue Funds - Other	257	257	0
Total	<u>3,949</u>	<u>3,977</u>	<u>28</u>

The above table does not reflect layoffs that may be necessary in the absence of negotiated workforce savings.

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

Fund Type	Available 2010-11	Recommended 2011-12	Change
Special Revenue Funds - Federal	543,968,000	574,015,000	30,047,000
Special Revenue Funds - Other	74,580,000	74,580,000	0
Enterprise Funds	10,020,000,000	8,400,000,000	(1,620,000,000)
Total	<u>10,638,548,000</u>	<u>9,048,595,000</u>	<u>(1,589,953,000)</u>

Adjustments:

Transfer(s) From	
Labor, Department of	
Special Revenue Funds - Other	(20,000,000)
Special Pay Bill	
Special Revenue Funds - Federal	(333,000)
Transfer(s) To	
Labor, Department of	
Special Revenue Funds - Federal (Aid To Localities)	1,948,000
Enterprise Funds	20,000,000
Appropriated 2010-11	<u>10,640,163,000</u>

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

Program	Available 2010-11	Recommended 2011-12	Change
Administration			
Special Revenue Funds - Federal	495,907,000	495,907,000	0
Employment and Training			
Special Revenue Funds - Federal	26,228,000	56,608,000	30,380,000
Special Revenue Funds - Other	4,644,000	4,644,000	0
Labor Standards			
Special Revenue Funds - Other	28,016,000	28,016,000	0
Occupational Safety and Health			
Special Revenue Funds - Other	41,920,000	41,920,000	0
Unemployment Insurance Benefit Fund			
Special Revenue Funds - Federal	21,833,000	21,500,000	(333,000)
Enterprise Funds	10,020,000,000	8,400,000,000	(1,620,000,000)
Total	<u>10,638,548,000</u>	<u>9,048,595,000</u>	<u>(1,589,953,000)</u>

STATE OPERATIONS - OTHER THAN GENERAL FUND SUMMARY OF APPROPRIATIONS AND CHANGES 2011-12 RECOMMENDED (dollars)

Program	Total		Personal Service	
	Amount	Change	Amount	Change
Administration	495,907,000	0	235,281,000	0
Employment and Training	61,252,000	30,380,000	19,660,000	0
Labor Standards	28,016,000	0	16,104,000	(484,000)
Occupational Safety and Health	41,920,000	0	18,720,000	(620,000)
Unemployment Insurance Benefit Fund	8,421,500,000	(1,620,333,000)	0	(223,000)
Total	<u>9,048,595,000</u>	<u>(1,589,953,000)</u>	<u>289,765,000</u>	<u>(1,327,000)</u>

Program	Nonpersonal Service	
	Amount	Change
Administration	260,626,000	0
Employment and Training	41,592,000	30,380,000
Labor Standards	11,912,000	484,000
Occupational Safety and Health	23,200,000	620,000
Unemployment Insurance Benefit Fund	8,421,500,000	(1,620,110,000)
Total	<u>8,758,830,000</u>	<u>(1,588,626,000)</u>

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

Fund Type	Available 2010-11	Recommended 2011-12	Change
Special Revenue Funds - Federal	227,135,000	192,439,000	(34,696,000)
Special Revenue Funds - Other	430,000	430,000	0
Total	<u>227,565,000</u>	<u>192,869,000</u>	<u>(34,696,000)</u>

Adjustments:	
Transfer(s) From	
Labor, Department of	
Special Revenue Funds - Federal	
(State Operations)	(1,948,000)
Appropriated 2010-11	<u>225,617,000</u>

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

Program	Available 2010-11	Recommended 2011-12	Change
Administration			
Special Revenue Funds - Federal	11,608,000	15,000,000	3,392,000
Employment and Training			
Special Revenue Funds - Federal	215,527,000	177,439,000	(38,088,000)
Occupational Safety and Health			
Special Revenue Funds - Other	430,000	430,000	0
Total	<u>227,565,000</u>	<u>192,869,000</u>	<u>(34,696,000)</u>