

# **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 Welfare-to-Work programs. The Department also oversees 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 4,138 in SFY 2004-05. Approximately 85 percent of these positions are financed by Federal grants and 14 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.

General Fund appropriations will provide partial support for Agency administrative costs. The \$1.7 million decrease in General Fund appropriations reflects the increased use of fee and penalty revenue from the Department's Worker Protection and Unemployment Insurance (UI) programs to pay for administration and employment and training costs.

Excluding the \$4.8 billion appropriation for the Unemployment Insurance Benefit Fund, Federal funds support approximately 87 percent of the Department's remaining budget. Specific programs and activities include Workforce Investment Act (WIA) job training services and re-employment services for persons who may be affected adversely by international trade agreements. Under the State Welfare Reform Act of 1997, the Department is responsible for supervising social services district operation of welfare employment programs. The programs are supported by the General Fund, Federal Temporary Assistance for Needy Families (TANF) Block Grant dollars and Federal Food Stamp Employment and Training money.

In SFY 2004-05, the Department will initiate a multi-year effort to ensure New York meets expected increases in public assistance work participation requirements as the Federal government acts to reauthorize the TANF program. As a first step in this effort, \$8.5 million in TANF funding is appropriated in the Office of Temporary and Disability Assistance (OTDA) to support "best practices" initiatives to develop employment and transitional services program models targeted to hard-to-serve public assistance recipients. Also appropriated in OTDA is TANF funding of \$50 million, an increase of \$11 million, to be made available in the form of a block grant to social services districts and State agencies to support work activities and transitional services for public assistance recipients and those recipients who have recently left assistance.

TANF funding of \$52 million will be appropriated in the Department of Labor for employment and training programs, including \$22 million for the Bridge/EDGE program, \$9.5 million for State employment specialists to assist local districts in meeting work participation

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goals and \$15 million for summer youth employment programs. TANF funding for the Youth Education, Employment and Training Program (YEETP) and the Green Teams Program is not recommended. Prior-year set-asides for initiatives, such as the New York Works Block Grant, will remain available for expenditure in the forthcoming fiscal year and can be provided to eligible individuals and families with incomes that do not exceed 200 percent of the Federal poverty level. Finally, although Displaced Homemaker Centers will not receive TANF or other direct funding in 2004-05, displaced homemakers will continue to be eligible for services and training through local One-Stop Centers.

Federal appropriations also include funding to assist individuals and families that are the victims of disasters.

Fee revenues support approximately 13 percent of the Department of Labor's non-Unemployment Insurance benefit related budget, funding 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 \$4.8 billion comprises 83 percent of the Department of Labor's overall budget. These benefits are funded from Unemployment Insurance taxes paid by employers.

UI penalty revenue of \$3.5 million is appropriated in 2004-05 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. To fund the required improvements, it is necessary to eliminate a number of programs previously funded with penalty revenue.

## **PROGRAM HIGHLIGHTS**

### **JOB SERVICES**

Consistent with Workforce Investment Act (WIA) requirements, the Department of Labor and local governments have worked together to open 69 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. Department of Labor employment services also help move individuals from welfare to work and help prevent public assistance dependency by focusing on disadvantaged youth, displaced homemakers and persons who may lose their jobs because of plant closings or relocations.

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 \$272 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 24,027 amusement park devices, 882 ski lifts, 6,436 places of public assembly (e.g., bleachers at concerts) and 31,103 commercial boilers. It also reviewed applications for 813 radioactive materials licenses and 54,464 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 \$15 million in back wages, unpaid fringe benefits and minimum wage underpayments for approximately 30,970 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 projected deficit in the Unemployment Insurance Trust Fund resulting from the September 11 terrorist attacks and the downturn in the national economy will require the State to borrow funding from the Federal government in 2004 thereby incurring Federal interest costs. The Budget includes an interest assessment on employer taxes to pay these interest costs.

**ALL FUNDS  
APPROPRIATIONS  
(dollars)**

<b>Category</b>	<b>Available 2003-04</b>	<b>Appropriations Recommended 2004-05</b>	<b>Change</b>	<b>Reappropriations Recommended 2004-05</b>
State Operations	5,443,782,000	5,450,666,000	6,884,000	748,257,000
Aid To Localities	706,720,000	323,821,000	(382,899,000)	916,740,900
Capital Projects	0	0	0	0
<b>Total</b>	<b>6,150,502,000</b>	<b>5,774,487,000</b>	<b>(376,015,000)</b>	<b>1,664,997,900</b>

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

Program	Full-Time Equivalent Positions (FTE)		
	2003-04	2004-05	FTE Change
	Estimated FTEs 03/31/04	Estimated FTEs 03/31/05	
Administration			
General Fund	32	18	(14)
Special Revenue Funds - Federal	3,524	3,524	0
Employment Relations Board			
General Fund	16	16	0
Employment and Training			
General Fund	43	0	(43)
Special Revenue Funds - Other	74	89	15
Labor Standards			
Special Revenue Funds - Other	210	242	32
Occupational Safety and Health			
Special Revenue Funds - Other	239	249	10
Total	<u>4,138</u>	<u>4,138</u>	<u>0</u>

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

Fund Type	Available 2003-04	Recommended 2004-05	Change
General Fund	5,100,000	3,401,000	(1,699,000)
Special Revenue Funds - Federal	550,375,000	520,303,000	(30,072,000)
Special Revenue Funds - Other	88,307,000	126,962,000	38,655,000
Enterprise Funds	4,800,000,000	4,800,000,000	0
Total	<u>5,443,782,000</u>	<u>5,450,666,000</u>	<u>6,884,000</u>

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

Program	Available 2003-04	Recommended 2004-05	Change
Administration			
General Fund	2,000,000	1,359,000	(641,000)
Special Revenue Funds - Federal	491,865,000	452,803,000	(39,062,000)
Employment Relations Board			
General Fund	1,720,000	1,720,000	0
Employment and Training			
General Fund	1,380,000	322,000	(1,058,000)
Special Revenue Funds - Federal	1,010,000	0	(1,010,000)
Special Revenue Funds - Other	10,919,000	9,500,000	(1,419,000)
Labor Standards			
Special Revenue Funds - Other	16,836,000	19,756,000	2,920,000
Occupational Safety and Health			
Special Revenue Funds - Other	30,552,000	32,706,000	2,154,000
Unemployment Insurance Benefit Fund			
Special Revenue Funds - Federal	57,500,000	67,500,000	10,000,000
Special Revenue Funds - Other	30,000,000	65,000,000	35,000,000
Enterprise Funds	4,800,000,000	4,800,000,000	0
Total	<u>5,443,782,000</u>	<u>5,450,666,000</u>	<u>6,884,000</u>

**STATE OPERATIONS - GENERAL FUND  
SUMMARY OF PERSONAL SERVICE APPROPRIATIONS AND CHANGES  
2004-05 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	904,000	(476,000)	904,000	(476,000)
Employment Relations Board	1,251,000	0	1,234,000	0
Employment and Training	0	(954,000)	0	(954,000)
<b>Total</b>	<b>2,155,000</b>	<b>(1,430,000)</b>	<b>2,138,000</b>	<b>(1,430,000)</b>

<b>Program</b>	<b>Temporary Service (Nonannual Salaried)</b>	
	<b>Amount</b>	<b>Change</b>
Administration	0	0
Employment Relations Board	17,000	0
Employment and Training	0	0
<b>Total</b>	<b>17,000</b>	<b>0</b>

**STATE OPERATIONS - GENERAL FUND  
SUMMARY OF NONPERSONAL SERVICE AND MAINTENANCE UNDISTRIBUTED  
APPROPRIATIONS AND CHANGES  
2004-05 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	455,000	(165,000)	34,000	(4,000)
Employment Relations Board	469,000	0	19,000	0
Employment and Training	322,000	(104,000)	0	(35,000)
<b>Total</b>	<b>1,246,000</b>	<b>(269,000)</b>	<b>53,000</b>	<b>(39,000)</b>

<b>Program</b>	<b>Travel</b>		<b>Contractual Services</b>	
	<b>Amount</b>	<b>Change</b>	<b>Amount</b>	<b>Change</b>
Administration	20,000	(4,000)	171,000	(153,000)
Employment Relations Board	65,000	0	383,000	0
Employment and Training	0	(26,000)	0	(17,000)
<b>Total</b>	<b>85,000</b>	<b>(30,000)</b>	<b>554,000</b>	<b>(170,000)</b>

<b>Program</b>	<b>Equipment</b>		<b>Maintenance Undistributed</b>	
	<b>Amount</b>	<b>Change</b>	<b>Amount</b>	<b>Change</b>
Administration	30,000	(4,000)	200,000	0
Employment Relations Board	2,000	0	0	0
Employment and Training	0	(26,000)	322,000	0
<b>Total</b>	<b>32,000</b>	<b>(30,000)</b>	<b>522,000</b>	<b>0</b>

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**STATE OPERATIONS - OTHER THAN GENERAL FUND  
SUMMARY OF APPROPRIATIONS AND CHANGES  
2004-05 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	452,803,000	(39,062,000)	0	0
Employment and Training	9,500,000	(2,429,000)	954,000	954,000
Labor Standards	19,756,000	2,920,000	12,027,000	(146,000)
Occupational Safety and Health	32,706,000	2,154,000	15,145,000	(289,000)
Unemployment Insurance Benefit Fund	4,932,500,000	45,000,000	0	0
<b>Total</b>	<b>5,447,265,000</b>	<b>8,583,000</b>	<b>28,126,000</b>	<b>519,000</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	0	0	452,803,000	(39,062,000)
Employment and Training	500,000	500,000	8,046,000	(3,883,000)
Labor Standards	7,729,000	3,066,000	0	0
Occupational Safety and Health	17,561,000	2,443,000	0	0
Unemployment Insurance Benefit Fund	0	0	4,932,500,000	45,000,000
<b>Total</b>	<b>25,790,000</b>	<b>6,009,000</b>	<b>5,393,349,000</b>	<b>2,055,000</b>

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

<b>Fund Type</b>	<b>Available 2003-04</b>	<b>Recommended 2004-05</b>	<b>Change</b>
Special Revenue Funds - Federal	706,290,000	323,391,000	(382,899,000)
Special Revenue Funds - Other	430,000	430,000	0
<b>Total</b>	<b>706,720,000</b>	<b>323,821,000</b>	<b>(382,899,000)</b>

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

<b>Program</b>	<b>Available 2003-04</b>	<b>Recommended 2004-05</b>	<b>Change</b>
Employment and Training			
Special Revenue Funds - Federal	706,290,000	323,391,000	(382,899,000)
Occupational Safety and Health			
Special Revenue Funds - Other	430,000	430,000	0
<b>Total</b>	<b>706,720,000</b>	<b>323,821,000</b>	<b>(382,899,000)</b>