



OKLAHOMA
Department
of Labor

Department of Labor

FY 2025 Budget Hearing Presentation

Submitted by: Leslie Osborn, Labor Commissioner

Leslie Osborn Labor Commissioner



The **Oklahoma Department of Labor** serves as the state entity responsible for fostering, promoting, and developing the welfare of Oklahoma wage earners, for improving their working conditions, and for advancing their opportunities for profitable employment by carrying into effect all laws in relation to labor assigned to the agency. Okla. Const. art. 6, Sect. 20, 40 O.S. Sec. 1(B).

Founded in **1907**, this agency now encompasses the following divisions:

Administration

Employment Standards Division

Safety Standards Division

Occupational Safety and Health Administration (OSHA) Consultation

Public Occupational Safety and Health (PEOSH)

Asbestos Abatement

Licensing

Agency Vision, Mission and Core Values

Vision: Oklahoma Department of Labor employees provide professional guidance and services, supported by education and training. Our services include the necessary relief, regulation, and resolution for employees, employers, and the public. We provide consultation, regulation, enforcement, and education information for employers, generating opportunities for everyone to work in an environment that is fair, equitable, healthy, and safe. Every citizen served is treated fairly with personal attention.

Mission: The Oklahoma Department of Labor's mission is to ensure a safe, healthy, fair and productive Oklahoma by providing responsive, ethical, and effective service for employers and employees; by administering fair and consistent rules and regulations; and encouraging safety and training.

Core Values: ODOL employees work in harmony, respectful of others, in an open and honest manner. We are loyal to our mission while performing our duty to serve the public. Our integrity is the cornerstone of our public service, and we are good stewards of public trust.



Accomplishments

Top accomplishments for FY 2023 – FY 2024

- **The Employment Standards Division's (ESD), Wage & Hour Unit**, awarded Oklahoma employees unpaid wages and benefits in excess of \$1,000,000 from employers who had failed to comply with Oklahoma's Protection of Labor Act and federal Fair Labor Standards Act (FLSA); investigating and making compliance determinations in 518 Wage Claims; damages awarded in FY23, in addition to wages, exceeded \$600,000; indirect wage assistance through emails/telephone calls from the W&H Division, for matters not directly related to filed wage claims, averaged 105 per week (5,460 annually).
- **The ESD's Child Labor Unit**: 46 encounters resulting in 87 violations involving 65 working children; 18 child labor presentations made; 1,546 work permits issued and reviewed, manned 7 conference booths.
 - Speak Out for Workplace Safety video contest: a partnership between ODOL and OSC (Oklahoma Safety Council) to reach schools and educate students on workplace safety and child labor laws through a public service announcement competition.
 - Newly formed partnership between ODOL and MTC (Metro Technology Centers) to explore offering a free online child labor training to reach employers, educators, community advocates, and students throughout all 77 counties of Oklahoma.
 - Worked with OSDE (Oklahoma State Department of Education) to revise the Form 600 and Form 601 for efficiency with the work permit process.



Accomplishments

Top accomplishments for FY 2023 – FY 2024

- **OSHA Consultations** saved Oklahoma employers more than \$20M in potential federal OSHA fines through the identification and recommended remediation of 1,644 workplace hazards, that placed 71,905 Oklahoma employees at risk; and completed 727 (inclusive of 81 training) educational workplace visits.
- **The PEOSH Division** successfully implemented its third year back in the Survey of Occupational Injuries and Illnesses (SOII) Program with a 98.9% success rate at data collection, facility refinement, and data analysis; CFOI data collection nearly 100% accuracy meeting all program requirements; Public Sector Occupational Safety and Health Survey (PSEC) 99.97% response rate on public survey.
- **The Asbestos Division** in the last 5 years (2018-2023) performed 110 consultation inspections, opened 98 investigations, conducted 1247 OAP and 629 AHERA inspections, issued 4,307 licenses. The Asbestos Division also met federal grant requirements for the minimal number of annual school asbestos inspections, thereby ensuring students, staff, and the public are protected from serious health concerns inherent in exposure to friable asbestos. In the last 5 years 3,111 Asbestos Abatement projects closed and 16,332 compliance inspections performed.
- **The Alarm, Locksmith, & Fire Sprinkler Division** investigated 84 complaints, conducted 1,156 consultations, and issued 14 enforcement citations involving alarms, locksmithing, fire sprinklers, electronic access controls, CCTV, and nurse call activities.



Accomplishments

Top accomplishments for FY 2023 – FY 2024

- **The Elevator Division** in FY23 inspected and issued certificates of operation for over 4600 conveyances, conducted over 6,000 inspections, and issued 476 licenses.
 - Identified several unlicensed mechanics working in the state and ordered them to cease work until appropriate licenses were obtained.
 - Began performing some residential chair lift acceptance inspections via video call rather than an in-person inspection. This has increased the efficiency of our inspectors and worked well for installation companies.
- **The Amusement Rides Division** registered almost 2,523 rides and inflatables and performed over 3100 inspections on those rides, with approximately 230 companies and owner/operators.
 - Successfully implemented revised inspection guidelines and received positive feedback from the industry (returned to a mandatory inspection every year on inflatables).
 - In FY22 the ODOL's Amusement Rides Chief inspector identified and acquired a special tool for measuring certain parts of a ride at the Tulsa State Fair that we had never inspected before, this tool has been used for inspections in FY23.
- **The Boiler, Pressure Vessels, & Hot Water Heater (HWH) Division** inspected approximately 16,000 boiler/pressure vessels, which served over 250 companies/facilities.
 - Initiated a pilot program with a customer to study the feasibility of extending inspection intervals for their continuous-operation boilers.



Accomplishments

Top accomplishments for FY 2023 – FY 2024

- **The Alternative Fuels Division** issued 397 licenses.
 - Joined a working group with representatives of other state agencies to discuss the future of the hydrogen energy production and storage and will draft appropriate rules and regulations for this new industry in the state.
 - Participated in a NIST Field Reference Meter Work Group and helped “establish the suitability of a Reference Scale for weighing drafts of CNG dispensed from a RMFD.” (Set national standards regarding the “prover” equipment in our CNG trucks.)
- The Multipurpose Conference Room has permitted ODOL to share resources with other state agencies and community partners thereby increasing productivity and efficiencies statewide.



Challenges

Top Challenges (current & upcoming years)

- The ODOL has promulgated new administrative rules to implement the statutory amendment of 40 O.S. Sec. 142.2(A), which expanded the agency's authority to access and inspect equipment and storage tanks used in association with Oklahoma's burgeoning hydrogen industry; the agency will monitor the potential need for additional inspectors as the industry grows.
- The ODOL continues to meet and confer with other State agencies tasked with supporting/regulating Oklahoma's hydrogen industry to determine the most effective and efficient manner in which to collaborate to ensure a successful, safe build out of hydrogen production within the State.
- Continued efforts to match or exceed the salary and benefit opportunities many of our highly-skilled employees have in the private sector, and fairly compensating all staff no matter their demand within the private sector.
- Continued review of the need for and efficacy of Oklahoma professional/occupational licenses.
- Potential difficulties in continuing to meet statutory mandates should budget restrictions negatively affect hiring or the retention of essential staff; to proactively address this concern the agency has continued to eliminate all unnecessary travel and other discretionary expenditures.



Savings & Efficiencies (Current or Planned)

Savings or Efficiency Name	Brief description of how savings were achieved	Savings in Unit of Measurement*	FY 2023 (Actual \$ Savings)	FY 2024 (Projected \$ Savings)	FY 2025 (Projected \$ Savings)
Admin Position Budget Optimization	Permanently eliminated several middle-management positions, thereby increasing efficiencies, eliminating unnecessary and unhelpful redundancies, and saving the agency significant monies in avoided payroll, benefits, and office needs.	\$ 217,500	\$ 217,500	189,080	189,080
Licensing and Safety Standards Divisions Workflow Optimization	Reduced the head count of the Licensing and Safety Standards Divisions by streamlining processes and procedures and improving the workflows.	\$ 175,500	\$ 175,500	184,275	184,275
Employment Standards Division Position Budget Optimization	Created salary savings and increased productivity in the Employment Standards Division (ESD) with the reallocation of a Labor Compliance Officer (LCO) position to Admin Assistant II (AAll) position. This allowed for the administrative duties to be completed by the new AAll and open the existing LCO positions to take on more cases. The ODOL's Chief of Staff performed the duties of the ESD Director for six months, saving the Agency \$55,327 in payroll, including benefits.	\$ 64,874	64,874	59,866	22,981
Turnover Rate Reduction	Employee recognition and reward program has contributed to a reduction in annual turnover, 2018-15%, 2019-10%, 2020-8%, 2021-8%, to 7.89% in 2023 saving the agency substantial training costs.	\$ 20,182	20,182	20,788	21,411



Savings & Efficiencies (Current or Planned)

Savings or Efficiency Name	Brief description of how savings were achieved	Savings in Unit of Measurement*	FY 2023 (Actual \$ Savings)	FY 2024 (Projected \$ Savings)	FY 2025 (Projected \$ Savings)
The Best-Spend Practice: the Spend by Category and Supplier Analysis	The Dept. of Labor CPO utilized the best-spend practice: performed the spend by category and supplier analysis to purchase the extended service blinds for the Agency from the WBENC WOSB certified Business.	\$ 18,323	\$ 18,323	-	-
OMES-IS Shared Services Savings and Efficiencies	The cost of OMES-IS MSA Agreement reduced from \$329,462 in FY21 to \$115,425 in FY22 (a reduction by \$256,663 or 77.9%), to \$72,799 in FY23 (a reduction by \$42,626 or 37% compared to FY22), to \$56,586 in FY24 (a reduction by \$16,213 compared to FY23).	\$ 42,626	\$ 42,626	\$ 16,213	\$ 16,213



Agency Goals and Key Performance Metrics

Goal		Metric	FY 22 Actuals	FY 23 Actuals	FY 24 Target	FY 29 Target
1	Major agency goal: Protect the health and safety of Oklahoma employees and employers. Agency program: OSHA Consultations.	OSHA Consultations – Provide free, confidential OSHA consultation services to Oklahoma employers to help remove employees from potential workplace hazards, while meeting 100% of federal grant objectives and ODOL goals. Unit of measure: % of compliance.	100%	100%	100%	100%
2	Major agency goal: Improve the Occupational Safety and Health of all Public Sector Employees in the State of Oklahoma Agency program: PEOSH Consultations	PEOSH staff to obtain technical and/or organizational courses to ensure knowledge of changing and/or best industry standards and practices, and identification of workplace hazard concerns and trends, while continuing to meet 100% of federal grant objectives and ODOL goals. PEOSH Division’s goal is to continue to reduce the State’s IR through Voluntary Consultations and/or Enforcement measures. Unit of measure: IR - Incident Rate (Rate of workplace injuries and illnesses per 100 employees)	4.05 IR	3.85 IR	3.66 IR	2.83 IR
3	Major agency goal: Improve program efficiency as well as safety and health for Oklahoma workers. Agency program: Statistical Research.	Strive to obtain 100% participation in the Public Sector Survey, which collects public sector workforce data on injuries, illnesses, and/or fatalities, to help identify and hopefully avoid such hazards in the future. Unit of measure: a percentage of survey and response rate.	98.09	100%	100%	100%
4	Major agency goal: Assist Oklahoma employees in receiving payment of properly earned and due wages and/or employment benefits Agency program: Employment Standards Division.	Conduct wage and benefit and child labor investigations, issuing a final determination as quickly as possible, within legal constraints, without sacrificing the quality or thoroughness of the investigations. Unit of Measure: Percentage of wage claims processed within 50 days.	91.0%	91.5%	92.0%	93.6%



Agency Goals and Key Performance Metrics

Goal		Metric	FY 22 Actuals	FY 23 Actuals	FY 24 Target	FY 29 Target
5	Major agency goal: Ensure Oklahoma minors are employed in a safe and healthful manner and properly compensated for their labors. Agency program: Child Labor	Determine whether a child labor citation, warning, or counseling is warranted as quickly as possible, within legal constraints, without sacrificing quality or thoroughness. Unit of Measure: Percentage of investigations or compliance checks completed within 30 days	91.0%	91.5%	92.0%	93.0%
6	Major agency goal: Perform timely and complete inspections on all applicable elevators and conveyances according to statutes/rules. Keep industry informed of statutes/rules Agency program: Elevator	Perform timely and complete inspections on all applicable elevators and conveyance according to all statutes/rules within 90 days of due date. Provide education and outreach to current industries and other customers at least twice a year in an effort to increase compliance regarding all statutes and rules as well as to address any current issues, challenges, and/or successes. Unit of Measure: % Compliance with requirement	95%	95%	100%	100%
7	Major agency goal: Provide excellent customer service by performing inspections within 72 hours of request by customer. Keep industry informed of statutes/rules Agency program: Amusement Ride	Perform all inspections according to statute/rule by responding to all requests for inspections within 72 hours. Provide education and outreach to current industries and other customers at least twice a year to increase compliance regarding all statutes and rules as well as to address any current issues, challenges, and/or successes. Unit of Measure: % Compliance with requirement	100%	100%	100%	100%
8	Major agency goal: Perform timely and complete inspections on all applicable boilers and pressure vessels according to all statutes/rules within 90 days of due date Agency program: Boiler Program, Welders Act program	Perform timely and complete inspections on all applicable boilers and pressure vessels according to all statutes/rules within 90 days of due date. Unit of Measure: Percent of boilers/pressure vessels inspected within 90 days of due date.	75%	80%	85%	90%



Agency Goals and Key Performance Metrics

Goal		Metric	FY 22 Actuals	FY 23 Actuals	FY 24 Target	FY 29 Target
9	Major agency goal: Involve industry in policy and rule decisions Agency program: Alarm, Locksmith, and Fire Sprinkler ("ALFS")	Involve industry in policy and rule decisions, while retaining authority to make determinations that best serve and protect the public.	100%	100%	100%	100%
10	Major agency goal: Perform timely and complete inspections on all applicable facilities and pressure vessels according to statutes/rules. Agency program: Alternative Fuels	Perform inspections on all alternative fuel(s) fill stations annually and all pressure vessels every three years as required by national statutes, codes, and standards. Unit of measure: % compliance	100%	100%	100%	100%
11	Major agency goal: Provide Effective and Efficient occupational licensure administration Agency program: Licensing	Reduce the processing time for licensure applications to five business days for 95% of applications. Unit of measure: percentage of licensure applications completed within five days of initial receipt	94%	95%	95%	95%
12	Major agency goal: Implement online licensure platform, Thentia. Agency program: All Agency programs.	Unit of measure: % of data and program information stored and obtained by new database system.	-	-	100%	100%



Projects for FY 2024 - 2025

Projects

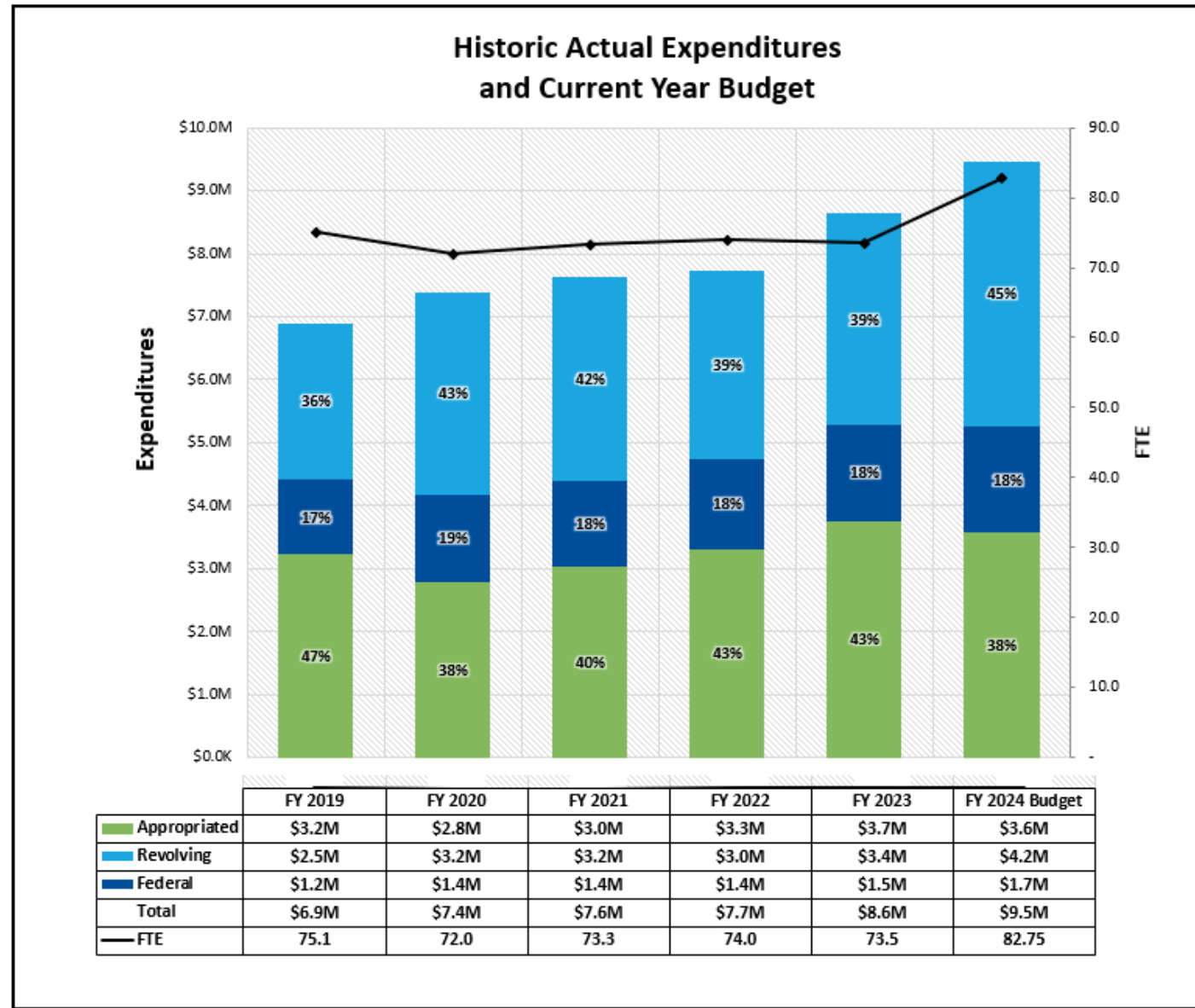
- Educate and assist Oklahoma employers in reducing their rates of workplace injuries and illnesses. Provide free, confidential OSHA consultation services to Oklahoma employers, completed within one hundred twenty (120) days of initiation, to help remove employees from potential workplace hazards. Provide PEOSH program outreach and assistance to the Oklahoma Public Sector workforce through our voluntary Consultation Program, reducing the incident rate in FY24 to 3.46% per 100 employees.
- Assist Oklahoma employees in receiving payment of properly earned and due wages and/or employment benefits, with 92.5% or greater number of wage claims processed within fifty (50) days. Ensure Oklahoma minors are employed in a safe and healthful manner and properly compensated for their labors, with 92.5% or greater number of investigations and compliance checks being completed within thirty (30) days. Continue a partnership program between ODOL and OSC (Oklahoma Safety Council) to reach schools and educate students on workplace safety and child labor laws through a public service announcement competition. Continue a newly formed partnership between ODOL and MTC (Metro Technology Centers) to explore offering a free online child labor training to reach employers, educators, community advocates, and students throughout all 77 counties of Oklahoma.
- Perform timely and complete inspections on all applicable elevators and conveyances, all applicable boilers and pressure vessels according to all statutes/rules within 90 days of due date. Perform all amusement ride inspections according to statute/rule by responding to all requests for inspections within 72 hours. Perform inspections on all alternative fuel(s) fill stations annually and all pressure vessels every three years as required by national statutes, codes, and standards.
- Continue the Technology Modernization Project. Implement Thentia Cloud Software-as-a-Service Online Licensing Platform, new database, and data management policies; integrate Thentia with the Agency's web site; continue modernization of the Agency hardware; equip the conference rooms to be used for free Alarm & Locksmith, Elevator, and Boiler Summits provided by the Safety Standards Division and for hearings and mediations by Wage and Hour/ Employment Standards Division.
- Continue monitoring, amendment, and promulgation, as necessary, of agency regulations to meet the unique challenges of hydrogen production and distribution within the State, and continued efforts with other State agencies in promoting its safe and beneficial use.
- Alarm, Locksmith, and Fire Sprinkler ("ALFS") Industry Committee to work with the ODOL and testing facilities throughout the State, such as Career Tech, to ensure mandatory, licensing examinations are up to date and relevant; all such exams to be reviewed and revised as needed by the end of FY25.



Historic Actual Expenditures (FY 2019-23) and Current Year Budget (FY 2024)

Explanation of Significant Changes and Trends

The ODOL receives Appropriated Funds from GRF and Special OSHA Fund. Due to Special Occupational Health and Safety Fund cash reduction by 50% from FY2014 to FY2023 (from \$3.3M to \$1.6M), the composition of Appropriated funds has changed: the share of Special OSHA Fund cash in FY2023 declined to 49% (was 100% in FY2014), the share of GRF in FY2023 increased to 51% (was 0% in FY2014). The ODOL's expenditures increased from FY2019 to FY2023 by 25% (\$1.7M). The growth rate was higher in FY2020 and in FY2023, 7.1% and 11.8% respectively. This increase is attributed to an increase in cost of labor, which increased from FY2019 to FY2023 by 22%, and partially to the cost of relocating the Agency to the new building in FY23.



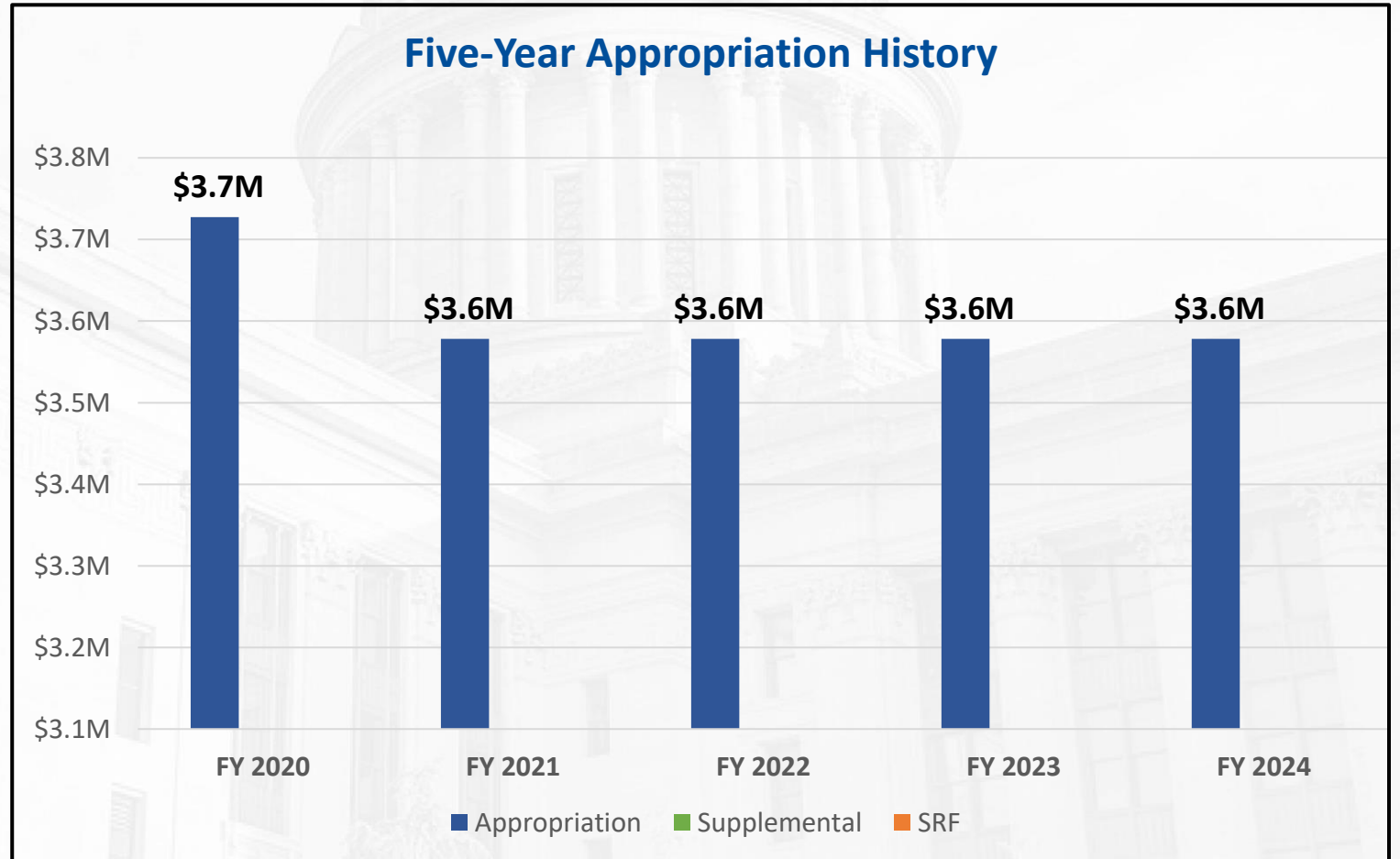


FY 2024 Budgeted Full Time Equivalents (FTE)

	FY 2024 Budgeted FTE
Total FTE	82.75
Supervisor FTE	10
Supervisors to Total FTE Ratio (%)	12%

Appropriation History

Fiscal Year	Legislated Appropriation (\$) (Includes supplementals and SRF/ARPA.)
FY 2020	\$ 3,727,305
FY 2021	\$ 3,578,213
FY 2022	\$ 3,578,213
FY 2023	\$ 3,578,213
FY 2024	\$ 3,578,213



**Includes Supplemental and Statewide Recovery Fund (ARPA) appropriations.*



Financial Resource Analysis

Carryover	FY 2020	FY 2021	FY 2022	FY 2023
Total appropriated carryover amount expended (\$)	\$ 594,308	\$ 729,005	\$ 482,143	\$ 746,331

Historical Cash Balances	FY 2020	FY 2021	FY 2022	FY 2023
Year End Revolving Fund Cash Balances <i>(All Revolving Funds)</i>	\$ 6,353,016	\$ 8,504,517	\$ 10,818,699	\$ 12,346,933

Class Fund # <i>(Unrestricted only)</i>	Class Fund Name <i>(Unrestricted only)</i>	Current cash balance (\$)
# 200	Department of Labor Revolving Fund	\$ 9,743,854
#		\$
#		\$
#		\$
#		\$
#		\$
	Total Current Unrestricted Fund Cash balance:	\$ 9,743,854

Fiscal Year	Agency's plan to deploy unrestricted cash (including amounts):
FY 2024	Agency plans to deploy \$1,124,917 on: the Technology Modernization Project, including implementation of Thentia Cloud Software-as-a Service Licensing Platform; to continue the Project of Salary Market Adjustments per OAC 260:25-7-20; continue the Employee Education and Training Project; start the Public Service Announcement Project for ESD & SSD; upgrade fleet; expand the Licensing and Employment Standards Divisions and to improve the functionality of the lobby area.
FY 2025	Agency plans to deploy \$2,080,000 to continue the FY 2024 Projects: the Technology Modernization Project; to continue the Project of Salary Market Adjustments; continue the Employee Education and Training Project; continue the Public Service Announcement Project for SSD; continue upgrading fleet; to start the Project of installation of the Public Licensing Kiosks in the Lobby Area upon implementation of Thentia Cloud Licensing Platform. In FY25 ODOL plans to initiate the ODOL/ CareerTech Project, installing the Public Licensing Kiosks at the CareerTech centers.
FY 2026	Agency plans to deploy \$2,080,000 to continue the FY 2025 Projects: the Technology Modernization Project; to continue the Project of Salary Market Adjustments; continue the Employee Education and Training Project; continue the Public Service Announcement Project for SSD; continue upgrading fleet; continue the ODOL/ CareerTech Project.



Unrestricted funds are those that are not limited by state or federal law, rule, regulation, other legally binding method, or donor restriction.

FY 2022 Incremental Appropriation Review

<i>Purpose of appropriation increase / decrease</i>	<i>Amount of increase or decrease (\$)</i>	<i>Included in FY24 appropriation? (Yes/No)</i>	<i>If yes, included in appropriation for same purpose? (Yes/No)</i>	<i>If not included for same purpose, please explain.</i>
FY 2022				
No adjustments	\$			
	\$			
	\$			
	\$			
	\$			
	\$			
	\$			
	\$			
Total adjustment	\$			



**Do not include SRF / ARPA appropriation increases.*

FY 2023 Incremental Appropriation Review

<i>Purpose of appropriation increase / decrease</i>	<i>Amount of increase or decrease (\$)</i>	<i>Included in FY24 appropriation? (Yes/No)</i>	<i>If yes, included in appropriation for same purpose? (Yes/No)</i>	<i>If not included for same purpose, please explain.</i>
FY 2023				
No adjustments	\$			
	\$			
	\$			
	\$			
	\$			
	\$			
	\$			
	\$			
Total adjustment	\$			



**Do not include SRF / ARPA appropriation increases.*

FY 2024 Incremental Appropriation Review

<i>Purpose of appropriation increase / decrease</i>	<i>Amount of increase or decrease (\$)</i>	<i>Does this need to be included in your FY 2025 appropriation? (Yes/No)</i>	<i>If yes, included in appropriation for same purpose? (Yes/No)</i>	<i>If not included for same purpose, please explain.</i>
FY 2024				
No adjustments	\$			
	\$			
	\$			
	\$			
	\$			
	\$			
	\$			
	\$			
Total adjustment	\$			



**Do not include SRF / ARPA appropriation increases.*

Budget & Supplemental Request Summary

Request Name		FY 2025 Appropriated Request Amount (\$) {or FY 2024 for Supplementals}	Type of Request: Operating, One-time, or Supplemental
1	ODOL has no requests		
2			
3			
4			
5			

