

Department of Labor and Industry
Budget Presentation Talking Points
For Commissioner Kelly
January 2005

Good morning Chairman Callahan, members of the committee. For the record my name is Keith Kelly, Commissioner of the Montana Department of Labor and Industry. The purpose of the Dept. of Labor & Industry is to promote the well being of Montana's workers, employers, and citizens, and uphold their rights and responsibilities. Our vision is to continually improve service to the public and job satisfaction for employees by focusing on:

- Customer needs and satisfaction
- Continuous Improvement
- Ethics in the Workplace
- Individual Growth
- Individual Responsibility

I would like to talk about our mission and vision at work in Montana.

Through our Workforce Services Division, we **help maintain a stable economy** through various services including job placement, training, counseling, testing, and business advocacy. We continue to look for ways to improve our services to job seekers and business. The workforce Informer – the Labor market website - has been overhauled and will be highlighted as one of the department's projects at the Legislative IT day – And I invite you stop by and visit our booth on January 26.

We strive to make doing business in Montana easier. The UI division successfully implemented SB271 from the last session, which returned the UI tax program to our department. I am happy to report that the program, which required reviving an older mainframe automated system, was brought up July 1, 2004 on schedule and under budget.

Our Business Standards Division licenses over 90,000 professionals and tradesmen in Montana. That represents 19% of the total civilian workforce in Montana. The division's on-line licensing renewal system has been available since 2002, which provides the ability of citizens to conduct business electronically. In the recent renewal cycle for the Nurses, over 7,000 licenses were renewed on-line - representing 47% licensed nurses.

We look for ways to improve services to Montanans. Unemployed claimants access to the phone center for filing claims improved significantly during the last biennium. During the first week of this year, always the busiest volume week, 12.6% more initial claims were filed than (claimants getting through to the phone center to file new claims) 2003. Claimant telephone wait time (time on hold before actually talking to a Customer Service Representative) decreased from about three and on-half minutes to slightly over two and one-half minutes. The UI Division will be implementing a program, which will allow claimants to file for Unemployment Insurance through the Internet. UI4U, as it is called, will be available to the public in the next few weeks. UI4U will make it more convenient for claimants to file for benefits. In addition, we expect it to reduce the number of times a customer gets a busy signal because with the new system, customers will have services available 24-7.

Our focus is on prevention, not punishment. The Employment Relations Division provides regulation of the employer-employee relationship in a fair, even handed manner to create a level playing field for business. There are over 30,000 workers' compensation claims filed each year. We receive the reports regarding those claims electronically in 98% of the claims. The system is designed to be self-administering. Disputes go to mediation (approximately 1200 a year) and 80% of those are resolved in mediation. Only 250-300 claims get to the Workers' Compensation Court.

One of this Administration's goals is to **support Montana's working families** by ensuring we have safe workplaces so that every worker goes home to their family every night in as good of health as they went to work that morning. And every family has the assurance that their economic security is protected by insuring they receive the wages they have earned; will receive the workers' compensation benefits they are entitled to if injured on the job; and receive unemployment insurance benefits if they lose their job through no fault of their own.

Now a word regarding the Executive Budget. Facing a \$250 million dollar deficit, the 2003 Legislature used approximately \$1.2 million in ESA funds to replace all or a portion of the general fund in several DLI programs: Jobs for Montana Graduates, Hearings Bureau, Displaced Homemakers, Office of Community Services, and the Human Rights Bureau.

The Executive is requesting that these programs to the extent they were previously funded with general fund, once again be funded with general fund. It is good public policy to put tax dollars to use for the benefit of those who pay those tax dollars. When a small business owner writes a check for their Employment Security Tax, they should do so, knowing that they will receive employer services for that business expense.

Following you will hear from each of our division administrators who will be giving you an overview of their programs and can give more detail on our budget requests and answer any questions you may have.

With that I thank you for your time and would be happy to entertain questions.