

**Department of Labor & Industry**

1/21/2005

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**Workforce Service WSD DP 999-Empowerment Zone (Page D-127)**

The executive proposes to restore general fund authority given in the 2003 legislative session under HB 564, which allows a tax credit for businesses that create new jobs within empowerment zones. An empowerment zone is an area where the average unemployment or poverty rate for a given period is at least 150 percent of the statewide rate for the same period.

**Issues: HB 564 should read SB 484.**

**Workforce Service DP 1-General Fund/ESA/Reed Act Funding (Page D-128)**

The executive is proposing a funding switch from the one-time distribution of Reed Act fund and replacing them with general fund and ESA funds. In the 2003 Legislative session, general fund was replaced with ESA funds and back filled with Reed Act funds in the Jobs for Montana Graduates and Displaced Homemakers program. The executive is requesting these programs be funded with general fund at \$363,000 per year. Additionally, the executive is requesting an increase in the indirect cost that supports the Centralized Services Division of \$ 241,000 per year in ESA funds. The request is to restore the 2003 legislative session one-time-only funding switch in the Workforce Services Division (WSD).

**Issues: The \$241,000 per year is not to support the CAP increase within the Centralized Services Division. Rather, this is to restore programs to ESA that were funded with Reed Act during the 2005 biennium. CAP is included in DP 6.**

**Unemployment Service DP 5-Transfer UI Contributions Bureau from DOR to DLI (Page D-131)**

The executive is proposing additional state special revenues of \$300,000 per year for the ESA and \$531,000 per year from UI Administration Grants and Penalty and Interest Funds. This request would complete the transfer of the Contributions Bureau, and the executive states that no additional expenditures are expected in the future.

**Request for Amendment to DP 5  
State special (ESA) revenues of \$532,410 per each year of the biennium and federal special (UI administration) revenues of \$299,803 in FY06 and \$298,237 for FY07.**