

EXHIBIT 1
 DATE Jan. 26, 2005
 HB 2; Dept. of Labor
and Industry

EMPLOYMENT SECURITY ACCOUNT
 Department of Labor and Industry
 January 24, 2005

LONG TERM FUND STABILITY					
	2005	2006	2007	2009 Biennium	2011 Biennium
Beginning Fund Balance	\$3,394,414	\$4,105,607	\$5,040,055	\$3,784,513	\$2,528,971
Revenues	\$7,594,749	\$7,871,244	\$8,148,776	\$8,148,776	\$8,148,776
Expenditures	\$6,882,556	\$6,936,796	\$7,075,721	\$7,075,721	\$7,075,721
Ending Fund Balance	\$4,105,607	\$5,040,055	\$6,113,110	\$4,857,568	\$3,602,026
PROPOSED EXPENDITURES:					
Pay Plan - HB13			\$818,777	\$818,777	\$818,777
DP-5 Amendment			\$464,820	\$464,820	\$464,820
HHS-Voc Rehab Amendment			\$1,045,000	\$1,045,000	\$1,045,000
ADJUSTED FUND BALANCE			\$3,784,513	\$2,528,971	\$1,273,429

DECISION PACKAGES - GENERAL FUND/ESA FUNDING SWITCH			
	2006	2007	BIENNIAL BUDGET
DP 1, page D-128, Jobs for Montana Graduates	\$150,027	\$150,027	
Displaced Homemakers	\$213,195	\$212,573	
DP 8, page D-136, Human Rights - CSD	\$56,194	\$56,102	
DP 2, page D-141, Human Rights - ERD	\$193,506	\$192,090	
DP 4, page D-153, Office of Community Services	\$743	\$743	
	\$613,665	\$611,535	\$1,225,200

REJECTION OF DECISION PACKAGES -			
	2007	2009 Biennium	2011 Biennium
	\$3,784,513	\$2,559,313	\$78,571
REVENUES		\$8,148,776	\$8,148,776
EXPENDITURES		\$9,404,318	\$9,404,318
DPS FUNDED BY ESA	\$1,225,200	\$1,225,200	\$1,225,200
ENDING FUND BALANCE	\$2,559,313	\$78,571	(\$2,402,171)

Note: Calculations assume comparable growth in revenue and expenditures, thus, for purposes of comparison they are constant

PROGRAMS HISTORICALLY FUNDED BY GENERAL FUND

JOBS FOR MONTANA GRADUATES

JMG is a dropout prevention program assisting more than 850 Montana students. The program serves at-risk students having difficulty staying in school or who lack the skills to gain employment upon graduation. The program provides classroom instruction and work-based learning opportunities to students in grades 9-12 and dropouts age 16-18, in 39 school programs, six alternative schools, and eight schools on Montana Indian reservations. The program enhances students' career awareness, self esteem, and work readiness.

DISPLACED HOMEMAKERS

The program offers assistance to homemakers who have been displaced, usually through loss of a spouse. The program is designed to provide individuals the training and skills necessary to achieve independence and economic security. The program is human service related and goes beyond basic employment to provide health care and emotional counseling services. The primary goal is to provide job training, enhance skills, and increase job awareness of the participant.

HUMAN RIGHTS PROGRAM

Employment Relations Division Human Rights Bureau:

The Human Rights Bureau enforces the Montana Human Rights Act and Governmental Code of Fair Practices through investigations, conciliation, hearings, and education. The Bureau responsibility endeavors to prohibit discrimination in employment, housing, public accommodations, financing and credit transactions, insurance, education, and government services.

Centralized Services Hearings Bureau:

The Hearings Bureau provides administrative hearings for the adjudication of Human Rights complaints. The bureau provides dispute resolutions at a cost typically lower than if the parties to the case had to proceed directly to District Court.

OFFICE OF COMMUNITY SERVICES

A nonfederal source is required to match the federal administrative grant from the Corporation for National and Community Services. The grant enables the office to manage AmeriCorps programming in Montana. Without this grant, the office would not be able to provide any oversight to the Americorps program.

COMMITMENT TO EMPLOYERS

When faced with a funding shortfall in the 1999 legislature, employers came to support the services they valued and agreed to an increase in the ESA surcharge. Comments included:

"We have over 120 individual business centers with over 1400 employees. Each center manager is responsible for the recruiting, hiring and other employment issues for his or her facility. These managers have used every single local Job Service office in the State to a significant degree to help meet their employment needs."

"In addition, I have personally used the expertise of Job Service employees to help me understand State employment laws and other employment issues as I develop company human resource policies and procedures that are used by all managers and supervisors in their dealings with all our employees."

Edward Dennehy
Director of Human Resources
Town Pump, Inc.

"As a Human Resource professional, I think the Montana Job Service provides in invaluable service to employers and job seekers. Business managers these days are asked to wear multiple hats. Without the support of agencies such as Job Service, I shudder the think of how well I could accomplish my job duties. I feel it's crucial to supply Job Service with adequate funding, tools and personnel to achieve goals and responsibilities."

Diane Harkins, PHR
Risk Control/Employment Manager
Billings Job Service Employer's Committee Chair