

EXHIBIT 9
DATE Jan. 26, 2005
HB 2; Dept. of Labor and Industry

Unemployment Insurance Division
 DECISION PACKAGE
 FY06-07

SUBCOMMITTEE MODIFICATION REQUEST

AGENCY NAME & NUMBER: Department of Labor and Industry/6602

DIVISION CONTACT: Keith Kelly

EPP REQUEST NUMBER: 201/DP#5

PROGRAM NUMBER: 02

FUNDING NOTES: (PL) Transfer of UI Contributions Bureau from the Department of Revenue to the Department of Labor

MODIFICATION REQUEST: Reallocation of funding to increase state special and decrease federal funds in the amount of \$232,410.

REQUEST:

	FY06	FY07
61000 – Personal Services	181,913	181,517
62000 – Operating Costs	<u>649,300</u>	<u>649,130</u>
TOTAL	831,213	830,647

FUNDING:

	Original Request		Modification		Total Request	
	FY06	FY07	FY06	FY07	FY06	FY07
State Special	\$300,000	\$300,000	+232,410	+232,410	\$532,410	\$532,410
Federal Special	<u>\$531,213</u>	<u>\$530,647</u>	<u>-232,410</u>	<u>-232,410</u>	<u>\$299,803</u>	<u>\$298,237</u>
TOTAL	\$831,213	\$830,647	0	0	\$832,213	\$830,647

JUSTIFICATION:

This modification request is not requesting additional funds, but is requesting a modification of funding from federal special to state special.

Pending the return of the UI Contributions operations to the Department of Labor, we were required to complete a cost allocation plan for the purpose of allocating the amount of funds required to collect the Employment Security Account (ESA) tax. This plan is required by the US Department of Labor to ensure we are not using federal funds to collect a state tax.

When this budget was requested, the cost allocation plan had not been completed due to the Contributions bureau only returning on July 1, 2004. The main focus of the Department was to concentrate its efforts on transitioning this program to be fully operational and the cost allocation had not been completed. The state special amount requested was underestimated; therefore we are requesting this funding switch from federal special to state special to reflect the amount required to collect this tax.

Shane