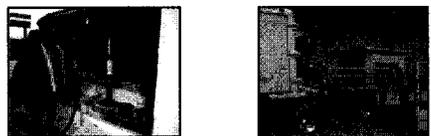


Building Codes Bureau

- Enforces minimum building, plumbing, mechanical,
 - Electrical, energy, elevator, and boiler codes
- Approves/Certifies 46 cities and towns and 6 county code enforcement programs
- Administers 5 construction related programs
- Office staff and statewide inspectors



Weights & Measures Bureau



- Licenses, inspects, tests, and certifies all weighing and measuring devices used for commercial transactions
- Enforces laws and regulations pertaining to the quantity control of prepackaged goods
- Quality control of petroleum products
- Maintains the state standards of mass and volume

Licensing Bureau and Board Management Bureau

- 35 boards and programs administratively attached to the Department
- Renewing more than 95,000 licensees
- 150 different license types
- 7200 continuing education and certification random audits
- Ensures transparency in government by facilitating the public's right to observe and participate in the deliberations of government.
- Organizes and provides staff for approximately 250 meetings a year;
- Provides proper public notice of meetings – date, time, place, and topics;
- Collects, organizes, and prepares documents/data for meetings;



Operations Bureau

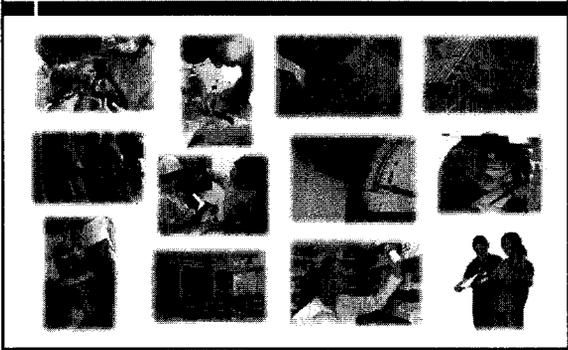
- Compliance manages daily operation related to complaints and discipline of licensees associated with 40 different boards/programs
- Investigates allegations of unlicensed practice or licensee negligence for Boards
- Inspects regulated facilities ensuring compliance with applicable codes
- Maintains division database
- Provides training for all Board members
- Manages Division fiscal operations



Business Standards Division Decision Packages

- Present Law Adjustment
- DP502 - BSD General Operating Adjustment
 - DP503 - BSD Other General
 - DP504 - BSD Online Processing
- New Proposal's
- DP501 – Legal Funding Switch
 - DP505 – BSD Weights & Measures OTO Biennial/Restricted
 - DP506 – POL Motor Pool Lease
 - DP508 – BSD Medical Impairment Program
 - DP6101 – Professional Development Center fee allocation

Business Standards Division



Contact: Tony Dean

e-mail: tdean@mt.gov 406-444-1809

serve.mt.gov



Office of Community Service

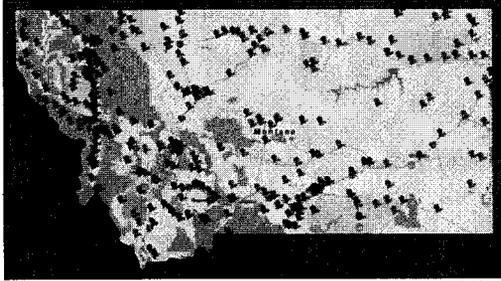
- 1993 Legislature to expand and promote national service and volunteer opportunities
- Encourage all Montanans – young and old – to serve
- 1997 Executive Order asked Department of Labor to support administrative functions

MONTANA COLLABORATION
community service

serve.mt.gov



AmeriCorps Service Projects



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Office of Community Service Decision Packages

Present Law Adjustments

- DP702 – AmeriCorps Grants
- LFD Comments/Issues

New Proposal

- DP701 – AmeriCorps FTE Increase
- DP6101 – Professional Development Center Fee Allocation

Contact: James Sheer; Judge; 406-444-7794; e-mail: jksheo@mt.gov



Subject Matter Jurisdiction

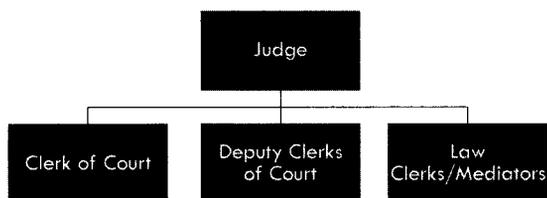
- ❑ Except for specified regulatory matters, the Court has original jurisdiction over issues arising under the Workers' Compensation Act and the Occupational Disease Act.
- ❑ Exclusive jurisdiction over disputes involving independent contractor exemptions under both the Workers' Compensation Act and Unemployment Insurance Act.
- ❑ Actions regarding allegations of fraudulently obtained benefits.
- ❑ Two-year return to work preference.
- ❑ In workers' compensation regulatory matters over which the DJU has original jurisdiction, the Court acts as an appellate court, conducting judicial review.
- ❑ Workers' Compensation Court's decisions are appealed directly to the Montana Supreme Court.

Statewide Jurisdiction

- ❑ Regular trial terms 4 times per year in five venues:
 - Billings, Great Falls, Helena, Kalispell, and Missoula
- ❑ Special settings regularly held in Helena
- ❑ Trials held in other venues as needed
- ❑ Other Past Venues:
 - Big Fork, Bozeman, Butte, Columbus, Libby, Malta, Miles City, Plains, Red Lodge, and Sidney



Organizational Chart



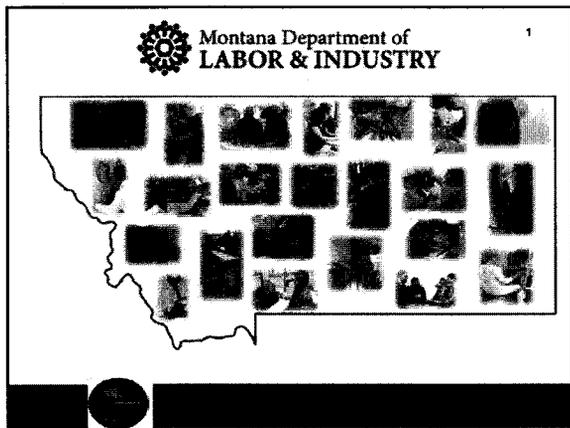
Budget Request

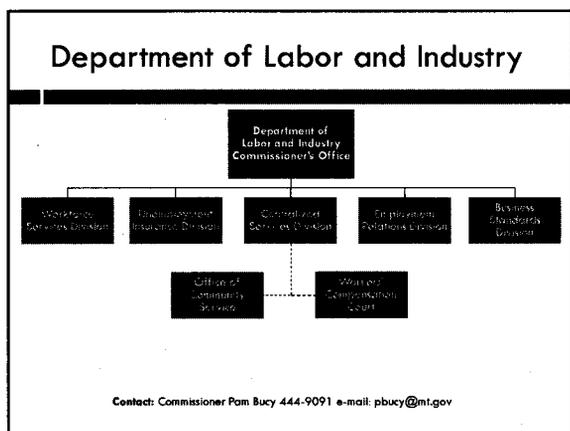
- FY14: \$649,683
- FY15: \$650,539
- State Special Revenue
- No New Proposals

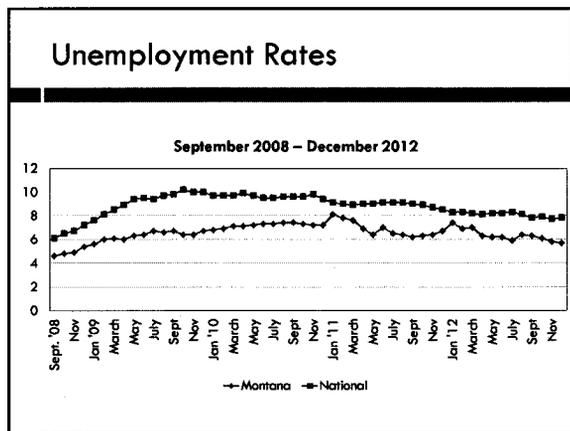
**Workers' Compensation Court
Decision Packages**

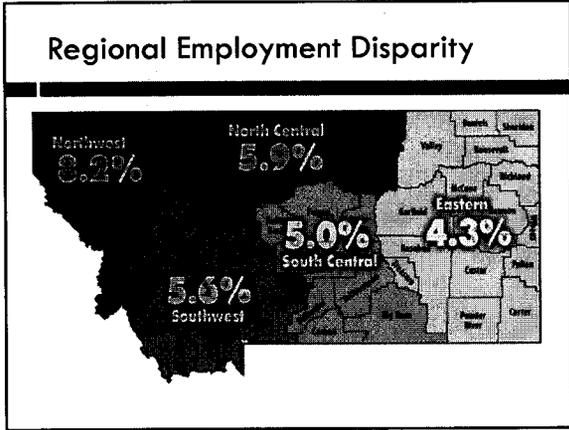
- Present Law Adjustment
- DP901 - WCC General operating adjustment
- New Proposal
- DP6101 - Professional Development Center fee allocation

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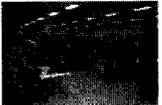






Meeting the Demand

Element	2008	2010	2012
Wisconsin Unemployment Rate	4.2%	7.2%	6.3%
Unemployment Claims Filed	59,114	132,227	99,438
Workers Receiving Job Training	3,267	7,587	6,987
Total Number of Job Seekers	103,994	138,865	128,401

- ### Meeting the Demand
- Coordinated rapid response efforts in response to layoffs
 - Facilitated job transfers when possible during major layoffs
 - Provided guidance to businesses to avoid layoffs
 - Responded to the increased demand for services by hiring additional employees in both the Workforce Service and UI Divisions
 - Coordinated community resource fairs
- 



Helping Business Grow

- Incumbent Worker Training Program
 - 1,056 businesses have received training for their employees to date
- Apprenticeship & Training
 - Pre-Apprenticeship Training Program
- Work Opportunity Tax Credit (WOTC)
 - \$9,200,000 in tax savings for Montana businesses
 - Processed more than 9,000 Applications



Helping Business Grow



- Veterans
- Strong partnerships with Community Management Teams, (CMT), Business Expansion and Retention Teams (BEAR), Job Service Employer Committees (JSEC), Montana State Employer's Council (MSEC)
- Provide free safety training to businesses and their employees

Making Safety a Priority

- SafetyFestMT – Provides training to workers at no cost to businesses that want to improve their safety record and prevent worker injuries
- 8 SafetyFests around the State training about 3,688 workers
- The Safety and Health Bureau helps small businesses through onsite consultation do their work safer reducing injuries and insurance costs



Data and Statistics

Element	2008	2010	2012
Workers' Compensation Claims Filed	30,970	26,884	25,429
Weights and Measures Inspections	19,530	23,000	19,213
Building Inspections	62,962	51,358	46,451
Number of Professional and Occupational Licensing Boards	32	40	40
Number of AmeriCorps Members	661	1,100	900
Workers' Compensation Court Trials, Hearings, and Reported Conferences	47	81	122

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Working More Efficiently

- Online services are providing more access to DUI programs for both employers and workers
- The Business Standards Division is facilitating online licensing for professional occupations as well as the building permit and inspection process
- Webinars, go-to-meetings, and Summit net are reducing travel time and increase productivity
- The Department optimized systems to reduce energy usage by 35%
- Consolidated IT servers at the statewide data center

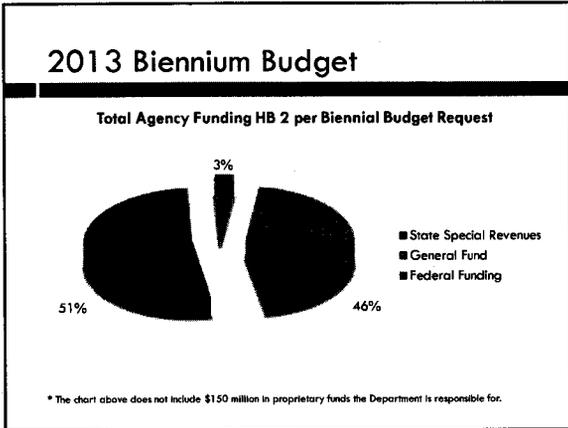
Employment Security Account

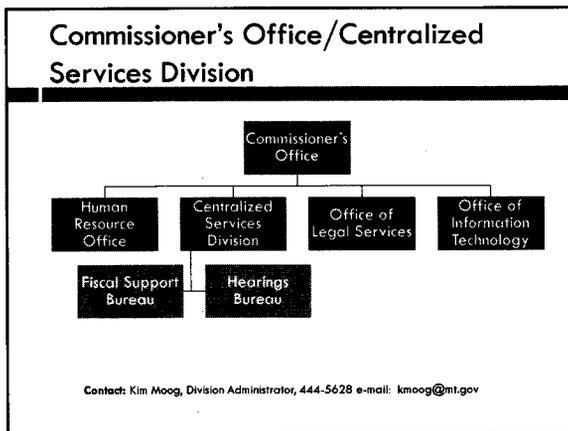
ESA serves Montana employers and workers by:

- Enabling job seekers to find jobs and employers to find qualified individuals for jobs
- Assisting Montana employers and workers in the development of registered apprenticeship programs creating employment opportunities, high paying jobs, and a highly trained and competitive skilled workforce
- Providing employment services to individuals who have mainly worked in the home but have lost family financial support through the State Displaced Homemaker program
- Supporting training needs for employers through the Incumbent Worker Training Programs
- Funding programs that facilitate resolution of employment disputes
- Ensuring employees are paid wages properly
- Ensuring unemployment claims are paid to only those that are eligible
- Ensuring UI employer contributions are collected and employer accounts are charged accurately

** If DP103 is not approved the fund balance for this account is projected to be \$347,536 at the end of 2014

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Centralized Services Rate

	Base Budget 2012	Budget Request 2014	Budget Request 2015
EXP/Budget	\$2,852,591	\$3,579,776	\$3,443,609
Approved/Proposed Rate	8.24%	8.00%	8.00%

Reasons for change between 2012/2014

- \$450,000 increase in Statewide Fixed costs for SWCAP, Legislative Audit, ITSD
- \$250,000 Personal Services SWPLA due to vacancies and broadband pay increases and changes in longevity and benefits

Office of Information Technology

	Base Budget 2012	Budget Request 2014	Budget Request 2015
Budget	\$1,958,220	\$1,926,217	\$1,926,430
Direct Rate	\$42/hour		
Indirect Rate	\$161/FTE/month	\$192/FTE/month	\$192/FTE/month

OIT is requesting moving to one indirect rate as the service is primarily indirect in nature.

Office of Legal Services

	Base Budget 2012	Budget Request 2014	Budget Request 2015
HB2	\$ 684,083		
HB576	\$1,235,692	\$2,086,269	\$2,085,398
TOTAL	\$1,919,775	\$2,086,269	\$2,085,398
Approved/Requested Rate	\$95 per hour	\$95 per hour	\$95 per hour

Increase is due primarily to NP request to make one modified FTE permanent

Centralized Services Division Decision Packages

New Proposal's

- DP301 – Legal funding switch
- DP302 – Request to make a temporary FTE permanent
- DP6101 – Professional Development Center Fee Allocation

Job Service Operations Bureau

Services

- Employment Referrals
 - From January 1, 2012 – December 18, 2012
 - 420,788 referrals from staff
 - 1,932,214 referrals from web
- One-Stop referral to government agencies
- Veteran's assistance
 - 12,169 Veterans received 442,908 services in 2012
- Assistance for UI claimants



Job Service Operations Bureau

Business Services

- Assistance with job posting/recruiting/referrals/retention
- Labor market information
- Business startup tools and resources
- Assistance to Business Clinics (ABC)
 - 15 clinics held throughout the state of Montana in 2012
 - 700 businesses attended
- Current employment law posters at no cost



Job Service Operations Bureau

Economic/Community Development

- Community Management Teams (CMT)
- Job Service Employers' Committee (JSEC)
- Business Expansion and Retention (BEAR) Teams



21st Century Workforce Technology, Apprenticeship, and Training Bureau

- Jobs for Montana's Graduates
- Incumbent Worker Training
- Apprenticeship and Training
- State Workforce Investment Board (SWIB)



Jobs for Montana's Graduates

- Targets students at risk of not graduating high school
- Teaches work skills, teamwork, leadership, and communication
- Approximately 1,100 students served in 51 schools
- Cost per student -- \$515
- A JMG graduate who works full-time earning \$10/hr repays in income taxes the cost of the senior program in 14 months.



Jobs for Montana's Graduates

- Nationally recognized - top Jobs for America's Graduates (JAG) program!**
- 98% of JMG seniors graduate high school compared to the Montana state rate of 82.2% (consider that JMG kids are identified as most likely to dropout)
- Of these graduates, 94% go on to jobs, the military, or post secondary education



Incumbent Worker Training

- ❑ Established by 61st Legislature in SB 388
- ❑ Provides grants to small businesses for training employees
- ❑ Training improves capacity, productivity, markets and, other factors for Montana's small business community
- ❑ 1,056 applications received to date
- ❑ Trained 2,229 workers to date



Apprenticeship and Training

- ❑ Regulates apprentice training in Montana
- ❑ Supports more than 1,000 registered independent employers and union employers training 920 registered apprentices in 40 different occupations
- ❑ 75% of apprenticeship graduates since 1997 are still working/living in Montana, supporting local economies, and contributing back to Montana at journeyman wage level



State Workforce Investment Board (SWIB)

Montana's SWIB's Stated Purpose:

- ❑ 1. To create policy recommendations for the Governor, related to the establishment and maintenance of an efficient, integrated, statewide workforce development system.
- ❑ 2. To serve as a focal point for addressing the major workforce development issues of Montana.
- ❑ 3. To lead the strategic planning process for an integrated workforce development system, in consultation with the local Community Management Teams (CMT's).
- ❑ 4. To create performance standards that identify effective workforce initiatives.
- ❑ 5. To coordinate the state's workforce investment initiatives with the state's economic development plan.

Research and Analysis Bureau

- State and local workforce information products and services
- Career information products and services

Website Sessions	404,002
Publication Downloads	202,542
Printed Publications	29,542
Presentations/trainings	69 sessions / 1,514 participants
Montana Career Information System (MCIS)	592 sites / 159,601 logins

Statewide Workforce Programs and Oversight Bureau

- Oversight and management of federal and state job training programs
 - Workforce Investment Act
 - Trade Adjustment Act
 - Displaced Homemaker
 - Work Opportunity Tax Credit (WOTC)
- Data/Systems management and production for state automated labor exchange system (Montana works)
- Data validation/oversight and reporting for federal programs as required by law

Workforce Services Division Decision Packages

Present Law Adjustments

- DP104 - WSD rent adjustment
- DP105 - reinstate appropriation transfer

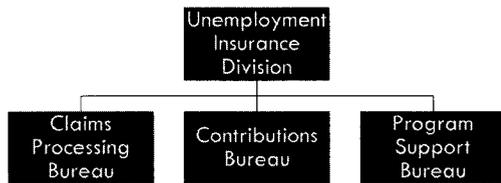
New Proposal

- DP101 - Legal funding switch
- DP103 - WSD funding correction
- DP6101 - Professional Development Center fee allocation
- DP106 - Jobs for Montana's Graduates

Workforce Services Division



Unemployment Insurance



UI is a wage insurance program that provides short-term economic assistance to eligible workers from a trust fund financed by employers.

Contact: Roy Mulvaney, Division Administrator, 444-2749 e-mail: rmulvaney@mt.gov

Who Do We Serve?

Employers served in SFY 12	36,551
Covered Employees	478,672
Employer Registrations	4,379
Quarterly Reports	147,378
Wage Records	1.97 Million
Contributions Collected	\$151.4 Million
Employer Audits	820
Assistance for Business Clinics	15 Clinics

Who Do We Serve ?

Claimants Served in SFY12	
Claims Filed	99,438
Total Benefits Paid – State and Federal	\$218,909,911
Payments Issued	632,758
Issues Resolved	184,660
Participated in Over 18 Rapid Response Efforts	391 workers
Audit & Investigate Claims	10,715

Meeting the Demand

	2008	2010	2012
Claims Filed	59,114	132,227	99,438

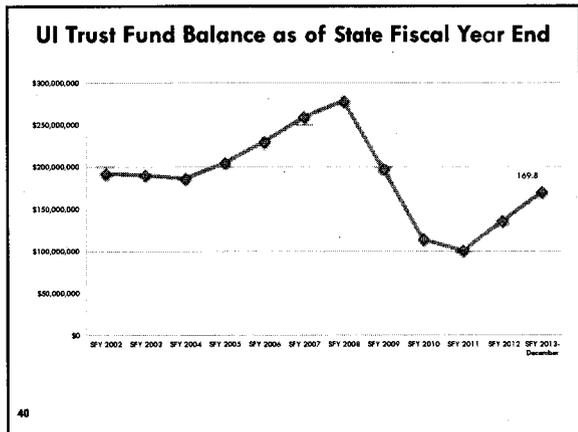
UI Trust Fund Structure

Employers contribute to the UI trust fund and report quarterly.

- ▣ Rate schedule is set annually.
 - Individual employer rates are assigned within the rate schedule based on contributions paid and benefits charged to their particular account.

Benefits are paid to eligible claimants.



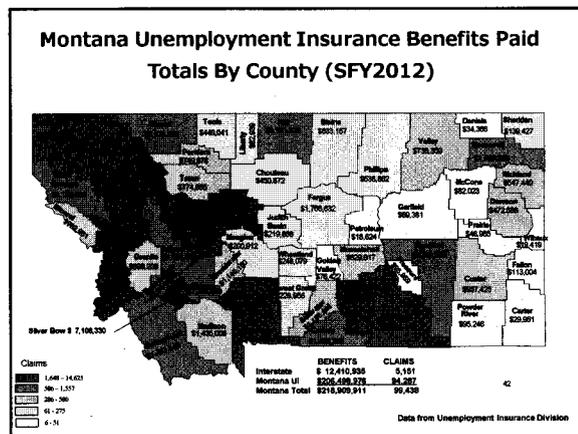


Economic Impact of UI

From July 2008 to December 2012, Montana has paid out \$1.12 billion in benefits.

Total Benefits Paid July 2008 – Dec 2012	Turnover Rate	Economic Impact
\$1.12 billion	1.6	\$1.79 Billion
\$1.12 billion	2.0	\$2.24 Billion

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Program Integrity

- Ensure proper benefit payment to workers and tax liability for employers
- Ensure employer accounts are accurately charged
- Provide internal tax and benefit audits
- Data validation, oversight, and reporting
- UI Trust Fund management



Budget Issues

- Vacancies
- Turnover
- Retention
- Temporary Services
 - How we have used them
 - How a reduction could impact UI
- Statewide Present Law Adjustments

**Unemployment Insurance Division
Decision Packages**

- Present Law Adjustments
- DP202 – Unemployment Insurance Benefits
- New Proposal
- DP201 – Legal Funding Switch
 - DP6101 – Professional Development Center Fee Allocation

Unemployment Insurance Division

Employment Relations Division

Human
Rights
Commission

Employment
Relations
Division

Board of
Personnel
Appeals

Workers'
Compensation
Regulation

Workers'
Compensation
Claims Assistance

Occupational
Safety and
Health

Labor Standards

Human Rights

Management
Services

Contact: Diana Ferriter, Division Administrator, 444-1574 e-mail: diferriter@mt.gov

Workers' Comp Regulation Bureau

Services Provided	SFY 2012
Monitor Carrier Compliance - Proof of Coverage	34,000 - 35,000 policies
Register Construction Contractors	9,546
Issue Independent Contractor Exemptions	17,689
Approve Professional Employer Organizations (PEO)	42
Approve Employers to Self-insure Workers' Compensation Liability	27 Individual Members
• 3 Private Groups	114 Members
• 3 Public Groups	414 Members
Uninsured Employer Fund Investigations	2,293
Uninsured Employer Fund Claims	52

Uninsured Employers Fund

- Statutory Functions:
 - Bring uninsured employers into compliance with mandatory work comp insurance requirements
 - Pay benefits to injured workers of uninsured employers-Safety Net
- Program Funding:
 - Penalties assessed against uninsured employers
 - Reimbursements from uninsured employers for claim costs

LFD Issue – Uninsured Employers Fund

Legislative Option: Request a bill to define excess balance and require that it be transferred to the General Fund at the end of each biennium

- Concerns:**
- Fund balance doesn't reflect actual cash & STIP
 - True fund balance is about 2x the Administrative and Benefit Costs
 - Identified problems with our formula for discounting accounts receivable to reflect uncollectible amounts
 - We need to work on better definition of the discounting method

- Consequences of approving LFD Option:**
- Insufficient collections to meet Administrative Costs resulting in less employer compliance
 - Insufficient cash balance to pay all open workers' compensation claims resulting in need to apportion benefits among workers or pay workers first and don't pay medical providers who treat workers

Workers' Comp Claims Assistance Bureau

- Monitor Workers' Compensation Claims**
- Provides information and technical assistance with claims handling and benefit provisions
 - Set medical and hospital fee schedules
 - Administers utilization and treatment guidelines
 - Provides Independent Medical Reviews
 - Collects data on approximately 26,000 claims per year
 - Produces a workers' compensation annual report
 - Approves workers' compensation settlement agreements
 - Provides mediation of workers' compensation benefit disputes
 - Provides Stay-at-Work/Return-to-Work assistance

Occupational Safety and Health Bureau

The mission of the Montana Safety and Health Bureau (MTSB) is to assist employers in creating safe/healthy workplaces through on-site visits, technical assistance, and providing resources and training.



Occupational Safety and Health Bureau

Services Provided	Fiscal Year: 2012
Onsite visits to public employers	112
Onsite consultations with private employers	231
Technical assistance	897
Training (3 SafetyFests)	1,576 participants
Inspection of metal/non-metal mining operations	52
Inspection of all coal mines	34
Mandatory training for miners	173 courses - 3,250 attendees

Human Rights Bureau

The Department of Labor and Industry is the state agency which enforces Montana's discrimination laws. The Human Rights Bureau of the department receives and investigates complaints of illegal discrimination.

Provides administrative and legal support to the Human Rights Commission



Human Rights Bureau

5,000 + calls

547 complaints filed

60 cause findings
*150 voluntary resolutions

Human Rights Bureau – EEOC Contract

- Federal Equal Employment Opportunity Commission contracts with HRB to perform investigations.
- Dual jurisdiction cases – serves employers by preventing two investigations
- Contract is estimated at beginning of year
- Reimbursed using actual numbers of cases completed
- Reimbursement rate does not cover entire cost of investigations



LFD Issue

- Human Rights Bureau

- Fund has grown for two primary reasons:
 - Staff Turnover
 - Larger than normal number of cases in 2009 & 2010
- Revenue is uncertain year to year
- Estimate best case would be contract of \$193,000 for 2014 and 2015
 - Federal government spending cuts will reduce the revenue rate we have historically received. Lower reimbursement rate can't be estimated but will reduce fund balance on its own.
- Fund balance is safety net for unexpected workload

LFD Issue

- Human Rights Bureau

Legislative Options

- Option 1: Increase federal appropriations and reduce general fund by \$203,000 OTO to reduce fund balance
 - Net effect of decreasing EEOC fund balance to \$67,000 by end of 2015
- Option 2: Increase federal appropriations and reduce general fund by \$123,700 for ongoing federal support of the program
 - Net effect of decreasing EEOC fund balance more slowly leaving balance \$225,000 by end of 2015
 - Not a viable option with reduced federal funding

Labor Standards Bureau

- Staff Board of Personnel Appeals

Other Services Provided	FY 2012
Investigations into wage & hour and prevailing wage complaints	753
Public contract on-site visits	74
Mediations for claims prior to hearing	77
Alternative bargaining training sessions	23
Public sector contract dispute mediations	38

Education and Outreach Programs

Education Programs	Attendance FY 2012
Governor's Conference on Workers' Compensation and Occupational Safety and Health	426
Assistance to Business Clinics - 15 communities	913
Annual Arbitration and Labor Relations Conference	108
SafetyFest	1,350
Local Safety Focus Groups - 8 Communities - 70 Meetings	700
Presentations to Employer Groups - 18 Communities	860

Management Services Bureau

- Administrative Support
- Accounting and Financial Support
- IT Support and Maintenance
- Computer Applications
 - Workers' Comp Database – Prior Claims History
 - Proof of Coverage System – Coverage on Line
 - Medical Fee Schedules – Reimburse per service
 - U&T Guidelines – Searchable Tool
 - Registered Contractor & ICEC Exemption – Verification Tool

Employment Relations Division
Decision Packages

Present Law Adjustments

- DP402 – ERD rent adjustment

New Proposal's

- DP401 – Legal funding switch
- DP6101 – Professional Development Center fee allocation

Employment Relations Division