

**Program Budget Comparison**

The following table summarizes the total proposed budget by year, type of expenditure, and source of funding.

Program Budget Comparison								
Budget Item	Base Fiscal 2014	Approp. Fiscal 2015	Budget Fiscal 2016	Budget Fiscal 2017	Biennium Fiscal 14-15	Biennium Fiscal 16-17	Biennium Change	Biennium % Change
FTE	10.00	10.00	10.00	10.00	10.00	10.00	0.00	0.00 %
Personal Services	683,259	729,821	840,240	840,616	1,413,080	1,680,856	267,776	18.95 %
Operating Expenses	240,377	195,525	294,772	294,906	435,902	589,678	153,776	35.28 %
Transfers	56	0	56	56	56	112	56	100.00 %
Debt Service	1,194	0	1,194	1,194	1,194	2,388	1,194	100.00 %
<b>Total Costs</b>	<b>\$924,886</b>	<b>\$925,346</b>	<b>\$1,136,262</b>	<b>\$1,136,772</b>	<b>\$1,850,232</b>	<b>\$2,273,034</b>	<b>\$422,802</b>	<b>22.85 %</b>
General Fund	188,863	195,736	250,652	251,144	384,599	501,796	117,197	30.47 %
State/Other Special Rev. Funds	348,698	324,374	416,980	419,972	673,072	836,952	163,880	24.35 %
Federal Spec. Rev. Funds	387,325	405,236	468,630	465,656	792,561	934,286	141,725	17.88 %
Proprietary Funds	0	0	0	0	0	0	0	0.00 %
<b>Total Funds</b>	<b>\$924,886</b>	<b>\$925,346</b>	<b>\$1,136,262</b>	<b>\$1,136,772</b>	<b>\$1,850,232</b>	<b>\$2,273,034</b>	<b>\$422,802</b>	<b>22.85 %</b>

**Program Description**

The Commissioner's Office and the Centralized Services Division (Commissioner's Office) provide program direction, legal, administration, and support services to the department's six programs and two administratively attached entities. The Office of Administrative Hearings makes up the majority of the functions provided for in HB 2.

**Program Highlights**

<b>Commissioner's Office and Centralized Services Division Major Budget Highlights</b>
<ul style="list-style-type: none"> <li>• Executive proposes 22.8% increase in Commissioner's Office</li> <li>• Increased personal services costs are due transfer of FTE and authority from other divisions and reclassification of position</li> </ul>
<b>Major LFD Issues</b>
<ul style="list-style-type: none"> <li>• Change in budgeting methodology for proprietary rates increase costs of support personal services</li> <li>• Proprietary rates for legal services above levels needed for 60 day working capital balance</li> </ul>

**Program Discussion -**

*Comparison of FY 2015 Legislative Base to FY 2015 Adjusted Base*

The following table highlights how the executive implementation of FY 2015 appropriations contained differs from the FY 2015 legislative appropriations used for purposes of the budget base.

**66020 - Department Of Labor & Industry03-Commissioner's Office & Centralized Services Division**

Department of Labor & Industry - Commissioner's Office							
FY 2015 Appropriation Transactions							
Program	Legislative Approps	Legislative App OTO	House Adjustment	Operating Plan	Program Transfers	Reorgs	Total Exec. Implement
Personal Services	\$672,423	\$0	\$0	\$0	\$70,000	(\$12,602)	\$729,821
Operations	174,834	-	-	-	29,635	(8,943)	195,526
<b>Program Total</b>	<b>\$847,257</b>	<b>\$0</b>	<b>\$0</b>	<b>\$0</b>	<b>\$99,635</b>	<b>(\$21,545)</b>	<b>\$925,347</b>

The majority of the changes were related to the funding authority that was transferred from other programs to the Commissioner's Office increasing personal services by 10.4% and operating expenses by 16.9%. DOLI transferred 1.00 FTE, an employment specialist position, from the Workforce Services Division to the Commissioner's Office. The Commissioner's Office reclassified the position to a public relations specialist and is requesting support for the new position in HB 2. In addition, the formation of the Technology Services Division meant that the Commissioner's Office transferred \$12,602 in personal services appropriation authority and \$8,943 in operating expenses to the newly formed division from authority provided in HB 2. Funding and related FTE transferred from the proprietary support programs within the Commissioner's Office are discussed in the "Proprietary Rate" section.

*Comparison of the FY 2014 Actual Expenditures to FY 2015 Legislative Appropriations*

Actual FY 2014 expenditures are \$77,629 above the FY 2015 legislative appropriation. The primary reasons for the difference are the transfer of an additional \$99,635 in authority from other divisions in the agency, including \$70,000 for higher personal services costs related to the transfer of an employment specialist. This position was reclassified to a public relations specialist.

*Executive Request*

The program budget comparison table shows the impacts of the proposed budget changes after the transfers of appropriation authority are taken into account. As shown, the Commissioner's Office personal services increase by about \$157,000 each year of the biennium when compared to FY 2014 actual spending.

In addition to increases that result from the implementation of pay raises and health insurance contributions included in HB 13, other changes include:

- Market and reclassification increases granted throughout FY 2014 that are annualized for the 2017 biennium. The majority of these costs are related to reclassifying an administrative support supervisor to a lawyer position
- Vacancy savings that were 10.5% in FY 2014 compared to a budgeted rate of 6.0%; the budget proposes full funding of positions that were unfilled during all or a portion of FY 2014
- Employee attainment of longevity milestones in the 2017 biennium
- Changes in employer retirement

When compared to FY 2014 actual spending, operating costs increase by about \$52,000 each year of the biennium. About \$40,000 is due to the proposal to implement proprietary rates for the Technology Service Division. As shown in the figure above, the division transferred \$8,900 in operating expenses and \$12,600 in personal services to TSD in FY 2014. Both components are included in the rates for the 2017 biennium. Increases to costs of TSD are presented in the "Proprietary Rate" narrative for that division. The remaining increase is due to higher rent costs.

**66020 - Department Of Labor & Industry03-Commissioner's Office & Centralized Services Division**

**Funding**

The following table shows proposed program funding by source from all sources of authority.

Department of Labor & Industry, 03-Commissioner's Office & Centralized Services Division Funding by Source of Authority						
Funds	HB2	Non-Budgeted Proprietary	Statutory Appropriation	Total All Sources	% Total All Funds	
01100 General Fund	501,796	0	0	501,796	3.21 %	
02190 OCS CBI Training	0	0	0	0	0.00 %	
02233 BSD Hearings	101,099	0	0	101,099	12.08 %	
02258 Employment Security Account	717,009	0	0	717,009	85.67 %	
02315 DLI Info Exchange/Rental	2,142	0	0	2,142	0.26 %	
02455 Workers Comp Regulation	16,702	0	0	16,702	2.00 %	
02833 Board Of Nursing	0	0	0	0	0.00 %	
<b>State Special Total</b>	<b>\$836,952</b>	<b>\$0</b>	<b>\$0</b>	<b>\$836,952</b>	<b>5.36 %</b>	
03122 EEOC	61,068	0	0	61,068	6.54 %	
03124 Employment Trng Grants	0	0	0	0	0.00 %	
03195 On-Site Consultation	0	0	0	0	0.00 %	
03293 Country of Origin Labeling	0	0	0	0	0.00 %	
03322 MT Community Service FSR	0	0	0	0	0.00 %	
03389 ARRA UI Modernization	0	0	0	0	0.00 %	
03694 Trade Adjustment Assist/NAFTA	0	0	0	0	0.00 %	
03954 UI Administrative Grants	873,218	0	0	873,218	93.46 %	
<b>Federal Special Total</b>	<b>\$934,286</b>	<b>\$0</b>	<b>\$0</b>	<b>\$934,286</b>	<b>5.99 %</b>	
06546 Commissioners Office/CSD	0	8,408,282	0	8,408,282	63.05 %	
06552 Admin Services	0	4,927,048	0	4,927,048	36.95 %	
06568 Technical Services	0	0	0	0	0.00 %	
<b>Proprietary Total</b>	<b>\$0</b>	<b>\$13,335,330</b>	<b>\$0</b>	<b>\$13,335,330</b>	<b>85.44 %</b>	
<b>Total All Funds</b>	<b>\$2,273,034</b>	<b>\$13,335,330</b>	<b>\$0</b>	<b>\$15,608,364</b>		

*HB 2 Funding*

The majority of the funding for HB 2 supports the Hearings Unit. The state special revenue is mainly derived from the assessments on employers deposited into the employment security account. Unemployment insurance administrative grants make up the majority of the federal funding.

*Proprietary rates*

The Commissioner's Office has two different proprietary funding sources for the operations of the various functions within the office. A discussion of the proposed uses and funding for each of the functions is included under the Proprietary Rates section of the narrative. These funds are considered and approved as rates charged to other divisions within the agency.

**Budget Summary by Category**

The following summarizes the total budget utilizing the FY 2015 Legislative base, present law adjustments, and new proposals.

Budget Summary by Category								
Budget Item	-----General Fund-----				-----Total Funds-----			
	Leg. Budget Fiscal 2016	Leg. Budget Fiscal 2017	Leg. Biennium Fiscal 16-17	Percent of Budget	Leg. Budget Fiscal 2016	Leg. Budget Fiscal 2017	Leg. Biennium Fiscal 16-17	Percent of Budget
2015 Budget	200,351	200,351	400,702	79.85 %	847,257	847,257	1,694,514	74.55 %
PL Adjustments	26,892	27,352	54,244	10.81 %	246,956	247,417	494,373	21.75 %
New Proposals	23,409	23,441	46,850	9.34 %	42,049	42,098	84,147	3.70 %
<b>Total Budget</b>	<b>\$250,652</b>	<b>\$251,144</b>	<b>\$501,796</b>		<b>\$1,136,262</b>	<b>\$1,136,772</b>	<b>\$2,273,034</b>	

**Present Law Adjustments -**

The "Present Law Adjustments" table shows the changes from FY 2015 legislative appropriation to the budget proposed by the executive. PSPL adjusts all personal services. LGPL provides for adjustments to other expenditures such as operating expenses. Each is discussed in the narrative that follows. Total funds in the Present Law Adjustments table do not include proprietary funds budgeted in House Bill 2.

Present Law Adjustments										
	-----Fiscal 2016-----					-----Fiscal 2017-----				
	FTE	General Fund	State Special	Federal Special	Total Funds	FTE	General Fund	State Special	Federal Special	Total Funds
DP 98 - LEG. Personal Services Present Law	0.00	22,716	98,806	46,295	167,817	0.00	22,884	99,064	46,245	168,193
DP 99 - LEG. Present Law	0.00	4,176	74,015	948	79,139	0.00	4,468	76,732	(1,976)	79,224
<b>Grand Total All Present Law Adjustments</b>	<b>0.00</b>	<b>\$26,892</b>	<b>\$172,821</b>	<b>\$47,243</b>	<b>\$246,956</b>	<b>0.00</b>	<b>\$27,352</b>	<b>\$175,796</b>	<b>\$44,269</b>	<b>\$247,417</b>

DP 98 - LEG. Personal Services Present Law -

The following table outlines various components of the changes included in the PSPL adjustment.

**66020 - Department Of Labor & Industry03-Commissioner's Office & Centralized Services Division**

Personal Services Present Law Adjustments					
FY 2016					
CP 98 PSPL Item	FTE	General Fund	State Special	Federal Special	Total Funds
State Share Health Insurance	10.00	\$1,074	\$1,666	\$2,120	\$4,860
Executive Implementation of 2015 Pay Increase		3,282	4,913	6,481	14,676
Fully Fund 2015 Legislatively Authorized FTE		-	3,025	-	3,025
Other		18,360	89,202	37,694	145,256
<b>Personal Services Present Law Adjustments</b>	<b>10.00</b>	<b>\$22,716</b>	<b>\$98,806</b>	<b>\$46,295</b>	<b>\$167,817</b>
FY 2017					
CP 98 PSPL Item	FTE	General Fund	State Special	Federal Special	Total Funds
State Share Health Insurance	10.00	\$1,074	\$1,666	\$2,120	\$4,860
Executive Implementation of 2015 Pay Increase		3,308	5,166	6,202	14,676
Fully Fund 2015 Legislatively Authorized FTE		-	3,025	-	3,025
Other		18,503	89,207	37,923	145,632
<b>Personal Services Present Law Adjustments</b>	<b>10.00</b>	<b>\$22,884</b>	<b>\$99,064</b>	<b>\$46,245</b>	<b>\$168,193</b>

The executive budget includes transferring one FTE at a costs of \$70,000 a year and reclassifying an administrative support supervisor to a lawyer position. These make up the majority of the cost increases included in the other line in the table.

DP 99 - LEG. Present Law -

As shown in the present law adjustment table above, the executive proposes increased funding for operating expenses when compared to the 2015 legislative base budget. Operating expenses increases include \$16,000 in postage and mailing, \$18,000 in program expenses, and \$31,000 in printing and graphics

**New Proposals -**

Total funds in the New Proposals table do not include proprietary funds budgeted in House Bill 2.

New Proposals	Fiscal 2016					Fiscal 2017				
	FTE	General Fund	State Special	Federal Special	Total Funds	FTE	General Fund	State Special	Federal Special	Total Funds
DP 303001 - TSD Funding Switch	0.00	23,409	13,124	5,516	42,049	0.00	23,441	13,141	5,516	42,098
<b>Total</b>	<b>0.00</b>	<b>\$23,409</b>	<b>\$13,124</b>	<b>\$5,516</b>	<b>\$42,049</b>	<b>0.00</b>	<b>\$23,441</b>	<b>\$13,141</b>	<b>\$5,516</b>	<b>\$42,098</b>

DP 303001 - TSD Funding Switch -

The Centralized Services Division requests \$42,049 in FY 2016 and \$42,098 in FY 2017 for operating expenses related the reorganization of the Technology Services Division. These costs are the estimated amount the Centralized Services Division will be assessed through Technology Services Division rates. This decision package is related to DP6001 of Technology Services Division.

Other Issues -

Proprietary Rates

Program Description

The proprietary programs included in the Commissioner's Office are:

- Centralized Services Division
- Legal Unit

Proposed costs for each program are shown in the figure below.

Department of Labor and Industry Commissioner's Office 2017 Biennium Executive Request					
	FY 2014	FY 2016	% Change	FY 2017	% Change
<b>Legal Unit</b>					
FTE	20.75	20.75	0.00%	20.75	0.00%
Personal Services	\$1,941,783	\$2,091,143	7.69%	\$2,092,581	7.77%
Operating Expenses	351,554	368,413	4.80%	368,473	4.81%
Debt Service	3,219	3,219	0.00%	3,219	0.00%
<b>Total</b>	<b>\$2,296,556</b>	<b>\$2,462,775</b>	<b>7.24%</b>	<b>\$2,464,273</b>	<b>7.30%</b>
<b>Commissioner's Office/Centralized Services</b>					
FTE	33.00	33.00	0.00%	33.00	0.00%
Personal Services	\$2,092,835	\$2,478,613	18.43%	\$2,479,700	18.49%
Operating Expenses	1,396,079	1,807,641	29.48%	1,637,592	17.30%
Debt Service	2,368	2,368	0.00%	2,368	0.00%
<b>Total</b>	<b>\$3,491,282</b>	<b>\$4,288,622</b>	<b>22.84%</b>	<b>\$4,119,660</b>	<b>18.00%</b>

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Change in Budgeting Methodology Increases Proprietary Rates to Support Personal Service Costs

As discussed in the agency summary, about 10.9% of the vacancy savings for the agency were assessed against positions supported through proprietary rates. In the 2017 biennium the assessment of an equivalent reduction in FTE of 4% is not included as part of the calculation of the positions funded through proprietary rates, increasing the cost of personal services between biennia and increasing fixed costs in the programs within DOLI. This increase is then passed on in higher fixed costs assessments on divisions including those funded with general fund. In addition the Business Services Division within DOLI is funded through licensing fees charged to licensees. Higher costs for indirect rates is passed on to the licensees.

A 4% vacancy savings assessment in personal services is about \$99,000 a year for the Commissioner' Office and \$84,000 a year for the Legal Unit. A review of the positions within each function shows that within the Commissioner's Office an operations research analyst and a public relations specialist were filled less than 5% of FY 2014. The 2016 budget for these positions is \$117,000 a year. In the Legal Unit a lawyer was filled less than 45% of FY 2014 with a proposed budget of \$106,645.

Legislative Option

If the legislature wishes to reduce the personal service costs supported by proprietary rates by approximately 4% it can consider reducing the rates for the positions that were vacant a significant portion of FY 2014.

### *Program Description*

Supportive services provided by the Commissioner's Office and Centralized Services Division are funded through an indirect cost rate whereby the department programs are assessed a percentage of their personal services costs.

### Expenses

As shown in the figure on the previous page, expenses for this program increase by almost 23% in FY 2016 when compared to actual spending in FY 2014. Personal services changes include reclassifying 5.00 FTE or 15% of the positions within the program from one biennium to the next. In addition to increases that result from the implementation of pay raises and health insurance contributions included in HB 13, other changes include:

- Market, proficiency agreement progression, and reclassification increases granted throughout FY 2014 that are annualized for the 2017 biennium
- Vacancy savings that were 8.5% in FY 2014 compared to a budgeted rate of 4.0%; the budget proposes full funding of positions that were unfilled during all or a portion of FY 2014
- Employee attainment of longevity milestones in FY 2015
- Changes in employer retirement contributions

Increases in operating expenses are mainly due to the changes proposed as part of the fixed costs increases included in the legislative present law adjustment. Operating expenses also increase due to the proposal to establish proprietary rates for TSD services.

The 2017 Biennium Internal Services and Enterprise Fund Report for this proprietary rate is shown on the following page.

**66020 - Department Of Labor & Industry03-Commissioner's Office & Centralized Services Division**

2017 Biennium Report on Internal Service and Enterprise Funds							
Agency # 66020	Agency Name: Department of Labor & Industry		Program Name: Commissioner's Office & Centralized Services Division				
	<b>Fund</b>	<b>Fund Name</b>					
	06546	Commissioners Office/CSD					
		Actual FY12	Actual FY13	Actual FY14	Budgeted FY15	Budgeted FY16	Budgeted FY17
<b>Operating Revenues:</b>							
Fee and Charges							
Fee Revenue A		2,243,530	1,396,190	2,154,039	2,094,607	2,542,057	2,542,057
Other Operating Revenue		2,168	758	13,447	680	-	-
<b>Total Operating Revenues</b>		<u>2,245,698</u>	<u>1,396,948</u>	<u>2,167,486</u>	<u>2,095,287</u>	<u>2,542,057</u>	<u>2,542,057</u>
<b>Expenses:</b>							
Personal Services		1,826,372	2,064,569	2,135,509	2,037,667	2,491,156	2,491,156
Other Operating Expenses		1,240,399	1,379,804	1,467,997	1,405,942	1,595,246	1,595,246
<b>Total Operating Expenses</b>		<u>3,066,771</u>	<u>3,444,373</u>	<u>3,603,506</u>	<u>3,443,609</u>	<u>4,086,402</u>	<u>4,086,402</u>
<b>Operating Income (Loss)</b>		<u>(821,073)</u>	<u>(2,047,425)</u>	<u>(1,436,020)</u>	<u>(1,348,322)</u>	<u>(1,544,345)</u>	<u>(1,544,345)</u>
Nonoperating Revenues:							
Other Revenue A		1,372,370	943,700	1,309,029	1,516,785	1,544,345	1,544,345
Nonoperating Expenses:							
Other Expense A		-	(108,370)	(109,101)	-	-	-
<b>Total Nonoperating Revenues (Expenses)</b>		<u>1,372,370</u>	<u>835,330</u>	<u>1,199,928</u>	<u>1,516,785</u>	<u>1,544,345</u>	<u>1,544,345</u>
<b>Income (Loss) Before Contributions and Transfers</b>		<u>551,297</u>	<u>(1,212,095)</u>	<u>(236,092)</u>	<u>168,463</u>	<u>-</u>	<u>-</u>
Transfers Out							
		-	(3,092)	-	-	-	-
<b>Change in Net Position</b>		<u>551,297</u>	<u>(1,215,187)</u>	<u>(236,092)</u>	<u>168,463</u>	<u>-</u>	<u>-</u>
<b>Beginning Net Position - July 1</b>		376,332	927,642	(283,744)	(519,836)	(351,373)	(351,373)
Prior Period Adjustments		13	3,801	-	-	-	-
Change in Net Position		551,297	(1,215,187)	(236,092)	168,463	-	-
<b>Ending Net Position - June 30</b>		<u>927,642</u>	<u>(283,744)</u>	<u>(519,836)</u>	<u>(351,373)</u>	<u>(351,373)</u>	<u>(351,373)</u>
<b>Net Position (Fund Balance) Analysis</b>							

It should be noted that the negative fund balance is related to liabilities established for other post-employment benefits. Accounting standards require states to record the cost of providing health insurance to retirees. In Montana, retirees are responsible for payment of any premiums associated with obtaining health insurance. As a result, the fund will not be required to pay any cost for the \$756,000 liability. Without this entry the fund would have a fund balance of \$406,474.

Revenues

The Commissioner's Office/Centralized Services Division is funded by revenues from charges allocated to all divisions, bureaus, and programs supported by the division's indirect cost plan. Indirect costs are allocated to supported programs based on federally calculated and federally approved indirect cost rates applied to actual personal service expenditures as well as rates charged based on time distribution and full time equivalent positions.

*Rates and Rate Explanation*

The cost allocation plan (CAP) must be approved by the U.S. Department of Labor, which has requirements including a working capital of no more than 60 days. The rate, which is assessed to personal services expenditures, is determined by calculating the total costs of providing the services divided by the projected department personal services expenditures. The rates requested for the 2017 biennium is 8.07% compared to a FY 2014 rate of 8.00%.

<b>Requested Rates for Internal Service Funds Fee/Rate Information</b>				
	<b>Actual FY14</b>	<b>Budgeted FY15</b>	<b>Budgeted FY16</b>	<b>Budgeted FY17</b>
Fee Description:	8.00%	8.00%	8.07%	8.07%

The rates approved by the legislature are the maximum the program may charge during the biennium. They are not the rates the program must charge.

**Admin Services - 06552**

*Program Description*

The Office of Legal Services provides legal assistance to the department's six programs and two administratively attached entities, whereby an hourly rate for attorney fees is established.

Expenses

As shown in the figure on the previous page, expenses for this program increase by slightly more than 7% when compared to the FY 2014 actual spending. In addition to increases that result from the implementation of pay raises and health insurance contributions included in HB 13 other changes include:

- Market and proficiency agreement progression increases granted throughout FY 2014 that are annualized for the 2017 biennium
- Employee attainment of longevity milestones in the 2017 biennium

Operating expenses also increase due to the proposal to establish proprietary rates for TSD services.

The 2017 Biennium Internal Services and Enterprise Fund Report for this proprietary rate is shown on the following page.

**66020 - Department Of Labor & Industry03-Commissioner's Office & Centralized Services Division**

2017 Biennium Report on Internal Service and Enterprise Funds							
Agency # 66020	Agency Name: Department of Labor & Industry			Program Name: Commissioner's Office & Centralized Services Division			
	<b>Fund</b>	<b>Fund Name</b>					
	06552	Admin Services					
		Actual FY12	Actual FY13	Actual FY14	Budgeted FY15	Budgeted FY16	Budgeted FY17
<b>Operating Revenues:</b>							
Fee and Charges							
Fee Revenue A							
		1,265,397	855,686	2,421,572	2,421,572	2,575,000	2,575,000
<b>Total Operating Revenues</b>							
		1,265,397	855,686	2,421,572	2,421,572	2,575,000	2,575,000
<b>Expenses:</b>							
Personal Services							
		1,034,073	1,089,045	1,995,473	1,728,418	2,012,846	2,073,231
Other Operating Expenses							
		213,586	181,350	396,264	356,980	420,248	420,248
<b>Total Operating Expenses</b>							
		1,247,659	1,270,395	2,391,737	2,085,398	2,433,094	2,493,479
<b>Operating Income (Loss)</b>							
		17,738	(414,709)	29,835	336,174	141,906	81,521
Nonoperating Revenues:							
Nonoperating Expenses:							
Other Expense A							
		(36,874)	(40,810)	(76,567)	-	-	-
<b>Total Nonoperating Revenues (Expenses)</b>							
		(36,874)	(40,810)	(76,567)	-	-	-
<b>Income (Loss) Before Contributions and Transfers</b>							
		(19,136)	(455,519)	(46,732)	336,174	141,906	81,521
<b>Change in Net Position</b>							
		(19,136)	(455,519)	(46,732)	336,174	141,906	81,521
<b>Beginning Net Position - July 1</b>							
		225,958	180,164	(275,355)	(322,087)	14,087	155,993
Prior Period Adjustments							
		(26,658)	-	-	-	-	-
Change in Net Position							
		(19,136)	(455,519)	(46,732)	336,174	141,906	81,521
<b>Ending Net Position - June 30</b>							
		180,164	(275,355)	(322,087)	14,087	155,993	237,514
<b>Net Position (Fund Balance) Analysis</b>							

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Proprietary Rates for Legal Services Above Levels Needed for 60 Working Capital Balance

As proposed, the proprietary rates will generate a working capital balance that will be \$118,662 above the 60 day working capital balance at the end of FY 2017. A rate of \$100.50 an hour would reduce the working capital balance to just below the allowable 60 days.

Legislative Option

The legislature may wish to consider approving a lower rate of \$100.50 an hour to ensure the working capital balance stays below 60 days.

Revenues

Revenues for the Office of Legal Services are derived from charges for attorney time incurred by DOLI divisions.

*Rates and Rate Explanation*

The rate per hour is calculated on projected costs of services for the 2017 biennium divided by the projected direct hours of service to be provided in the 2017 biennium.

<b>Requested Rates for Internal Service Funds Fee/Rate Information</b>				
	<b>Actual FY14</b>	<b>Budgeted FY15</b>	<b>Budgeted FY16</b>	<b>Budgeted FY17</b>
Fee Description:	\$95/hour	\$95/hour	\$103/hour	\$103/hour

The rates approved by the legislature are the maximum the program may charge during the biennium. They are not the rates the program must charge.