

Agency Legislative Budget

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

Agency Legislative Budget								
Budget Item	Base Budget Fiscal 2006	PL Base Adjustment Fiscal 2008	New Proposals Fiscal 2008	Total Leg. Budget Fiscal 2008	PL Base Adjustment Fiscal 2009	New Proposals Fiscal 2009	Total Leg. Budget Fiscal 2009	Total Leg. Budget Fiscal 08-09
FTE	726.58	(2.00)	5.50	730.08	(2.00)	5.50	730.08	730.08
Personal Services	32,154,967	4,571,032	389,113	37,115,112	4,745,650	391,163	37,291,780	74,406,892
Operating Expenses	17,586,487	2,461,875	1,108,322	21,156,684	2,619,064	54,892	20,260,443	41,417,127
Equipment	425,584	89,000	14,700	529,284	90,000	14,700	530,284	1,059,568
Capital Outlay	0	0	0	0	0	0	0	0
Grants	11,211,885	20,917	125,000	11,357,802	20,917	125,000	11,357,802	22,715,604
Benefits & Claims	135,586	0	0	135,586	0	0	135,586	271,172
Transfers	170,036	0	564,555	734,591	0	188,345	358,381	1,092,972
Debt Service	3,775	0	0	3,775	0	0	3,775	7,550
Total Costs	\$61,688,320	\$7,142,824	\$2,201,690	\$71,032,834	\$7,475,631	\$774,100	\$69,938,051	\$140,970,885
General Fund	1,623,914	346,304	200,000	2,170,218	356,127	200,000	2,180,041	4,350,259
State/Other Special	29,089,380	3,090,487	1,542,706	33,722,573	3,202,308	2,885,755	35,177,443	68,900,016
Federal Special	30,904,462	3,693,070	458,984	35,056,516	3,901,624	(2,311,655)	32,494,431	67,550,947
Proprietary	70,564	12,963	0	83,527	15,572	0	86,136	169,663
Total Funds	\$61,688,320	\$7,142,824	\$2,201,690	\$71,032,834	\$7,475,631	\$774,100	\$69,938,051	\$140,970,885

Page Reference

Legislative Budget Analysis, D-129

Executive Budget Comparison

The following table compares the proposed budget for the 2009 biennium to the budget requested by the Governor, by type of expenditure and source of funding.

Executive Budget Comparison								
Budget Item	Base Budget Fiscal 2006	Executive Budget Fiscal 2008	Legislative Budget Fiscal 2008	Leg – Exec. Difference Fiscal 2008	Executive Budget Fiscal 2009	Legislative Budget Fiscal 2009	Leg – Exec. Difference Fiscal 2009	Biennium Difference Fiscal 08-09
FTE	726.58	730.08	730.08	0.00	730.08	730.08	0.00	
Personal Services	32,154,967	36,970,270	37,115,112	144,842	37,145,392	37,291,780	146,388	291,230
Operating Expenses	17,586,487	20,319,560	21,156,684	837,124	20,322,511	20,260,443	(62,068)	775,056
Equipment	425,584	529,284	529,284	0	530,284	530,284	0	0
Capital Outlay	0	0	0	0	0	0	0	0
Grants	11,211,885	11,232,802	11,357,802	125,000	11,232,802	11,357,802	125,000	250,000
Benefits & Claims	135,586	135,586	135,586	0	135,586	135,586	0	0
Transfers	170,036	170,036	734,591	564,555	170,036	358,381	188,345	752,900
Debt Service	3,775	3,775	3,775	0	3,775	3,775	0	0
Total Costs	\$61,688,320	\$69,361,313	\$71,032,834	\$1,671,521	\$69,540,386	\$69,938,051	\$397,665	\$2,069,186
General Fund	1,623,914	2,170,431	2,170,218	(213)	2,180,260	2,180,041	(219)	(432)
State/Other Special	29,089,380	33,512,197	33,722,573	210,376	34,964,606	35,177,443	212,837	423,213
Federal Special	30,904,462	33,595,158	35,056,516	1,461,358	32,309,384	32,494,431	185,047	1,646,405
Proprietary	70,564	83,527	83,527	0	86,136	86,136	0	0
Total Funds	\$61,688,320	\$69,361,313	\$71,032,834	\$1,671,521	\$69,540,386	\$69,938,051	\$397,665	\$2,069,186

The proposed total budget in this bill for the Department of Labor and Industry is \$2.0 million higher than the executive budget proposal, due largely to including federal Reed Act funds in the budget bill and the result of several offsetting adjustments. The figure below summarizes the changes between HB 820 and the executive budget.

Figure 1
Summary of Major Changes from Executive Budget - Department of Labor & Industry
2009 Biennium

DP #	Proposed Initiatives	Executive Budget Recommendation			HB 820 Change from Executive Budget		
		FY09 FTE	General Fund	Total Funds	FY09 FTE	General Fund	Total Funds
10003	Incumbent Worker Training Pilot Program	-	\$0	\$0	-	\$0	\$500,000
20003	Unemployment Insurance Penalty Mail	-	0	800,000	-	0	(100,000)
40002	Mine Inspection (Requires Legislation) ⁽¹⁾	2.00	0	293,745	(2.00)	0	(293,745)
40006	Wage Compliance Specialists 2.00 FTE	-	0	0	2.00	0	300,000
50005	Bus. & Occupational Licensing Legal Contingency ⁽²⁾	-	0	0	-	0	(71,084)
20004	Add Federal Reed Act Funds	-	0	0	-	0	1,752,900
6015	State Motor Pool Rate Change	-	0	0	-	(432)	(18,885)
HB 820 Total Change from Executive Budget		<u>5.50</u>	<u>\$455,400</u>	<u>\$1,870,335</u>	<u>-</u>	<u>(\$432)</u>	<u>\$2,069,186</u>

⁽¹⁾ Withdrawn by agency
⁽²⁾ Subcommittee corrected error in executive budget

Agency Highlights

Department of Labor and Industry Major Budget Highlights
<ul style="list-style-type: none"> ◆ This bill increases the total department budget eight percent in the 2009 biennium from the 2007 biennium due primarily to: <ul style="list-style-type: none"> • Statewide and other present law adjustments, including personal services adjustments for continued implementation of pay plan 20, other than those funded from general fund • New proposals adding 3.50 FTE each year for a 0.5 FTE education specialist and 3.0 electrical inspectors. ◆ The bill includes a request by the Governor to increase funding from the employment security account by \$0.9 million in FY 2008 and \$2.3 million in FY 2009 and decrease funding from federal funds by a like amount in the Unemployment Insurance Division, contingent upon passage and approval of legislation that would implement the rate changes needed for this switch ◆ The bill adds two new initiatives that were not included in the executive budget and funds the initiatives with additional, available revenues from the employment security account <ul style="list-style-type: none"> • A pilot project for an Incumbent Worker Training Program was included and funded with \$250,000 each year of the biennium • Two new FTE and \$150,000 was included in the bill for additional prevailing and minimum wage compliance specialists ◆ The bill adds \$1.8 million federal Reed Act funds to the department budget that are a special one time only allocation from Congress and had been expended in the base budget year with authority obtained via budget amendment

Funding

The following table summarizes funding for the agency, by program and source. Funding for each program is discussed in detail in the individual program narratives that follow.

Total Agency Funding 2009 Biennium Budget						
Agency Program	General Fund	State Spec.	Fed Spec.	Proprietary	Grand Total	Total %
01 Work Force Services Division	\$ 1,457,082	\$ 16,020,926	\$ 40,139,652	\$ -	\$ 57,617,660	40.87%
02 Unemployment Insurance Divisio	-	4,666,985	19,120,991	-	23,787,976	16.87%
03 Commissioner'S Office/Csd	505,213	1,381,681	954,089	169,663	3,010,646	2.14%
04 Employment Relations Division	2,137,964	17,573,390	1,502,571	-	21,213,925	15.05%
05 Business Standards Division	-	27,829,479	-	-	27,829,479	19.74%
07 Office Of Community Services	250,000	200,000	5,833,644	-	6,283,644	4.46%
09 Workers Compensation Court	-	1,227,555	-	-	1,227,555	0.87%
Grand Total	<u>\$ 4,350,259</u>	<u>\$ 68,900,016</u>	<u>\$ 67,550,947</u>	<u>\$ 169,663</u>	<u>\$ 140,970,885</u>	100.00%

The Department of Labor and Industry is funded from general fund, state special revenue, federal special revenue, and proprietary funds. Total budgeted funds increase \$6.6 million in this bill, a six percent increase in the 2009 biennium from the 2007 biennium. Most of the proprietary funds are excluded from this bill, but are presented and discussed in the accompanying narrative.

General fund supports a portion of the Jobs for Montana Graduates program and the Research and Analysis Bureau in the Workforce Services Division; the Legal Unit and Hearings Unit in the Commissioner's Office; the Human Rights Bureau, Silicosis Program, social security offset function in the Workers Compensation Claims Assistance Bureau, and Management Services Bureau; and the Community Services program. General fund increases \$1.0 million in the 2009 biennium in this bill.

The department has several state special revenue funds. Detailed discussions of state special revenue are included in the program narratives. State special revenue increases \$8.2 million from the 2007 biennium in this bill, approximately 13.5 percent, due to the following:

1. A new proposal to change the tax structure for the employment security account and the state unemployment tax, \$3.2 million;
2. Two new proposals funded from the employment security account and not included in the executive budget, \$0.8 million
3. A new proposal to add more electrical inspectors, \$0.3 million; and
4. Statewide and other present law adjustments, \$3.9 million.

Federal funds comprise about 48 percent of the funding support for the agency and support to varying degrees all agency programs. UI administrative grants provide approximately 26 percent of the federal funding over the biennium. The funds are used to support the Unemployment Insurance Division. Three major grants, the Workforce Investment Act funds, Wagner Peyser grants, and Employment Training Grants, support the activities of the Work Force Services Division and are about 20 percent, 16 percent, and 13 percent, respectively, of the agency's federal funding support. The Montana Community Service grant provides funding for the Office of Community Services at 8 percent of overall agency federal funding appropriations.

Program Legislative Budget

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

Program Legislative Budget								
Budget Item	Base Budget Fiscal 2006	PL Base Adjustment Fiscal 2008	New Proposals Fiscal 2008	Total Leg. Budget Fiscal 2008	PL Base Adjustment Fiscal 2009	New Proposals Fiscal 2009	Total Leg. Budget Fiscal 2009	Total Leg. Budget Fiscal 08-09
FTE	305.95	0.00	0.00	305.95	0.00	0.00	305.95	305.95
Personal Services	12,231,745	2,704,104	125,000	15,060,849	2,770,197	125,000	15,126,942	30,187,791
Operating Expenses	4,461,353	314,559	0	4,775,912	272,194	0	4,733,547	9,509,459
Equipment	73,398	0	0	73,398	0	0	73,398	146,796
Capital Outlay	0	0	0	0	0	0	0	0
Grants	8,591,771	0	125,000	8,716,771	0	125,000	8,716,771	17,433,542
Transfers	170,036	0	0	170,036	0	0	170,036	340,072
Total Costs	\$25,528,303	\$3,018,663	\$250,000	\$28,796,966	\$3,042,391	\$250,000	\$28,820,694	\$57,617,660
General Fund	514,064	13,813	200,000	727,877	15,141	200,000	729,205	1,457,082
State/Other Special	7,144,739	634,185	250,000	8,028,924	597,263	250,000	7,992,002	16,020,926
Federal Special	17,869,500	2,370,665	(200,000)	20,040,165	2,429,987	(200,000)	20,099,487	40,139,652
Total Funds	\$25,528,303	\$3,018,663	\$250,000	\$28,796,966	\$3,042,391	\$250,000	\$28,820,694	\$57,617,660

Page Reference

Legislative Budget Analysis, D-135

Funding

The Workforce Services Division is funded with a mixture of general fund, state special revenue, and federal special revenues, which are used to support operations within the division. General fund supports the Jobs for Montana Graduates program (JMG) and starting in the 2009 biennium, a portion of the department's Research and Analysis Bureau.

State special revenue includes \$14.2 million in employment security account (ESA) funds and approximately \$1.2 million in sub-grants and contracts. ESA funds are used to support local job service centers, the Displaced Homemaker Program, the Statewide Workforce Programs and Oversight Bureau, and the Research and Analysis Bureau.

Federal funds include \$8.8 million in employment training grants, \$13.6 million in workforce investment act funds, \$11.0 million in Wagner Peyser funds, \$1.7 million in trade adjustment assistance funds, \$1.5 million in labor and industry veterans' grants, and several smaller federal sources. The federal funds are used at local job service centers to deliver employment and training services and are also used for program administration at the department.

Present Law Adjustments

The "Present Law Adjustments" table shows the primary changes to the proposed adjusted base budget. "Statewide Present Law" adjustments are standard categories of adjustments made to all agencies. Decisions on these items were applied globally to all agencies, unless otherwise noted. The other numbered adjustments in the table correspond to the narrative descriptions.

Present Law Adjustments										
-----Fiscal 2008-----						-----Fiscal 2009-----				
	FTE	General Fund	State Special	Federal Special	Total Funds	FTE	General Fund	State Special	Federal Special	Total Funds
Personal Services					3,326,433					3,395,259
Vacancy Savings					(622,329)					(625,062)
Inflation/Deflation					54,050					57,987
Fixed Costs					(61,618)					(39,410)
Total Statewide Present Law Adjustments					\$2,696,536					\$2,788,774
DP 6015 - State Motor Pool Rate Change	0.00		(24)	(1,060)	(2,038)	(3,122)	0.00	(25)	(1,094)	(2,102)
DP 10002 - Operating Increase	0.00	7,927	69,670	247,652	325,249	0.00	8,758	30,959	217,121	256,838
Total Other Present Law Adjustments	0.00	\$7,903	\$68,610	\$245,614	\$322,127	0.00	\$8,733	\$29,865	\$215,019	\$253,617
Grand Total All Present Law Adjustments					\$3,018,663					\$3,042,391

DP 6015 - State Motor Pool Rate Change - The funding for vehicle rentals and leases from the State Motor Pool were reduced from the level requested by the Governor.

DP 10002 - Operating Increase - This bill increases operating expense for this division to support increased indirect costs of \$870,347 over the 2009 biennium, computer database improvements of \$40,000, and rent increases of \$14,598.

New Proposals

New Proposals										
-----Fiscal 2008-----						-----Fiscal 2009-----				
Program	FTE	General Fund	State Special	Federal Special	Total Funds	FTE	General Fund	State Special	Federal Special	Total Funds
DP 10001 - Research & Analysis Funding Switch	01	0.00	200,000	0	(200,000)	0	0.00	200,000	0	(200,000)
DP 10003 - Incumbent Worker Training Pilot Program	01	0.00	0	250,000	0	250,000	0.00	0	250,000	0
Total		0.00	\$200,000	\$250,000	(\$200,000)	\$250,000	0.00	\$200,000	\$250,000	(\$200,000)

DP 10001 - Research & Analysis Funding Switch - This bill replaces \$200,000 of federal funds with general fund each year of the 2009 biennium for the Research & Analysis Bureau in the Department of Labor and Industry.

DP 10003 - Incumbent Worker Training Pilot Program - This bill includes \$500,000 from the employment security account to implement a pilot program for incumbent worker training. The program is intended to provide training for skills necessary for specific economic opportunities and industrial expansion initiatives, and to provide training to upgrade the skills of currently employed workers at risk of being permanently laid off.

Proprietary Rates

Proprietary Program Description

The Montana Career Information System (MCIS) has been active in Montana since 1980. The purpose of MCIS is to deliver current career and labor market information to Montanans in an easy-to-use and easy-to-understand format. This is the only career information delivery system in the country that has specific Montana labor market information included in each file. MCIS is currently being funded by the Student Assistance Foundation (through a grant) for a wide variety of users: job service offices, vocational rehabilitation offices, high schools, community colleges, universities, tribal colleges, educational and training agencies, home use, and adult education programs. If the grant with the Student Assistance Foundation ends, MCIS will need to resort back to license fees for the basic system. There are currently optional

components of MCIS not funded by the Student Assistance Foundation such as IDEAS (an interest inventory) that requires MCIS to collect fees associated with this optional component.

Proprietary Revenues and Expenses

Revenue comes to MCIS by billing users for optional components and services. Major classes of expenses for the MCIS program are personal services and computer programming charges. Revenues and expenditures for the MCIS are accounted for in an enterprise fund.

Proprietary Rate Explanation

The fees charged by MCIS are not to exceed \$1,500 per site. Fees will be charged by optional component per site as follows:

- IDEAS Assessment - \$100 per site
- Civil Service Practice Tests - \$200 per site
- Dependable Strengths - \$200 per site
- Academic Practice Tests Package - \$225-450 depending on enrollment

Program Legislative Budget

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

Program Legislative Budget								
Budget Item	Base Budget Fiscal 2006	PL Base Adjustment Fiscal 2008	New Proposals Fiscal 2008	Total Leg. Budget Fiscal 2008	PL Base Adjustment Fiscal 2009	New Proposals Fiscal 2009	Total Leg. Budget Fiscal 2009	Total Leg. Budget Fiscal 08-09
FTE	155.00	0.00	0.00	155.00	0.00	0.00	155.00	155.00
Personal Services	6,747,929	702,354	0	7,450,283	741,602	0	7,489,531	14,939,814
Operating Expenses	2,875,401	601,354	1,000,000	4,476,755	722,756	0	3,598,157	8,074,912
Equipment	6,400	0	0	6,400	0	0	6,400	12,800
Benefits & Claims	0	0	0	0	0	0	0	0
Transfers	0	0	564,555	564,555	0	188,345	188,345	752,900
Debt Service	3,775	0	0	3,775	0	0	3,775	7,550
Total Costs	\$9,633,505	\$1,303,708	\$1,564,555	\$12,501,768	\$1,464,358	\$188,345	\$11,286,208	\$23,787,976
State/Other Special	700,342	19,862	905,571	1,625,775	40,868	2,300,000	3,041,210	4,666,985
Federal Special	8,933,163	1,283,846	658,984	10,875,993	1,423,490	(2,111,655)	8,244,998	19,120,991
Total Funds	\$9,633,505	\$1,303,708	\$1,564,555	\$12,501,768	\$1,464,358	\$188,345	\$11,286,208	\$23,787,976

Page Reference

Legislative Budget Analysis, D-141

Funding

The UI division is funded with state special revenue funds and federal funds. State special revenue consists of the Employment Security Account (ESA) and information exchange/rental funds. This bill increases ESA funds and reduces federal funds in the 2009 biennium, contingent upon passage and approval of legislation changing the ESA assessment and state unemployment tax rates. Legislation was introduced for this purpose (HB 790). At the time this narrative was written, HB 790 has been transmitted to the Senate.

Federal funds are derived from UI administrative grants, UI penalty and interest, and a special federal allocation from Reed Act funds.

Present Law Adjustments

The "Present Law Adjustments" table shows the primary changes to the proposed adjusted base budget. "Statewide Present Law" adjustments are standard categories of adjustments made to all agencies. Decisions on these items were applied globally to all agencies, unless otherwise noted. The other numbered adjustments in the table correspond to the narrative descriptions.

Present Law Adjustments										
-----Fiscal 2008-----						-----Fiscal 2009-----				
	FTE	General Fund	State Special	Federal Special	Total Funds	FTE	General Fund	State Special	Federal Special	Total Funds
Personal Services					927,881					968,771
Vacancy Savings					(307,027)					(308,669)
Inflation/Deflation					9,408					9,955
Fixed Costs					(57,269)					(42,405)
Total Statewide Present Law Adjustments					\$572,993					\$627,652
DP 6015 - State Motor Pool Rate Change	0.00		0	(20)	(265)	(285)	0.00	0	(21)	(273)
DP 20001 - UI Operating Increases	0.00		0	0	431,000	431,000	0.00	0	0	437,000
DP 20003 - UI Penalty Mail	0.00		0	0	300,000	300,000	0.00	0	0	400,000
Total Other Present Law Adjustments	0.00	\$0	(\$20)	\$730,735	\$730,715	0.00	\$0	(\$21)	\$836,727	\$836,706
Grand Total All Present Law Adjustments					\$1,303,708					\$1,464,358

DP 6015 - State Motor Pool Rate Change - The funding for vehicle rentals and leases from the State Motor Pool were reduced from the level requested by the Governor.

DP 20001 - UI Operating Increases - This bill adds \$431,000 in FY 2008 and \$437,000 in FY 2009 to increase operating costs in the Unemployment Insurance Division. The funding for this adjustment is from the federal UI administrative grant account.

DP 20003 - UI Penalty Mail - This bill adds \$700,000 federal special revenue authority for the 2009 biennium for the department to pay postage costs. The US Department of Labor used to pay the US Postal Service for program postage costs, but took these costs into consideration when developing the annual allocation of federal funds. Effective October 1, 2007, the US Department of Labor is changing the practice to require the Montana Department of Labor to pay these costs. The adjustment reflects this anticipated operating change by the US Department of Labor.

New Proposals

New Proposals										
-----Fiscal 2008-----						-----Fiscal 2009-----				
Program	FTE	General Fund	State Special	Federal Special	Total Funds	FTE	General Fund	State Special	Federal Special	Total Funds
DP 20002 - UI Funding Switch (Requires Legislation)	02	0.00	0	905,571	(905,571)	0	0.00	0	2,300,000	(2,300,000)
DP 20004 - Add Federal Reed Act funds to HB2 budget	02	0.00	0	0	1,564,555	1,564,555	0.00	0	0	188,345
Total	0.00	\$0	\$905,571	\$658,984	\$1,564,555	0.00	\$0	\$2,300,000	(\$2,111,655)	\$188,345

DP 20002 - UI Funding Switch (Requires Legislation) - This bill includes a funding switch from federal special revenue to state special revenue, contingent upon passage of legislation introduced in the 2007 session. The proposed legislation (HB 790) would increase the Employment Security Account (ESA) assessment rate and reduce state unemployment insurance contribution rates. The budgetary impact of this legislation would be to increase funding from the ESA by \$905,571 in FY 2008 and \$2,300,000 in FY 2009 and reduce funding from the UI administrative grant account by a like amount. At the time this narrative was written, HB 790 has been passed to the Senate.

DP 20004 - Add Federal Reed Act funds to HB2 budget - This bill adds \$1.75 million federal special revenue authority for Reed Act funds to be used for debt service payments on bonds relating to the Process Oriented Integrated System and Montana Integrated System to Improve Customer Service computer systems (\$0.75 million) and for a feasibility study that

will be conducted over the 2009 biennium for replacing the mainframe tax system in the Unemployment Insurance Program. The \$1.0 million appropriation for the feasibility study is a biennial appropriation. The bond service payments are expected to continue through FY 2011. The Reed Act funds are a special one time only allocation from Congress that was authorized in 2002. In the base year budget, authority to expend these funds was obtained via budget amendment and was used for the bond debt service (\$567,840).

Language

"If House Bill No. 790 is not passed and approved, Unemployment Insurance Division is reduced by \$905,571 in state special revenue in fiscal year 2008 and increased by a like amount of federal special revenue in fiscal year 2008 and reduced by \$2,300,000 in state special revenue in fiscal year 2009 and increased by a like amount of federal special revenue in fiscal year 2009."

Proprietary Rates**Proprietary Program Description**

The Department of Labor and Industry (DLI) collects the contributions paid by employers, based on their industry or individual experience rate, to pay for their Unemployment Insurance. DLI expends the funds by paying unemployment insurance benefit claims.

Proprietary Revenues and Expenses

The revenues received in the proprietary fund are for the Unemployment Insurance Program tax collections, federal reimbursement for claims on federal employees, military personnel, and claimants in other states, and interest earnings to the Unemployment Insurance Trust Fund. The expenditures are Unemployment Insurance Benefits paid to claimants while unemployed, including federal withholding tax and child support payments the claimants have elected to be taken out of the benefit check.

Proprietary Rate Explanation

The Unemployment Insurance Division administers the state unemployment insurance law. There is no proprietary rate but a collection of contributions from employers that are used to pay the Unemployment Insurance Benefits to claimants who have involuntarily become unemployed.

Program Legislative Budget

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

Program Legislative Budget								
Budget Item	Base Budget Fiscal 2006	PL Base Adjustment Fiscal 2008	New Proposals Fiscal 2008	Total Leg. Budget Fiscal 2008	PL Base Adjustment Fiscal 2009	New Proposals Fiscal 2009	Total Leg. Budget Fiscal 2009	Total Leg. Budget Fiscal 08-09
FTE	20.50	(2.00)	0.00	18.50	(2.00)	0.00	18.50	18.50
Personal Services	1,209,950	6,717	0	1,216,667	13,014	0	1,229,681	2,439,631
Operating Expenses	262,826	17,556	0	280,382	27,807	0	290,633	571,015
Total Costs	\$1,472,776	\$24,273	\$0	\$1,497,049	\$40,821	\$0	\$1,513,597	\$3,010,646
General Fund	199,224	52,056	0	251,280	54,709	0	253,933	505,213
State/Other Special	760,845	(74,684)	0	686,161	(65,325)	0	695,520	1,381,681
Federal Special	442,143	33,938	0	476,081	35,865	0	478,008	954,089
Proprietary	70,564	12,963	0	83,527	15,572	0	86,136	169,663
Total Funds	\$1,472,776	\$24,273	\$0	\$1,497,049	\$40,821	\$0	\$1,513,597	\$3,010,646

Page Reference

Legislative Budget Analysis, D-147

Funding

Most of the budget for this division is funded from an administrative charge assessed other divisions for administrative services (such as fiscal support, personnel, and legal/hearings for the Business Standards Division) provided by this division. The budget for these types of costs is accounted for in a proprietary fund and is not included in the above table. The remaining functions in this division, including a portion of the Legal Unit and Hearings Unit, are included in the above table and funded through this bill.

The Legal and Hearings Units of the division are funded on the basis of the amount of time and effort provided to other department functions.

- General fund supports legal and hearing services for the Human Rights Bureau and comprised 13.5 percent of funding in FY 2006. This bill includes approximately 17 percent general fund each year of the 2009 biennium.
- In the base year, state special revenue funds came from the employment security account, rental fees, building codes state special revenue, workers' comp regulation, the Board of Medical Examiners, the Board of Nursing, and the uninsured employer fund. With the transfer of 2.0 FTE to the proprietary fund, state special revenue from the Board of Medical Examiners and the Board of Nursing is removed from this budget in the 2009 biennium. In this bill, state special revenue comprises approximately 46 percent of the division budget in the 2009 biennium compared to 52 percent in the base budget year.
- Federal special revenue funds include equal employment opportunity commission funds and unemployment insurance administrative grants.
- Proprietary funding from the department's internal cost allocation plan accounts for approximately six percent of the division's funding in this bill (for further information on the department's cost allocation plan, refer to proprietary rates at the end of this program).

Present Law Adjustments

The "Present Law Adjustments" table shows the primary changes to the proposed adjusted base budget. "Statewide Present Law" adjustments are standard categories of adjustments made to all agencies. Decisions on these items were applied globally to all agencies, unless otherwise noted. The other numbered adjustments in the table correspond to the narrative descriptions.

	-----Fiscal 2008-----					-----Fiscal 2009-----				
	FTE	General Fund	State Special	Federal Special	Total Funds	FTE	General Fund	State Special	Federal Special	Total Funds
Present Law Adjustments										
Personal Services					217,472					224,392
Vacancy Savings					(57,099)					(57,375)
Inflation/Deflation					2,717					3,264
Fixed Costs					6,430					10,641
Total Statewide Present Law Adjustments					\$169,520					\$180,922
DP 6015 - State Motor Pool Rate Change										
	0.00	(28)	(43)	(60)	(131)	0.00	(29)	(45)	(62)	(136)
DP 30001 - CSD Operating Increase										
	0.00	5,244	21,191	11,607	41,164*	0.00	5,880	23,882	13,035	46,315*
DP 30002 - CSD Funding Switch										
	(2.00)	0	(186,280)	0	(186,280)	(2.00)	0	(186,280)	0	(186,280)
Total Other Present Law Adjustments										
	(2.00)	\$5,216	(\$165,132)	\$11,547	(\$145,247)*	(2.00)	\$5,851	(\$162,443)	\$12,973	(\$140,101)*
Grand Total All Present Law Adjustments					\$24,273*					\$40,821*

DP 6015 - State Motor Pool Rate Change - The funding for vehicle rentals and leases from the State Motor Pool were reduced from the level requested by the Governor.

DP 30001 - CSD Operating Increase - This bill adds \$41,164 in FY 2008 and \$46,315 in FY 2009 for indirect costs to support central services. The funding sources for this request include general fund, state special and federal revenues.

DP 30002 - CSD Funding Switch - This bill includes an executive budget recommendation to transfer two attorney positions supported by Board of Nursing and Board of Medical Examiner fees to the division's internal service fund to more equitably distribute the costs among the boards utilizing their services. This adjustment would reduce state special revenue \$186,280 each year of the biennium and increase the proprietary fund budget by a like amount.

Proprietary Rates

Proprietary Program Description

Cost Allocation Plan (CAP) - Supportive services provided by the Commissioner's Office and Centralized Services Division are funded through a cost allocation plan under which the other divisions in the department are assessed a percentage of their personal service costs to support centralized functions.

The Technical Services Bureau recovers costs for services to provide mainframe computer support and the Hearings Bureau provides administrative hearings to the Business Standards Division's licensing and building codes bureaus.

Proprietary Revenues and Expenses

In addition to the adjusted base expenditures, the predominant share of statewide fixed costs will be charged to the FY 2008-2009 cost allocation plan and recouped via the cost allocation rate.

Proprietary Rate Explanation

The cost allocation rate that funds the Commissioner's Office and the Centralized Services Division is the total costs of providing the services divided by the projected non-CAP personal service expenditures. The rate is 9.125% each year of the biennium.

Technical Services Bureau bills users based on actual use. The Hearings bureau establishes an hourly rate for attorneys and legal assistants not to exceed those charged by the Attorney Generals Office.

Program Legislative Budget

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

Program Legislative Budget								
Budget Item	Base Budget Fiscal 2006	PL Base Adjustment Fiscal 2008	New Proposals Fiscal 2008	Total Leg. Budget Fiscal 2008	PL Base Adjustment Fiscal 2009	New Proposals Fiscal 2009	Total Leg. Budget Fiscal 2009	Total Leg. Budget Fiscal 08-09
FTE	123.10	0.00	2.00	125.10	0.00	2.00	125.10	125.10
Personal Services	6,093,549	558,709	120,020	6,772,278	590,289	121,780	6,805,618	13,577,896
Operating Expenses	3,409,866	155,064	29,980	3,594,910	172,681	28,220	3,610,767	7,205,677
Equipment	79,590	0	0	79,590	0	0	79,590	159,180
Benefits & Claims	135,586	0	0	135,586	0	0	135,586	271,172
Total Costs	\$9,718,591	\$713,773	\$150,000	\$10,582,364	\$762,970	\$150,000	\$10,631,561	\$21,213,925
General Fund	872,547	193,514	0	1,066,061	199,356	0	1,071,903	2,137,964
State/Other Special	8,069,917	547,787	150,000	8,767,704	585,769	150,000	8,805,686	17,573,390
Federal Special	776,127	(27,528)	0	748,599	(22,155)	0	753,972	1,502,571
Total Funds	\$9,718,591	\$713,773	\$150,000	\$10,582,364	\$762,970	\$150,000	\$10,631,561	\$21,213,925

Page Reference

Legislative Budget Analysis, D-151

Funding

General fund supports a portion of the Human Rights Bureau, silicosis benefits, the social security offset function in the Workers Compensation Claims Assistance Bureau, and a portion of the Management Services Bureau. General fund accounts for nine percent of division funding in the 2007 biennium and 10 percent in the 2009 biennium.

State special revenue funds comprise 83 percent of division funding in the 2009 biennium and include:

- Employment security account, with revenues derived from an assessment to employers that pay state unemployment insurance taxes; this fund supports the Labor Standards Bureau
- Contractor Registration, with revenues derived from contractor registration and independent contractor exemption fees. This fund supports the administration of both of these programs
- Workers compensation regulation, with revenues derived from an assessment to workers compensation insurance plans that is passed on to employers, plus fees and penalties as allowed by law; this fund supports several functions of the division
- Uninsured employer fund, with revenues derived from penalties assessed employers that do not provide workers compensation coverage as required by law and workers with invalid independent contractor exemption certificates. This fund supports administrative costs of the program. In addition, this fund pays benefits payments to injured workers through a statutory appropriation.

Federal funding comprises seven percent of total division funding in the 2009 biennium and includes coal mine safety and on-site consultation, which supports the Occupational Safety and Health Bureau; and the equal employment opportunity account which supports the Human Rights Bureau. Federal funding for on-site consultations decreases by about \$25,000 each year of the biennium. The decrease is related to federal support for training and education for smaller businesses with high-hazard workplaces (as defined by the Occupational Safety and Health Administration).

The Management Services Bureau is funded from all funding sources supporting the functional division units.

Present Law Adjustments

The “Present Law Adjustments” table shows the primary changes to the proposed adjusted base budget. “Statewide Present Law” adjustments are standard categories of adjustments made to all agencies. Decisions on these items were applied globally to all agencies, unless otherwise noted. The other numbered adjustments in the table correspond to the narrative descriptions.

Present Law Adjustments											
-----Fiscal 2008-----						-----Fiscal 2009-----					
	FTE	General Fund	State Special	Federal Special	Total Funds	FTE	General Fund	State Special	Federal Special	Total Funds	
Personal Services					822,759					855,664	
Vacancy Savings					(276,650)					(277,975)	
Inflation/Deflation					60,098					64,256	
Fixed Costs					(61,669)					(54,572)	
Total Statewide Present Law Adjustments					\$544,538					\$587,373	
DP 6015 - State Motor Pool Rate Change	0.00		(161)	(3,409)	(795)	(4,365)	0.00	(165)	(3,518)	(820)	(4,503)
DP 40001 - ERD Operating Increases	0.00	27,300	136,600	9,700	173,600	0.00	28,100	141,800	10,200	180,100	
Total Other Present Law Adjustments	0.00	\$27,139	\$133,191	\$8,905	\$169,235	0.00	\$27,935	\$138,282	\$9,380	\$175,597	
Grand Total All Present Law Adjustments					\$713,773					\$762,970	

DP 6015 - State Motor Pool Rate Change - The funding for vehicle rentals and leases from the State Motor Pool were reduced from the level requested by the Governor.

DP 40001 - ERD Operating Increases - The bill includes operating expense increases for per diem for the two administratively attached boards, rent, and indirect costs. The total biennial increase is \$353,700, funded from \$55,400 general fund and the remainder state and federal special revenue.

New Proposals

New Proposals											
-----Fiscal 2008-----						-----Fiscal 2009-----					
Program	FTE	General Fund	State Special	Federal Special	Total Funds	FTE	General Fund	State Special	Federal Special	Total Funds	
DP 40003 - Wage Compliance Specialists 2.00 FTE	04	2.00	0	150,000	0	150,000	2.00	0	150,000	0	150,000
Total	2.00	\$0	\$150,000	\$0	\$150,000	2.00	\$0	\$150,000	\$0	\$150,000	

DP 40003 - Wage Compliance Specialists 2.00 FTE - This bill adds \$150,000 each year of the biennium from the employment security state special revenue account to add 2.00 FTE compliance specialists and expand the prevailing wage and minimum wage enforcement and compliance work unit. The additional staff will be used to verify correct prevailing wages and insure that employers are properly paying the increase in minimum wages required by I-151.

Proprietary Rates

Proprietary Program Description

The Subsequent Injury Fund was established in 1973 to assist disabled persons in becoming employed by offering a financial incentive to the employers who hire them. The incentive has a limit of 104 weeks of benefits paid by their Workers' Compensation carrier in the event of an on-the-job injury to the certified employee, thus minimizing workers' compensation expenses. Beginning July 1, 1999, the fund is maintained by annual assessment of all Montana Workers' Compensation insurers, including self insured employers, private insurers and the State Fund. The asset balance is maintained at approximately \$1,700,000 to provide an operating balance for payment of benefits and administrative costs.

Proprietary Revenues and Expenses

Beginning July 1, 1999, the fund is maintained by an annual assessment on all workers' compensation policyholders, which is collected by all Montana workers' compensation insurers. The assessment is statutorily set (Title 39-71-915 MCA) at the amount expended by the fund for the benefit payments plus the cost of administration in the previous calendar year, less other income. The assessment is allocated among Plan 1, Plan 2, and Plan 3 insurers based on their compensation and medical payments for the previous calendar year. Thus, any rate beyond one year into the future is an unknown, and the rate is based solely on the insured's current year's use.

Proprietary Rate Explanation

The assessment for the Subsequent Injury Fund is allocated among insurers based on their compensation and medical payments for the previous calendar year per 39-71-915, MCA.

Program Legislative Budget

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

Program Legislative Budget								
Budget Item	Base Budget Fiscal 2006	PL Base Adjustment Fiscal 2008	New Proposals Fiscal 2008	Total Leg. Budget Fiscal 2008	PL Base Adjustment Fiscal 2009	New Proposals Fiscal 2009	Total Leg. Budget Fiscal 2009	Total Leg. Budget Fiscal 08-09
FTE	112.03	0.00	3.50	115.53	0.00	3.50	115.53	115.53
Personal Services	5,265,475	591,902	144,093	6,001,470	621,117	144,383	6,030,975	12,032,445
Operating Expenses	6,289,396	1,168,053	28,342	7,485,791	1,212,381	26,672	7,528,449	15,014,240
Equipment	266,196	89,000	14,700	369,896	90,000	14,700	370,896	740,792
Grants	21,001	0	0	21,001	0	0	21,001	42,002
Total Costs	\$11,842,068	\$1,848,955	\$187,135	\$13,878,158	\$1,923,498	\$185,755	\$13,951,321	\$27,829,479
State/Other Special	11,842,068	1,848,955	187,135	13,878,158	1,923,498	185,755	13,951,321	27,829,479
Proprietary	0	0	0	0	0	0	0	0
Total Funds	\$11,842,068	\$1,848,955	\$187,135	\$13,878,158	\$1,923,498	\$185,755	\$13,951,321	\$27,829,479

Page Reference

Legislative Budget Analysis, D-157

Funding

Business, professional and occupational license fees; inspection fees; and permit fees are the revenue sources for all functions of this division. Costs for services provided directly by the functional units, such as board staff and the BBMS, are budgeted in this bill. Overhead costs such as program administration and support are recovered from functional units through an administrative assessment. The functional units use license fees, inspection fees, and permit fees to pay the administrative assessment. Both the overhead costs and the assessment are accounted for in a proprietary fund, and as such are not included in the above table, but are presented in the proprietary rates section at the end of this program narrative.

Present Law Adjustments

The "Present Law Adjustments" table shows the primary changes to the proposed adjusted base budget. "Statewide Present Law" adjustments are standard categories of adjustments made to all agencies. Decisions on these items were applied globally to all agencies, unless otherwise noted. The other numbered adjustments in the table correspond to the narrative descriptions.

Present Law Adjustments	-----Fiscal 2008-----					-----Fiscal 2009-----				
	FTE	General Fund	State Special	Federal Special	Total Funds	FTE	General Fund	State Special	Federal Special	Total Funds
Personal Services					657,118					682,853
Vacancy Savings					(236,909)					(237,929)
Inflation/Deflation					38,795					41,236
Fixed Costs					(29,666)					(24,704)
Total Statewide Present Law Adjustments					\$429,338					\$461,456
DP 6015 - State Motor Pool Rate Change	0.00	0	(1,322)	0	(1,322)	0.00	0	(1,363)	0	(1,363)
DP 50005 - Legal Contingency Fund (Rst/OTO)	0.00	0	34,458	0	34,458	0.00	0	34,458	0	34,458
DP 50006 - BOLB Operating Increases	0.00	0	440,513	0	440,513	0.00	0	467,984	0	467,984
DP 50007 - Building Codes Operating Increases	0.00	0	287,376	0	287,376	0.00	0	230,527	0	230,527
DP 50008 - BSD Admin Operating Increases	0.00	0	(8,482)	0	(8,482)	0.00	0	(8,117)	0	(8,117)
DP 50009 - HCLB Operating Increases	0.00	0	544,812	0	544,812	0.00	0	613,701	0	613,701
DP 50010 - Weights & Measures Operating Increase	0.00	0	122,262	0	122,262	0.00	0	124,852	0	124,852
Total Other Present Law Adjustments	0.00	\$0	\$1,419,617	\$0	\$1,419,617	0.00	\$0	\$1,462,042	\$0	\$1,462,042
Grand Total All Present Law Adjustments					\$1,848,955					\$1,923,498

DP 6015 - State Motor Pool Rate Change - The funding for vehicle rentals and leases from the State Motor Pool were reduced from the level requested by the Governor.

DP 50005 - Legal Contingency Fund (Rst/OTO) - This bill includes a restricted, one-time-only appropriation for a legal contingency fund for the Business & Occupational and the Health Care Licensing Bureaus. The purpose of this funding authority is to eliminate the need for budget amendments for unanticipated and emergency legal costs. The FY 2006 base expenditure for legal contingency costs of \$35,542 was combined with the \$34,458 approved in this decision package to total a \$70,000 legal contingency appropriation each year of the 2009 biennium. This decision package is funded by state special revenue.

DP 50006 - BOLB Operating Increases - This bill increases the division budget \$440,513 in FY 2008 and \$467,984 in FY 2009 for board per diem, overtime, travel, education training costs, computing costs, indirect costs, and other miscellaneous operating expenses for the Business & Occupational Licensing Bureau. State special revenue supporting this adjustment comes from license fees paid by persons in regulated businesses and professions that are required to obtain a license from the state before practicing the profession or opening a business, and periodically thereafter.

DP 50007 - Building Codes Operating Increases - This bill provides increased state special revenue authority in the Building Codes Bureau totaling \$287,376 in FY 2008 and \$230,527 in FY 2009 to cover increased rent, increased overhead costs, and the development of a portal for online permitting and public access to building permit information. The budget increase is funded from inspection fees and permits.

DP 50008 - BSD Admin Operating Increases - This bill adopts the executive budget proposal to reduce operating costs in the division administration office by \$8,482 in FY 2008 and \$8,117 in FY 2009.

DP 50009 - HCLB Operating Increases - This bill includes budget increases in the Health Care Licensing Bureau totaling \$544,812 in FY2008 and \$613,701 in FY2009 for board member per diem, staff overtime, increased overhead costs, increased travel, and increased computing costs. State special revenue from licensing fees supports this increase.

DP 50010 - Weights & Measures Operating Increase - This bill includes a budget increase for increased rent, overhead costs, and equipment, contingent upon passage of HB 99 that has been introduced in the 2007 session and authorizes a fee increase. The budget increase is \$122,262 in FY 2008 and \$124,852 in FY 2008. At the time this narrative was written, HB 99 has passed third reading of the Senate.

New Proposals

New Proposals											
Program	FTE	Fiscal 2008				Fiscal 2009					
		General Fund	State Special	Federal Special	Total Funds	FTE	General Fund	State Special	Federal Special	Total Funds	
DP 50001 - BOLB Additional FTE Education Specialist 05	0.50	0	27,928	0	27,928	0.50	0	26,275	0	26,275	
DP 50003 - Building Codes FTE 05	3.00	0	159,207	0	159,207	3.00	0	159,480	0	159,480	
Total	3.50	\$0	\$187,135	\$0	\$187,135	3.50	\$0	\$185,755	\$0	\$185,755	

DP 50001 - BOLB Additional FTE Education Specialist - This bill includes increased budget authority for a 0.50 FTE, Education Specialist position in the Board of Realty Regulation and \$27,982 in FY 2008 and \$26,275 in FY 2009 from Board of Realty Regulation fees paid by license fees and renewals from realty related professions. The Board of Realty Regulation currently has 0.50 FTE and this proposal increases FTE by 0.50.

DP 50003 - Building Codes FTE - This bill includes funding for an additional 3.00 FTE electrical inspectors in the Building Codes Bureau to meet the increasing demands of electrical inspection workload due to increased building construction in Montana. These positions were modified positions in FY 2006; this action by the legislature makes these positions permanent. The additional costs for these positions total \$159,207 in FY 2008 and \$159,480 in FY 2009 and are funded by electrical permit fees.

Language

"If House Bill No. 99 is not passed and approved, Business Standards Division is reduced by \$122,262 in state special revenue in fiscal year 2008 and by \$124,852 in state special revenue in fiscal year 2009."

Proprietary Rates

Proprietary Program Description

The Business Standards Division maintains an internal service fund to cover division and bureau level costs of operation that are common to the bureaus, boards and programs of the division. Common costs of operation are assessed through a cost allocation plan to the various state special revenue accounts on an equitable basis, while attempting to reach a reasonable working capital reserve of approximately 60 days by the end of FY 09.

Proprietary Revenues and Expenses

The adjusted base expenditures will be charged to the FY2008 and 2009 cost allocation plan and recouped via the cost allocation rate.

Proprietary Rate Explanation

The cost allocation rate which funds the division level operating costs are assessed to the three bureaus on an FTE basis, with assessments as follows: Bureau of Business & Measurement Standards (BBMS) - 54.4 percent, Health Care Licensing Bureau (HCLB)- 20.7 percent and Business & Occupational Licensing Bureau (BOLB) - 24.9 percent. BBMS will pay a percent of its share of division level operating costs with HB2 direct charges covering the personal services costs of the division administrator and division rent. The division level, bureau level and legal services operating costs assessments for HCLB and BOLB are passed through to the boards and programs located in each bureau on the basis of time distribution.

Program Legislative Budget

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

Program Legislative Budget								
Budget Item	Base Budget Fiscal 2006	PL Base Adjustment Fiscal 2008	New Proposals Fiscal 2008	Total Leg. Budget Fiscal 2008	PL Base Adjustment Fiscal 2009	New Proposals Fiscal 2009	Total Leg. Budget Fiscal 2009	Total Leg. Budget Fiscal 08-09
FTE	4.00	0.00	0.00	4.00	0.00	0.00	4.00	4.00
Personal Services	177,469	24,202	0	201,671	24,791	0	202,260	403,931
Operating Expenses	145,026	148,951	50,000	343,977	150,650	0	295,676	639,653
Grants	2,599,113	20,917	0	2,620,030	20,917	0	2,620,030	5,240,060
Total Costs	\$2,921,608	\$194,070	\$50,000	\$3,165,678	\$196,358	\$0	\$3,117,966	\$6,283,644
General Fund	38,079	86,921	0	125,000	86,921	0	125,000	250,000
State/Other Special	0	75,000	50,000	125,000	75,000	0	75,000	200,000
Federal Special	2,883,529	32,149	0	2,915,678	34,437	0	2,917,966	5,833,644
Total Funds	\$2,921,608	\$194,070	\$50,000	\$3,165,678	\$196,358	\$0	\$3,117,966	\$6,283,644

Page Reference

Legislative Budget Analysis, D-165

Funding

In the base budget year, this program was funded primarily from a federal grant and a small amount of general fund that was used to meet a portion of the required match for the federal grant. This bill adds \$200,000 state special revenue in the 2009 biennium to properly record revenues received from external sources. This bill also increases the general fund appropriation to approximately \$122,000 each year as in-kind resources used to match the federal grant in previous years are no longer available.

Present Law Adjustments

The “Present Law Adjustments” table shows the primary changes to the proposed adjusted base budget. “Statewide Present Law” adjustments are standard categories of adjustments made to all agencies. Decisions on these items were applied globally to all agencies, unless otherwise noted. The other numbered adjustments in the table correspond to the narrative descriptions.

Present Law Adjustments										
	-----Fiscal 2008-----					-----Fiscal 2009-----				
	FTE	General Fund	State Special	Federal Special	Total Funds	FTE	General Fund	State Special	Federal Special	Total Funds
Personal Services					32,605					33,218
Vacancy Savings					(8,403)					(8,427)
Inflation/Deflation					503					530
Fixed Costs					1,711					2,661
Total Statewide Present Law Adjustments					\$26,416					\$27,982
DP 6015 - State Motor Pool Rate Change	0.00	0	0	(39)	(39)	0.00	0	0	(41)	(41)
DP 70001 - Administration Costs	0.00	86,922	0	0	86,922	0.00	86,922	0	0	86,922
DP 70002 - Accounting Requirement	0.00	0	75,000	0	75,000	0.00	0	75,000	0	75,000
DP 70003 - Operating Increase	0.00	1,156	0	4,615	5,771	0.00	1,156	0	5,339	6,495
Total Other Present Law Adjustments	0.00	\$88,078	\$75,000	\$4,576	\$167,654	0.00	\$88,078	\$75,000	\$5,298	\$168,376
Grand Total All Present Law Adjustments					\$194,070					\$196,358

DP 6015 - State Motor Pool Rate Change - The funding for vehicle rentals and leases from the State Motor Pool were reduced from the level requested by the Governor.

DP 70001 - Administration Costs - This bill adds \$173,844 general fund to this program to provide a dollar for dollar cash match to the federal administrative grant received by the program.

DP 70002 - Accounting Requirement - This bill adds state special revenue authority totaling \$150,000 in the 2009 biennium to properly account for revenue from other state agencies and bring the program into compliance with state accounting statutes.

DP 70003 - Operating Increase - This bill adds a \$12,000 adjustment for increased indirect costs in the 2009 biennium. This increase is funded from general fund and federal special revenue.

New Proposals

New Proposals											
Program	FTE	Fiscal 2008				Fiscal 2009					
		General Fund	State Special	Federal Special	Total Funds	FTE	General Fund	State Special	Federal Special	Total Funds	
DP 70004 - Conference on Race (Biennial)											
07	0.00	0	50,000		50,000	0.00	0	0		0	0
Total	0.00	\$0	\$50,000		\$50,000	0.00	\$0	\$0		\$0	\$0

DP 70004 - Conference on Race (Biennial) - This bill adds budget authority for the Conference on Race. A \$50,000 biennial appropriation, funded from conference registration fees and donations, is included in the 2009 biennium.

Program Legislative Budget

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

Program Legislative Budget								
Budget Item	Base Budget Fiscal 2006	PL Base Adjustment Fiscal 2008	New Proposals Fiscal 2008	Total Leg. Budget Fiscal 2008	PL Base Adjustment Fiscal 2009	New Proposals Fiscal 2009	Total Leg. Budget Fiscal 2009	Total Leg. Budget Fiscal 08-09
FTE	6.00	0.00	0.00	6.00	0.00	0.00	6.00	6.00
Personal Services	428,850	(16,956)	0	411,894	(15,360)	0	413,490	825,384
Operating Expenses	142,619	56,338	0	198,957	60,595	0	203,214	402,171
Total Costs	\$571,469	\$39,382	\$0	\$610,851	\$45,235	\$0	\$616,704	\$1,227,555
State/Other Special	571,469	39,382	0	610,851	45,235	0	616,704	1,227,555
Total Funds	\$571,469	\$39,382	\$0	\$610,851	\$45,235	\$0	\$616,704	\$1,227,555

Page Reference

Legislative Budget Analysis, D-168

Funding

The Workers Compensation Court is funded entirely with workers compensation regulation funds from assessments on employers, insurers, and the state fund. This fund was created to pay for workers compensation regulation.

Present Law Adjustments

The “Present Law Adjustments” table shows the primary changes to the proposed adjusted base budget. “Statewide Present Law” adjustments are standard categories of adjustments made to all agencies. Decisions on these items were applied globally to all agencies, unless otherwise noted. The other numbered adjustments in the table correspond to the narrative descriptions.

Present Law Adjustments									
FTE	-----Fiscal 2008-----				-----Fiscal 2009-----				
	General Fund	State Special	Federal Special	Total Funds	FTE	General Fund	State Special	Federal Special	Total Funds
Personal Services				207					1,869
Vacancy Savings				(17,163)					(17,229)
Inflation/Deflation				1,527					2,045
Fixed Costs				(230)					169
Total Statewide Present Law Adjustments				(\$15,659)					(\$13,146)
DP 6015 - State Motor Pool Rate Change	0.00	0	(31)	0	(31)	0.00	0	(32)	0
DP 90001 - WCC Operating Increase	0.00	0	55,072	0	55,072	0.00	0	58,413	0
Total Other Present Law Adjustments	0.00	\$0	\$55,041	\$0	\$55,041	0.00	\$0	\$58,381	\$0
Grand Total All Present Law Adjustments				\$39,382					\$45,235

DP 6015 - State Motor Pool Rate Change - The funding for vehicle rentals and leases from the State Motor Pool were reduced from the level requested by the Governor.

DP 90001 - WCC Operating Increase - This bill includes budget adjustments for increased rent, indirect costs, travel, and contracted services. Approximately \$30,000 per year of the increase relates to contracted and professional services for a special master to address pre-trial matters on common fund cases as needed. The adjustments are funded by the workers compensation regulation fund, for a total of \$55,072 in FY2008 and \$58,413 in FY 2009.