

MEETING MINUTES
HUMAN SERVICES SUBCOMMITTEE
FEBRUARY 23, 1987

The meeting of the human services subcommittee was called to order by Chairman Cal Winslow on February 23, 1987 at 7:05 a.m. in room 108 of the state capitol building.

ROLL CALL: All members were present.

(50a:150) Sue Mohr, administrator of the Employment Policy Division, presented an overview of the program budget for the division.

(50a:312) Chairman Winslow stated his concern that the project work programs remain under local and not state control. Ms Mohr stated the Job Training Coordinating Council was asked to look at the Project Work Program, public input was solicited, and Request for Proposals (RFPs) will be required to have a task force sign off. For those task forces that are not actively participating in the program, RFPs will continue to be evaluated without their participatory sign off.

Chairman Winslow then questioned the amount of flexibility the task forces would have in the RFPs to give them the ability to set up their own guidelines and procedures. Ms Mohr stated the department is trying to create a balance between a program that has minimal guidelines and maintains local control.

(50a:475) Rodney Frey, Project Work coordinator for Lewis and Clark County, briefly covered his prepared written testimony (exhibit 1). Two (2) points that he specifically stressed were local control with flexibility and job training along with job search to enhance employability. He stated 40% of the clientele had illiteracy as a major barrier to employment (7th grade education or lower); and a client overview reveals alcoholism, adult children of alcoholic parents, and women who had been sexually assaulted as children. The initial five (5) month placement by the program saw 50% of those placed returned to the welfare rolls. Program placement rate is currently 35% to 40%, significantly higher than previously, with placements receiving higher wages and benefits compared to those placed at the program's onset.

(50b:028) Jim Smith, HRDC Lobbyist, spoke in support of funding the Project Work Program.

(50b:050) Anne MacIntyre, administrator of the Human Rights Commission, presented an overview and the budget issue differences between the department, the executive and the LFA current level (exhibit 2). Ms MacIntyre recommended that the committee adopt the method utilized by the executive to project EEOC reimbursement or use a percentage approach utilizing FY87 revenue and expenditure projections to establish a more realistic percentage. She said the department has also prepared amendments to HB 02 if the committee wanted to include a cap on federal revenue.

Brian McCullough, Dept of Labor, clarified two (2) points on the Human Rights Commission: (1) the budget reflects a cut of 1.5 FTE from the 1986 level and (2) \$250 for the micro-filming in 1989 isn't reflected in the LFA current level. He also submitted amendment language for clarification of Project Work funding (exhibit 3).

(50b:333) Chairman Winslow stated his intention in HB 600 was for project work to remain a state responsibility, with counties able to set criteria and have flexibility with the program in serving clientele. He also stated project work funding should be placed in the Labor Department instead of SRS to eliminate the shuffling of the funds, and allow the Labor Department to contract with the project work programs. He acknowledged a need for a funding level per individual based upon numbers served and populations in the counties being served, which could be determined with input from the departments and the LFA. He further stated the program was not meant to be a training program but a job seeking program, and that it was critical that the program remained a job seeking program.

(50b:478) In response to a question from Rep Bradley, Ms Mohr replied it was a good idea for the task forces to draw up the RFPs for their areas.

(50b:627) Carla Smith, Administrative Support Bureau, WCD, presented the three (3) options for processing the division's outgoing mail (exhibit 4): (1) the division continuing to process its own outgoing mail, (2) department of administration processing the division's outgoing mail, and (3) the division continuing to process its own mail with an additional .5 FTE to pre-sort the mail. The executive presented testimony in support of the advantages of centralized mail (exhibit 5).

EXECUTIVE ACTION

DEPARTMENT OF LABOR AND INDUSTRY (DOLI)

Workers' Compensation Division

Administration

Personal Services

Sen Manning made a motion to accept the executive of 37.0 FTE for the biennium.

A voice vote was taken and the motion PASSED unanimously.

Sen Manning made a motion to accept the LFA current level of \$852,991 for 1988 and \$854,242 for 1989, adjusted, for personal services.

A voice vote was taken and the motion PASSED unanimously.

Operating Expenses

Sen Manning made a motion to accept the executive of \$483,761 for 1988 and \$430,026 for 1989.

A voice vote was taken and the motion PASSED unanimously.

Equipment

Sen Hims1 made a motion to accept the executive of \$43,104 for 1988 and \$42,393 for 1989.

A voice vote was taken and the motion PASSED unanimously.

Transfers

Sen Manning made a motion to accept the executive of \$9,962 for 1988 and \$431,338 for 1989.

A voice vote was taken and the motion PASSED unanimously.

Funding

(51a:104) Sen Manning made a motion to accept the executive of \$1,414,768 for 1988 and \$1,782,891 for 1989.

A voice vote was taken and the motion PASSED unanimously.

Modified - Legal Secretary

Sen Manning made a motion to accept the modified request for \$17,541 for 1988 and \$17,518 for 1989.

A voice vote was taken and the motion PASSED unanimously.

Modified - Computer Development

Sen Manning made a motion to accept the modified request for \$181,000 for 1988 and \$75,000 for 1989.

A voice vote was taken and the motion PASSED unanimously.

Modified Request - Additional FTE

Sen Manning made a motion to accept the modified request for \$37,742 for 1988 and \$36,607 for 1989.

A voice vote was taken and the motion PASSED unanimously.

State Insurance Fund

Personal Services

(51a:179) Sen Manning made a motion to accept the executive of 88.0 FTE for the biennium.

A voice vote was taken and the motion PASSED unanimously.

Sen Manning made a motion to accept the LFA current level of \$1,633,317 for 1988 and \$1,633,829 for 1989, adjusted, for personal services.

A voice vote was taken and the motion PASSED unanimously.

Operating Expenses

(51a:253) Sen Manning made a motion to accept the executive of \$1,677,129 for 1988 and \$1,739,371 for 1989.

A voice vote was taken and the motion PASSED unanimously.

Equipment

(51a:373) Sen Manning made a motion to accept the executive of \$56,229 for 1988 and \$56,550 for 1989.

A voice vote was taken and the motion PASSED unanimously.

Funding

Sen Manning made a motion to accept the executive of \$3,588,464 for 1988 and \$3,651,557 for 1989.

A voice vote was taken and the motion PASSED unanimously.

Modified - Workload Increase

Sen Manning made a motion to accept the modified request for \$339,300 for 1988 and \$285,202 for 1989.

A voice vote was taken and the motion PASSED unanimously.

Insurance Compliance

Operating Expenses

(51a:479) Sen Manning made a motion to accept the executive of \$301,042 for 1988 and \$294,299 for 1989.

Rep Bradley made a substitute motion to accept the executive of \$301,042 for 1988 and \$294,299 for 1989 plus \$15,290 each year for internal audits.

A voice vote was taken and the motion PASSED, with Rep Winslow voting no, Rep Connelly absent.

Bob Robinson, WCD, stated the funding authorized would be distributed 1/3 for compliance of uninsured employees and 2/3 would remain in the state fund compliance.

Equipment

(51a:554) Sen Hims1 made a motion to accept the executive of \$25,700 for 1988 and \$4,100 for 1989.

A voice vote was taken and the motion PASSED unanimously, with Rep Connelly absent.

Crime Victims Benefits

(51a:600) In response to a question from Rep Switzer, Mr Robinson stated the rationale for the division paying these benefits was due to the fact they had done this type of reimbursement before, and it was a program similar to what the division performed, even though it was not related. This program compensates individuals seriously injured through no fault of their own, and includes medical benefits, funeral expenses, and wage compensations.

(51a:626) Sen Manning made a motion to accept the LFA current level of \$348,711 for 1988 and \$349,447 for 1989.

A voice vote was taken and the motion PASSED unanimously, with Rep Connelly absent.

Social Security Offsets

Sen Manning made a motion to accept the LFA current level of \$348,711 for 1988 and \$349,447 for 1989.

A voice vote was taken and the motion PASSED unanimously, with Rep Connelly absent.

Silicosis Benefits

(51b:040) Rep Bradley made a motion to accept the executive funding level of \$576,000 for 1988 and \$555,600 for 1989 to be funded through the RIT funding source.

A voice vote was taken and the motion PASSED unanimously, with Rep Connelly absent.

Transfers

Sen Manning made a motion to accept the executive of \$58,789 for 1988 and \$60,553 for 1989.

A voice vote was taken and the motion PASSED unanimously, with Rep Connelly absent.

Funding

Sen Manning made a motion to accept the executive of \$2,130,739 for 1988 and \$2,078,867 for 1989, adjusted.

A voice vote was taken and the motion PASSED unanimously, with Rep Connelly absent.

Modified - Claims Examiner

(51b:109) Sen Manning made a motion to accept the modified request for \$30,911 for 1988 and \$26,898 for 1989.

A voice vote was taken and the motion PASSED unanimously.

Modified - Administrative Officer

Sen Manning made a motion to accept the modified request of \$26,532 for 1988 and \$22,521 for 1989.

A voice vote was taken and the motion PASSED unanimously.

Safety

Personal Services

Sen Manning made a motion to accept the LFA current level of 25.0 FTE for 1988 and 1989.

A voice vote was taken and the motion PASSED unanimously.

Sen Manning made a motion to accept the LFA current level of \$677,982 for 1988 and \$682,904 for 1989, adjusted, for personal services.

A voice vote was taken and the motion PASSED unanimously.

Operating Expenses

Sen Manning made a motion to accept the LFA current level of \$144,033 for 1988 and \$145,514 for 1989.

Sen Himsl made a substitute motion to accept the executive of \$141,652 for 1988 and \$138,160 for 1989.

A voice vote was taken and the motion PASSED unanimously.

Equipment

(51b:234) Sen Manning made a motion to accept the LFA current level of \$38,564 for 1988 and \$32,995 for 1989.

Rep Bradley made a substitute motion to accept the executive of \$23,224 for 1988 and \$23,647 for 1989.

A voice vote was taken and the motion PASSED, with Sen Manning and Rep Connelly voting no.

Funding

Rep Switzer made a motion to accept the executive of \$842,606 for 1988 and \$844,430 for 1989.

A voice vote was taken and the motion PASSED unanimously.

Modified - Loss Control

(51b:315) Sen Manning made a motion to accept the modified request of \$45,609 for 1988 and \$46,518 for 1989.

A voice vote was taken and the motion PASSED unanimously.

Job Service

Personal Services

Sen Himsl made a motion to accept the executive of 338.0 FTE for the biennium.

A voice vote was taken and the motion PASSED unanimously, with Rep Bradley and Sen Manning absent.

Sen Himsl made a motion to accept the LFA current level of \$8,283,723 for 1988 and \$8,279,230 for 1989 adjusted, for personal services.

A voice vote was taken and the motion PASSED unanimously, with Rep Bradley and Sen Manning absent.

Operating Expenses

Sen Hims1 made a motion to accept the executive of \$2,891,502 for 1988 and \$2,885,200 for 1989.

A voice vote was taken and the motion PASSED unanimously, with Rep Bradley and Sen Manning absent.

Equipment

Sen Harding made a motion to accept the executive of \$156,506 for each year of the biennium.

A voice vote was taken and the motion PASSED unanimously, with Rep Bradley and Sen Manning absent.

Grants

(51b:408) Sen Hims1 made a motion to accept the executive of \$20,000 for each year of the biennium.

A voice vote was taken and the motion PASSED unanimously, with Rep Bradley and Sen Manning absent.

Capital Outlay

(51b:467) Rep Switzer made a motion to accept the LFA current level of \$30,000 for 1988 and \$135,540 for 1989, with any emergency funding the department may require to be budget amended.

A voice vote was taken and the motion PASSED unanimously, with Rep Bradley absent.

Funding

Sen Hims1 made a motion to accept the executive of \$11,321,344 for 1988 and \$11,415,902 for 1989, adjusted down by \$35,000 each year.

A voice vote was taken and the motion PASSED unanimously, with Rep Bradley absent.

(51b:526) Sen Manning made a motion to accept potential language (exhibit 6) as follows: Item ___ includes federal spending authority for current level operations of all existing job service offices. If federal funds are less than these amounts, the department may seek a budget amendment to supplement federal funds with state unemployment assessments as provided in section 39-51-404(4), MCA.

A voice vote was taken and the motion PASSED unanimously.

Unemployment Insurance

Personal Services

Rep Switzer made a motion to accept the executive of 88.9 FTE for the biennium.

A voice vote was taken and the motion PASSED unanimously.

(51b:590) Sen Manning made a motion to accept the LFA current level of \$2,034,579 for 1988 and \$2,033,766 for 1989, adjusted, and including \$1,225 each year for per diem expenses of the unemployment insurance advisory council and \$500 each year for incentive award payments.

A voice vote was taken and the motion PASSED unanimously.

Operating Expenses

Sen Harding made a motion to accept the executive of \$1,512,184 for 1988 and \$1,486,982 for 1989.

A voice vote was taken and the motion PASSED unanimously.

Equipment

Sen Manning made a motion to accept the executive of \$54,930 for 1988 and \$54,930 for 1989.

A voice vote was taken and the motion PASSED unanimously.

Funding

Sen Manning made a motion to accept the executive of \$3,523,125 for 1988 and \$3,497,169 For 1989.

A voice vote was taken and the motion PASSED unanimously.

Centralized Services

Personal Services

(51b:640) Sen Manning made a motion to accept the executive of 66.0 FTE for the biennium.

A voice vote was taken and the motion PASSED unanimously.

Sen Manning made a motion to accept the LFA current level of \$1,727,645 for 1988 and \$1,726,734 for 1989, adjusted, for personal services.

A voice vote was taken and the motion PASSED unanimously.

Operating Expenses

Sen Harding made a motion to accept the executive of \$726,035 for 1988 and \$672,432 for 1989.

A voice vote was taken and the motion PASSED unanimously.

Equipment

Sen Hims1 made a motion to accept the executive of \$35,700 for 1988 and \$12,200 for 1989.

A voice vote was taken and the motion PASSED unanimously.

Funding

(52a:000) Sen Manning made a motion to accept the executive of \$2,460,106 for 1988 and \$2,382,072 for 1989, adjusted.

A voice vote was taken and the motion PASSED unanimously.

Employment Relations

Personal Services

Sen Manning made a motion to accept the executive FTE level of 47.50 FTE for the biennium.

A voice vote was taken and the motion PASSED unanimously.

Sen Manning made a motion to accept the LFA current level of \$1,303,108 for 1988 and \$1,303,576 for 1989, adjusted, for personal services, plus \$690 for insurance.

A voice vote was taken and the motion PASSED unanimously.

Operating Expenses

Sen Manning made a motion to accept the executive of \$430,674 for 1988 and \$421,276 for 1989.

A voice vote was taken and the motion PASSED unanimously.

Equipment

Sen Manning made a motion to accept the executive of \$6,900 in 1988 only.

A voice vote was taken and the motion PASSED unanimously.

Funding

Sen Manning made a motion to accept the executive of \$1,741,446 for 1988 and \$1,725,527 for 1989.

A voice vote was taken and the motion PASSED unanimously.

Employment Policy

Personal Services

Sen Manning made a motion to accept the executive of 41.0 FTE for the biennium.

A voice vote was taken and the motion PASSED unanimously.

(52a:107) Sen Manning made a motion to accept the LFA current level of \$1,052,433 for 1988 and \$1,051,820 for 1989, adjusted, for personal services, including \$3,900 each year for expenses of the private industry councils, \$6,000 each year for overtime pay, and \$720 each year for temporary leaves of absence.

A voice vote was taken and the motion PASSED unanimously.

Operating Expenses

Sen Manning made a motion to accept the executive of \$1,143,815 for 1988 and \$1,115,800 for 1989.

A voice vote was taken and the motion PASSED unanimously.

Equipment

(52a:148) Sen Manning made a motion to accept the executive of \$18,500 for 1988 and \$15,000 for 1989.

A voice vote was taken and the motion PASSED unanimously.

Funding

Sen Manning made a motion to accept the executive of \$2,224,845 for 1988 and \$2,192,671 for 1989.

A voice vote was taken and the motion PASSED unanimously.

The meeting was adjourned at 10:00 a.m. (52a:178)

A handwritten signature in cursive script, reading "Cal Winslow", is written over a horizontal line.

Cal Winslow, Chairman

HUMAN SERVICES SUB COMMITTEE

Date February 23, 1987

CS-30



EXHIBIT 1

Neighborhood Center
Basement
207 1/2 South Last Chance Gulch
Helena, Montana 59601
Telephone (406)449-6990

P R O J E C T W O R K P R O G R A M

20 February 1987

PROJECT WORK PROGRAM LEWIS AND CLARK COUNTY CONCERNS AND RECOMMENDATIONS

1. Strengthen Project Work Program as a viable job training and search program for General Relief clients.
2. Encourage local county Task Force and PWP operator discretionary flexibility over program design and operations. Anchor PWP to its immediate clientele, service agency expertise and job market.
3. Direct Project Work Program activities to those clients employable and potentially employable. Clients determined non-employable should be referred to appropriate agencies and services that can better serve their needs. Apply the resources where they can provide the most benefit.
4. In addition to job search, retain and strengthen the training and counseling activities which render clients more employable. Neither is effective without the other.
5. Acknowledge and distinguish Project Work Program clientele and program design from Job Training Partnership Act clientele and program design. Avoid PWP incorporation into JTPA.

1. Maintain and strengthen Project Work Program as a viable employment training and search program for General Relief clients.
 - Many clients are employable while others have serious barriers to employment.
 - PWP addresses the needs of GR clients, providing job search and training and counseling to remove the employment barriers.
 - PWP is an indispensable mechanism for improving self-esteem and integration of GR clients into Montana's economy and society.

LEWIS AND CLARK COUNTY STRONGLY SUPPORTS CONTINUATION OF THE PROJECT WORK PROGRAM.

2. Encourage local county Task Force and PWP operators discretionary flexibility over program design and operation.
 - consistent with original Task Force intent and with the concerns voiced by the Job Training Coordinating Council (requested by DOLI to evaluate PWP)
 - a - allows greater sensitivity to local job market conditions (which vary between county) and thus better link clients with local opportunities.
 - b - fosters more effective cooperation between various social service agencies and brings that local professional expertise to bear on PWP.
 - in Lewis and Clark County, able to combine the professional expertise of several critical agencies
 - Human Services Office, Job Service, Career Training Institute, Adult Learning Center (Helena School District #1), Helena Industries, Rocky Mountain Development Council (HRDC), Lewis and Clark County
- without conflict over territorial control

- c - allows greater sensitivity to client needs, and identifies client needs and employment barriers (which also varies between county's, e.g., Lewis and Clark County has a high proportion of transients)
 - as determined through extensive evaluation (in Phase I), clients vary considerably in education and work history backgrounds, many have severe barriers to employment, e.g., alcohol and drug dependency, low levels of educational competency, emotional or mental disturbance.

and thus directs clients into the appropriate training/counseling and/or job search activities.

ANCHOR PWP TO ITS IMMEDIATE CLIENTELE, SERVICE AGENCY EXPERTISE AND JOB MARKET.

3. Because of the limited resources to draw upon and given the range of client needs and characteristics, specialize and direct PWP services to those clients PWP can best serve.

- category of those clients most employable, with few barriers to employment, if any
 - = job search focus (minimal cost expense)

- category of those identified with employment barriers, e.g., low literacy level or alcohol dependency but who are, with some counseling and training, employable.
 - = job training/counseling that render clients more employable along with job search (most PWP costs)

- category of those clients whose barriers cannot be overcome by PWP expertise and who need special assistance and services
 - = referral to Supplemental Security Income or Vocational Rehabilitation programs, for instance (minimal expense for evaluation to re-determine status)

PUT THE LIMITED RESOURCES WHERE THEY CAN DO THE MOST BENEFIT.

- this breakdown of clients and specialization of services is consistent with:
 - the proposed HB 542 sponsored by Dorothy Bradley
 - JTCC recommendation of expanding the definition of non-able-bodied person in order to direct them to appropriate services not provided by PWP
- 4. In addition to job search activities, retain and strengthen the training and counseling activities which render clients more employable.
 - retain the job training along side the job search, neither is effective without the other, (yet both activities are distinct from the other)
 - for those most employable, job training is not particularly appropriate or advantageous, yet job search is needed.
 - while for those with employment barriers and who are potentially employable, minimal training/counseling can provide maximum benefit.

in conjunction with job search.

 - with remedial education instruction and alcohol counseling, targeted at those potentially employable.

= more employable clients (more clients employed, in jobs with higher salaries, more benefits such as health coverage, and potentially employed longer) than those clients not impacted by training and counseling.

= more clients that stay off welfare and thus reduce social service costs to the state in the long run.

JOB SEARCH AND JOB TRAINING ARE COMPLIMENTARY - NEITHER IS PARTICULARLY EFFECTIVE WITHOUT THE OTHER.

22387

5. Distinguish Project Work Programs from the Job Training Partnership Act programs.

- JTPA and PWP clientele and program designs are significantly distinct from each other
 - a. As a whole, the "able-bodied" GR population has multiple and deep-seated barriers preventing employability, not comparable with those of the JTPA clientele.
 - b. While PWP must accept all GR clients referred to it, JTPA is able to screen clients, controlling the composition of its target population. Consequently, the JTPA clientele tend to be much more employable.
 - c. While JTPA clients are willing participants in their training programs, PWP clients are often unwilling, resentful participants in their training programs. There is a significant motivational difference between JTPA and PWP clients.
 - d. Finally, while JTPA clients can deliberately seek out permanent, higher wage employment, PWP clients, under penalty of forfeiting part if not all of their GR assistance, must accept the first employment offered them. Such jobs are often minimum wage, temporary and without medical benefits.
- It is imperative in the evaluation of program results that the standards used in JTPA programs not be applied to Project Work Programs.
- JTCC (December 23, 1986) recommended imposing statewide performance goals (goals to be aspired to) which are not to be used as evaluative measures or standards.

Apples and Oranges?

While acknowledging the distinction between JTPA and PWP, JTPA services and training programs can be immensely valuable to GR clients.

- a. Increase the number of JTPA training positions for GR clients without deleting the number of training positions available for the JTPA targeted populations and redirect any JTPA funding available to help defer other PWP training and service costs such as in vocational-technical education.

22387

- b. Amend the Governor's Annual Statement of Goals and Objectives by adding under Training Goals 1. Objective 2.

"To coordinate JTPA programs with Project Work Program and give additional consideration to General Relief recipients for supportive services and long-term training."

- c. In conjunction with the Private Industry Council, amend the overall JTPA performance standards to accommodate the impact of increased numbers of GR clients being served.

Testimony of Anne MacIntyre, Administrator
Human Rights Division Concerning Projections of Federal Revenue For
Human Rights Commission FY88 - FY89 Budget

The Legislative Fiscal Analyst has arrived at an estimate of federal revenue for the Commission by utilizing a percentage of federal funds to total budget based on FY86 revenues and expenditures, assuming that we would receive the same proportion of funding in the upcoming biennium as in FY86. The executive has attempted to more accurately estimate the federal revenue for the biennium by basing its figures on the Commissions probable contracts with the Equal Employment Opportunity Commission and U.S. Department of Housing and Urban Development. Our assessment of probable contracts is based on analysis of our case load. The fiscal analyst's projections ignore the fact that the Commission's federal funding was reduced between FY86 and FY87, due primarily to changes in the Commission's workload. Our federal revenue for the current year is expected to be only \$87,995.00. Our level of general fund is \$211,688.00, making overall expenditures for FY87 \$299,683.00. This federal fund reduction is due not to cuts in the federal program but to changes in the make up of our case load, so that fewer cases are eligible for EEOC reimbursement. (See attached chart)

The executive recommendation takes the FY87 funding loss into consideration by reducing our staffing and expenditure levels for FY88 and FY89 to the same level as FY87. The executive funding level is tied to an assumption that we will complete 200 EEOC cases per year at an average of \$420 per case. 10 HUD cases per year at \$600 per case. \$4000 per year for federal travel and training reimbursements and \$2000 in miscellaneous revenue (primarily from copying charges and witness fee and travel reimbursements).

We recommend that the committee adopt the method utilized by the executive to project these revenues because we think the executive is

EXHIBIT

DATE

more accurate. However, if the committee wishes to use the percentage approach, we submit that relying on FY86 is inappropriate because of the reductions in FTE levels and related expenditures already incorporated in both the executive budget and the fiscal analyst's budget. Therefore we recommend that the committee utilize our FY87 revenue and expenditure projections to establish a more realistic percentage. As shown in the attached table, our FY87 budget is presently composed of 29% federal funds and 71% general funds. We feel this would be a more appropriate level to use if the committee wishes to utilize this percentage methodology. The table also shows the appropriate funding mix if the 29% figure is applied.

We would also emphasize that, if the number of EEOC cases in our case load were to increase, the possibility exists that we could receive some additional EEOC funding. However, we would be unable to process any higher level of EEOC cases without additional compliance staff and will be forced to seek a budget amendment during the biennium if such a situation occurs. We recognize that the executive has recommended that a cap on the Commission's federal funding be established so that if federal funds exceed certain levels that general funds would revert. The budget office has also agreed that the cap should be established as the level of federal funds received in FY86. Essentially, this would allow us to return to our FY86 staffing levels if our numbers of federal cases increased to an extent that additional staff would be needed to generate the additional federal funds. We would not be able to increase total expenditures above FY86 levels, however. We have prepared amendments to HB2 if the Committee wishes to include such a cap on federal revenue.

EXHIBIT 2
DATE 2-23-87
45

MONTANA HUMAN RIGHTS COMMISSION

EEOC Reimbursement

Percentage of total filings eligible for EEOC reimbursement:

1981	79%
1982	70%
1983	72%
1984	70%
1985	63%
1986	66%
1987	52%

(as of 12/31/86)

2/19/87

TGM001

MONTANA HUMAN RIGHTS COMMISSION

Commission Funding

FY87

General Fund \$211,688

Federal Funds 87,995

Total \$299,683

Percentage of total composed of federal funds - 29%

If the 29 percentage is applied to the fiscal analyst's budget recommendations, the following funding mix is established:

	<u>FY88</u>	<u>FY89</u>
General Funds	\$224,029	\$223,754
Federal Funds	<u>91,505</u>	<u>91,392</u>
Total	\$315,534	\$315,146

EXHIBIT 3 4/16/87
DATE 2-23-87
RE

Project Work funding comes from the Department of SRS to the extent they chose to contract with the Department of Labor and Industry. Therefore the following amendment is necessary to provide the ability for the Department of Labor and Industry to carry out this contract.

Amend HB 2

Page 44, following line 23 insert

"To the extent the Department of SRS contracts to the Department of Labor and Industry to carry out the Project Work Program the Department of Labor and Industry is granted an appropriation out of the State Special Revenue fund."

DIVISION OF WORKERS' COMPENSATION

OUTGOING MAIL ISSUE

Fiscal Year 1988

		OPTION 1					OPTION 2					OPTION 3				
TYPE	PIECES	X \$.14	X \$.18	X \$.22	X \$.65	TOTAL POSTAGE COST	X \$.14	X \$.18	X \$.22	X \$.65	TOTAL POSTAGE COST	X \$.14	X \$.18	X \$.22	X \$.65	TOTAL POSTAGE COST
MAIL	MAIL															
#9 & #10 Envelopes	379,101			\$83,402		\$83,402		\$62,779	\$6,672	\$69,451			\$62,779	\$6,672	\$69,451	
Manilas	34,602			22,491		22,491				22,491					22,491	
Postcards	34,888	4,884		4,884		4,884	3,852	391		4,242	3,852	391			4,242	
Folder-Stuffer	451,986		21,960	72,597		94,557		74,849	7,955	82,804			74,849	7,955	82,804	
						\$205,335				\$178,989					\$178,989	
.5 FTE - State Auditor						7,156				7,156						
D of A Charge - 17% of postage cost										30,428						
korkers' Compensation - .5 FTE															7,156	
Maintenance on mailing equipment						3,097									3,097	
						\$215,588				\$216,573					\$189,242	
General Fund						\$7,156				\$7,156						
State Special Revenue Fund						208,432				209,417						
						\$215,588				\$216,573					\$189,242	

OPTION 1 - Division continues to process its own outgoing mail, with only major mailings being pre-sorted. State Auditor mails medical and compensation warrants - Division pays for postage.

OPTION 2 - Department of Administration processes all of Division's outgoing mail. 17% D of A charge is added to postage cost. D of A has stated they will have to add partial FTE to accomplish. Cost unknown.

State Auditor will still need 35 FTE to fold and insert checks into envelopes. D of A will pick up checks at State Auditor's Office and rest of outgoing mail at Division offices. 92% of Division mail will qualify for pre-sort.

OPTION 3 - Division continues to process its own outgoing mail, but adds .5 FTE to accomplish pre-sort function. Division picks up medical and compensation warrants from State Auditor and includes in its pre-sort function. 92% of Division mail will qualify for pre-sort.

DIVISION OF WORKERS' COMPENSATION

Fiscal Year 1989

OUTGOING MAIL ISSUE

OPTION 1										OPTION 2					OPTION 3				
TYPE	PIECES	X \$.14	X \$.18	X \$.22	X \$.65	TOTAL POSTAGE COST	X \$.12	X \$.14	X \$.18	X \$.22	X \$.65	TOTAL POSTAGE COST	X \$.12	X \$.14	X \$.18	X \$.22	X \$.65	TOTAL POSTAGE COST	
#9 & #10 Envelopes	392,717			\$86,398		\$86,398			\$65,034	\$6,912		\$71,946			\$65,034	\$6,912		\$71,946	
Manillas	34,602				22,491	22,491					22,491	22,491					22,491	22,491	
Postcards	34,888	4,884				4,884	3,852	391				4,242	3,852	391				4,242	
Folder-Stuffer	478,302		23,278	76,776		100,054			79,207	8,418		87,625			79,207	8,418		87,625	
						\$213,827						\$186,304						\$186,304	
.5 FTE - State Auditor						7,129						7,129						7,129	
D of A Charge - 17% of postage cost												31,672							
Workers' Compensation - .5 FTE						3,097												3,097	
Maintenance on mailing equipment																			
						\$224,053						\$225,105						\$196,530	
General Fund						\$7,129						\$7,129						196,530	
State Special Revenue Fund						216,924						217,976						\$196,530	
						\$224,053						\$225,105						\$196,530	

OPTION 1 - Division continues to process its own outgoing mail, with only major mailings being pre-sorted. State Auditor mails medical and compensation warrants - Division pays for postage.

OPTION 2 - Department of Administration processes all of Division's outgoing mail. 17% D of A charge is added to postage cost. D of A has stated they will have to add partial FTE to accomplish. Cost unknown. State Auditor will still need .5 FTE to fold and insert checks into envelopes. D of A will pick up checks at State Auditor's Office and rest of outgoing mail at Division offices. 92% of Division mail will qualify for pre-sort.

OPTION 3 - Division continues to process its own outgoing mail, but adds .5 FTE to accomplish pre-sort function. Division picks up medical and compensation warrants from State Auditor and includes in its pre-sort function. 92% of Division mail will qualify for pre-sort.

EXHIBIT

DATE

2.23.81

HB

EXHIBIT 5
DATE 223/87
HB

ADVANTAGES OF CENTRALIZED MAIL -- 02/20/87

1. CENTRALIZED MAIL ALLOWS SMALL VOLUME AGENCIES TO TAKE ADVANTAGE OF THE PRESORT DISCOUNT. TO QUALIFY FOR PRESORT DISCOUNT YOU MUST HAVE 500 PIECES OF MAIL MAILED WITHIN THE STATE.
2. USING CENTRALIZED MAIL ELIMINATES F.T.E.'S, EQUIPMENT, VEHICLES, AND SPACE AT THE AGENCY LEVEL.
3. ALL MAIL PICKED UP DURING THE DAY IS PROCESSED AND SENT TO THE MAIN POST OFFICE THE SAME DAY. CENTRAL MAIL DOES NOT ADD A DAY TO MAIL PROCESSING!! MAIL PICK UP AND DELIVERY IS SCHEDULED TO ACCOMODATE THE AGENCY'S BUSINESS REQUIREMENTS AS MUCH AS POSSIBLE.
4. EVEN THOUGH CENTRAL MAIL HAS A 17.5% PROCESSING FEE, THE COST OF A PIECE OF FIRST CLASS MAIL, QUALIFYING FOR PRESORT DISCOUNT, IS LESS THAN \$.22.
5. NO MAIL IS LEFT IN THE MAIL ROOM OVERNIGHT. THEREFORE, THERE ARE NO SECURITY PROBLEMS ENCOUNTERED AT CENTRAL MAIL.

EXHIBIT 6

DATE 2-25-87

FD 201

Human Services Subcommittee

February 23, 1987

POTENTIAL LANGUAGE
DEPARTMENT OF LABOR AND INDUSTRY

Item __ includes federal spending authority for current level operations of all existing job service offices. If federal funds are less than these amounts, the department may seek a budget amendment to supplement federal funds with state unemployment assessments as provided in section 39-51-404(4), MCA.

DEPARTMENT OF LABOR AND INDUSTRY - EMPLOYMENT SERVICES
 JOB SERVICE

<u>PERSONAL SERVICES</u>	<u>1988</u>	<u>1989</u>
Executive FTE	338.0	338.0
LFA Current Level FTE	<u>343.0</u>	<u>343.0</u>
Difference	(5.0)	(5.0)

Executive	\$8,188,336	\$8,183,656
LFA Current Level	<u>8,283,723</u>	<u>8,279,230</u>
Difference	\$ (95,387)	\$ (95,574)

- - - - - Personal Services Issues - - - - -

1. The executive has deleted five positions due to pay plan retained in current level.

2. Committee Issues

Committee Action

<u>OPERATING EXPENSES</u>	<u>1988</u>	<u>1989</u>
Executive	\$2,891,502	\$2,885,200
LFA Current Level	<u>2,638,050</u>	<u>2,613,714</u>
Difference	\$ 253,452	\$ 271,486

----- -Operating Expenses Issues -----

1. LFA current level does not fund a \$139,441 data processing expense neither anticipated nor budgeted for in fiscal 1986. The remainder of the difference is due to differences in the calculation of recharges to fund Centralized Services and the Commissioner's Office.

2. Committee Issues

Committee Action

<u>EQUIPMENT</u>	<u>1988</u>	<u>1989</u>
Executive	\$156,506	\$156,506
LFA Current Level	<u>156,506</u>	<u>156,506</u>
Difference	\$ -0-	\$ -0-

----- -Equipment Issues -----

1. LFA current level and the executive both fund \$59,400 each year to upgrade telephone systems in local offices, \$60,000 each year to upgrade computer equipment at local offices, \$32,106 each year for office equipment, and \$5,000 each year to purchase data base packages.

2. Committee Issues

Committee Action

GRANTS

	<u>1988</u>	<u>1989</u>
Executive	\$20,000	\$20,000
LFA Current Level	<u>20,000</u>	<u>20,000</u>
Difference	\$ -0-	\$ -0-

- - - - -Grants Issues- - - - -

1. Grants are made for supportive services, such as clothing, automobile repairs, and job related tools, to WIN (Work Incentive) participants.

2. Committee Issues

Committee Action

CAPITAL OUTLAY

	<u>1988</u>	<u>1989</u>
Executive	\$65,000	\$170,540
LFA Current Level	<u>30,000</u>	<u>135,540</u>
Difference	\$35,000	\$ 35,000

----- Capital Outlay Issues -----

1. The executive and LFA current level both include \$30,000 in fiscal 1988 and \$135,540 in fiscal 1989 for projects in the A & E long range building program. In addition, the executive includes \$35,000 for contingency repairs.

2. Committee Issues

Committee Action

<u>FUNDING</u>		1988		1989
	<u>Exec</u>	<u>LFA</u>	<u>Exec</u>	<u>LFA</u>
Federal	\$11,321,344	\$11,128,279	\$11,415,902	\$11,204,990

----- Funding Issues -----

1. Job Services is funded by federal Wagner-Peyser, WIN, and other federal funds.

2. Committee Issues

Committee Action

DEPARTMENT OF LABOR AND INDUSTRY - EMPLOYMENT SERVICES
UNEMPLOYMENT INSURANCE

<u>PERSONAL SERVICES</u>	<u>1988</u>	<u>1989</u>
Executive FTE	88.9	88.9
LFA Current Level FTE	<u>94.9</u>	<u>94.9</u>
Difference	(6.0)	(6.0)

Executive	\$1,956,011	\$1,955,257
LFA Current Level	<u>2,034,579</u>	<u>2,033,766</u>
Difference	\$ (78,568)	\$ (78,509)

- - - - - Personal Services Issues - - - - -

1. The executive has deleted six positions due to pay plan retained in current level. In addition, the executive has included \$1,225 each year for per diem expenses of the unemployment insurance advisory council and \$500 each year for incentive award payments.

2. Committee Issues

Committee Action

<u>OPERATING EXPENSES</u>	<u>1988</u>	<u>1989</u>
Executive	\$1,512,184	\$1,486,982
LFA Current Level	<u>1,500,078</u>	<u>1,480,501</u>
Difference	\$ 12,106	\$ 6,481

-----Operating Expenses Issues-----

1. The executive includes \$1,300 each month, or \$15,600 each year, in data set charges. The remainder of the difference is primarily due to differences in the calculation of recharges. The difference amounts to less than 1 percent of the total operating expenses.

2. Committee Issues

Committee Action

EQUIPMENT

	<u>1988</u>	<u>1989</u>
Executive	\$54,930	\$54,930
LFA Current Level	<u>54,930</u>	<u>54,930</u>
Difference	\$ -0-	\$ -0-

-----Equipment Issues-----

1. The executive and LFA current level both include \$41,130 each year for computer equipment, \$7,300 each year for office equipment, and \$6,500 each year for software.

2. Committee Issues

Committee Action

<u>FUNDING</u>	1988		1989	
	<u>Exec</u>	<u>LFA</u>	<u>Exec</u>	<u>LFA</u>
Federal	\$3,523,125	\$3,589,587	\$3,497,169	\$3,569,197

- - - - - Funding Issues - - - - -

1. Unemployment Insurance is entirely funded with federal Unemployment Insurance funds.

2. Committee Issues

Committee Action

DEPARTMENT OF LABOR AND INDUSTRY - EMPLOYMENT SERVICES
CENTRALIZED SERVICES

<u>PERSONAL SERVICES</u>	<u>1988</u>	<u>1989</u>
Executive FTE	66.0	66.0
LFA Current Level FTE	<u>68.0</u>	<u>68.0</u>
Difference	(2.0)	(2.0)

Executive	\$1,698,371	\$1,697,440
LFA Current Level	<u>1,727,645</u>	<u>1,726,734</u>
Difference	\$ (29,274)	\$ (29,294)

- - - - - Personal Services Issues - - - - -

1. The executive deletes two positions due to pay plan retained in current level.

2. Committee Issues

Committee Action

<u>OPERATING EXPENSES</u>	<u>1988</u>	<u>1989</u>
Executive	\$726,035	\$672,432
LFA Current Level	<u>740,340</u>	<u>689,762</u>
Difference	\$(14,305)	\$(17,330)

-----Operating Expenses Issues-----

1. LFA current level includes \$12,209 in fiscal 1988 and \$12,074 in fiscal 1989 over the executive in grounds maintenance and \$1,867 more each year in records storage expenses. The remainder of the difference is due to recharges.

2. Committee Issues

Committee Action

<u>EQUIPMENT</u>		1988		1989	
<u>Item</u>	<u>Exec</u>	<u>LFA</u>	<u>Exec</u>	<u>LFA</u>	
Computer Eq.	\$13,300	\$ -0-	\$12,000	\$ -0-	
Video Recorder	-0-	-0-	-0-	300	
Office	1,200	1,600	-0-	1,200	
Sorter/Feeder	18,000	18,000	-0-	-0-	
Training	200	500	200	500	
Software	<u>3,000</u>	<u>3,000</u>	<u>-0-</u>	<u>3,000</u>	
Total	\$35,700	\$23,100	\$12,200	\$5,000	

-----Equipment Issues-----

feeder funding

1. Committee Issues

Committee Action

<u>FUNDING</u>	1988		1989	
	<u>Exec</u>	<u>LFA</u>	<u>Exec</u>	<u>LFA</u>
Proprietary	\$1,557,655	\$1,577,322	\$1,481,722	\$1,506,022
Data Processing	<u>902,451</u>	<u>913,763</u>	<u>900,350</u>	<u>915,474</u>
Total	\$2,460,106	\$2,491,085	\$2,382,072	\$2,421,496

----- Funding Issues -----

1. Centralized Services is funded with charges paid by all programs of the Department of Labor and Industry based upon usage. These charges appear as recharges in the contributor programs' budgets.

2. Committee Issues

Committee Action

DEPARTMENT OF LABOR AND INDUSTRY - EMPLOYMENT SERVICES
EMPLOYMENT RELATIONS
including
INVESTIGATIONS
PERSONNEL AND UNEMPLOYMENT INSURANCE APPEALS
AUDIT

<u>PERSONAL SERVICES</u>	<u>1988</u>	<u>1989</u>
Executive FTE	47.50	47.50
LFA Current Level FTE	<u>47.49</u>	<u>47.49</u>
Difference	.01	.01
Executive	\$1,303,872	\$1,304,251
LFA Current Level	<u>1,303,108</u>	<u>1,303,576</u>
Difference	\$ 764	\$ 675

- - - - - Personal Services Issues - - - - -

1. The executive includes \$690 more for insurance than is included in current level.

2. Committee Issues

Committee Action

<u>OPERATING EXPENSES</u>	<u>1988</u>	<u>1989</u>
Executive	\$430,674	\$421,276
LFA Current Level	<u>420,988</u>	<u>413,302</u>
Difference	\$ 9,686	\$ 7,974

-----Operating Expenses Issues-----

1. The executive includes \$3,600 more each year for personnel appeals fact-finding than the LFA current level, \$2,967 more for legal services in investigations, \$800 for secretarial services, \$835 in travel, and \$1,250 for PC maintenance over the LFA current level. The remainder of the difference is due to differences in the calculation of recharges.

2. Committee Issues

Committee Action

<u>EQUIPMENT</u>	<u>1988</u>	<u>1989</u>
Executive	\$6,900	\$ -0-
LFA Current Level	<u>6,900</u>	<u>1,018</u>
Difference	\$ -0-	\$(1,018)

-----Equipment Issues-----

1. The executive and LFA current level both include \$4,800 for personal computers to complete the automation of the Audit Bureau and \$2,100 for software in fiscal 1988. LFA current level also includes office equipment in fiscal 1989.

2. Committee Issues

Committee Action

<u>FUNDING</u>	1988		1989	
	<u>Exec</u>	<u>LFA</u>	<u>Exec</u>	<u>LFA</u>
General Fund	\$621,252	\$608,338	\$619,690	\$607,282
Private Empl.	4,000	4,000	4,000	4,000
Audit Bureau	840,974	848,126	831,052	840,384
Board of Pers. Appl.	3,346	956	3,346	956
Labor & Industry	268,374	266,076	263,939	261,774
Appeals Cases	<u>3,500</u>	<u>3,500</u>	<u>3,500</u>	<u>3,500</u>
Total	\$1,741,446	\$1,730,996	\$1,725,527	\$1,717,896

- - - - - Funding Issues - - - - -

1. General fund funds Personnel Appeals and Investigations. Private Employment Agencies are license fees paid by private employment agencies in the state. The Audit Bureau is funded with charges made to various programs of the department, which appear as audit charges in their budgets. Board of Personnel Appeals are funds from various reimbursable fact finding operations. Labor and Industry are federal funds to fund Unemployment Insurance Appeals. Appeals Case is income from the sale of appeals case decisions.

2. Committee Issues

Committee Action

DEPARTMENT OF LABOR AND INDUSTRY - EMPLOYMENT SERVICES
EMPLOYMENT POLICY
including
APPRENTICESHIP
JTPA STAFF
RESEARCH AND ANALYSIS

<u>PERSONAL SERVICES</u>	<u>1988</u>	<u>1989</u>
Executive FTE	41.00	41.00
LFA Current Level FTE	<u>40.98</u>	<u>40.98</u>
Difference	.02	.02
 Executive	 \$1,062,530	 \$1,061,871
LFA Current Level	<u>1,052,433</u>	<u>1,051,820</u>
Difference	\$ 10,097	\$ 10,051

- - - - - Personal Services Issues - - - - -

1. The executive includes \$3,900 each year for expenses of the private industry councils, \$6,000 each year for overtime pay, and \$720 each year for temporary leaves of absence.

2. Committee Issues

Committee Action

<u>OPERATING EXPENSES</u>	<u>1988</u>	<u>1989</u>
Executive	\$1,143,815	\$1,115,800
LFA Current Level	<u>983,526</u>	<u>970,599</u>
Difference	\$ 160,289	\$ 145,201

----- -Operating Expenses Issues - -----

1. The executive includes \$107,000 for evaluations of program participants and \$77,000 for outside audits each year. In addition, the executive includes \$4,261 more for prevailing wage in fiscal 1988 than is included in current level. The remainder of the difference is due primarily to differences in the calculation of recharges.

2. Committee Issues

Committee Action

<u>EQUIPMENT</u>	<u>1988</u>	<u>1989</u>
Executive	\$18,500	\$15,000
LFA Current Level	<u>13,500</u>	<u>10,000</u>
Difference	\$ 5,000	\$ 5,000

----- -Equipment Issues - -----

1. The executive and LFA current level both include \$13,500 in fiscal 1988 for computer equipment and \$10,000 in fiscal 1989 for a one-time matrix purchase. In addition, the executive includes \$2,000 each year for office equipment and \$3,000 each year for software.

2. Committee Issues

Committee Action

FUNDING

1988

1989

	<u>Exec</u>	<u>LFA</u>	<u>Exec</u>	<u>LFA</u>
General Fund \$	19,567	\$ 15,306	\$ -0-	\$ -0-
Labor & Ind.	1,157,788	949,990	1,156,408	954,190
R & A	869,909	907,941	858,455	901,944
Penalty & Int.	<u>177,581</u>	<u>176,222</u>	<u>177,808</u>	<u>176,285</u>
Total	\$2,224,845	\$2,049,459	\$2,192,671	\$2,032,419

- - - - - Funding Issues - - - - -

1. General fund funds prevailing wage study expenses, which occur every two years. Labor and Industry federal funding funds all JTPA staff expenses. Research and Analysis federal funds fund that bureau. Unemployment insurance penalty and interest funds fund the Apprenticeship Bureau.

2. Committee Issues

Committee Action

DEPARTMENT OF LABOR AND INDUSTRY - DIVISION OF WORKERS' COMPENSATION
ADMINISTRATION

<u>PERSONAL SERVICES</u>	<u>1988</u>	<u>1989</u>
Executive FTE	37.0	37.0
LFA Current Level FTE	<u>36.0</u>	<u>36.0</u>
Difference	1.0	1.0

Executive	\$877,941	\$879,134
LFA Current Level	<u>852,991</u>	<u>854,242</u>
Difference	\$ 24,950	\$24,892

- - - - - Personal Services Issues - - - - -

1. LFA current level does not include the position transferred from Employment Services in fiscal 1987 to allow for legislative review. The position was transferred via the program transfer process and has gone from federal to state funding.

2. Committee Issues

Committee Action

<u>OPERATING EXPENSES</u>	<u>1988</u>	<u>1989</u>
Executive	\$483,761	\$430,026
LFA Current Level	<u>466,305</u>	<u>408,090</u>
Difference	\$ 17,456	\$ 21,936

-----Operating Expenses Issues-----

1. The executive includes \$3,468 each year in legal expenses, \$6,300 each year in postage for Small Business Clinic mailings, and \$7,291 each year for rent of a copier over the LFA current level. The remainder of the differences is due to recharges.

2. Committee Issues

Committee Action

<u>EQUIPMENT</u>	1988		1989	
	<u>Exec</u>	<u>LFA</u>	<u>Exec</u>	<u>LFA</u>
Computer Equip	\$40,004	\$47,802	\$26,793	\$ -0-
Office	1,500	9,002	1,500	4,655
Library Books	1,600	-0-	2,200	-0-
Software	-0-	-0-	11,900	9,000
Total	\$43,104	\$56,804	\$42,393	\$13,655

-----Equipment Issues-----

1. Committee Issues

Committee Action

TRANSFERS

	<u>1988</u>	<u>1989</u>
Executive	\$9,962	\$431,338
LFA Current Level	<u>9,962</u>	<u>431,338</u>
Difference	\$ -0-	\$ -0-

----- Transfers Issues-----

1. Transfers include those building payments not funded with investment earnings. Building payments total \$430,463 in fiscal 1988 and \$431,338 in fiscal 1989.

2. Committee Issues

Committee Action

FUNDING

1988

1989

	<u>Exec</u>	<u>LFA</u>	<u>Exec</u>	<u>LFA</u>
Workers' Comp	\$1,381,668	\$1,351,949	\$1,749,822	\$1,673,243
OSHA	<u>33,100</u>	<u>34,113</u>	<u>33,069</u>	<u>34,082</u>
Total	\$1,414,768	\$1,386,062	\$1,782,891	\$1,707,325

----- Funding Issues -----

1. Committee Issues

Committee Action

MODIFIED BUDGETS

LEGAL SECRETARY

Funds are requested to retain 1.0 FTE added by the 1985 legislature on a sunset basis to aid 2.0 FTE attorneys. The attorneys are being requested on a modified budget in the State Insurance Fund. The modified request is funded with state workers' compensation insurance funds.

<u>Object</u>	<u>Fiscal 1988</u>	<u>Fiscal 1989</u>
FTE	1.0	1.0
Personal Services	\$17,541	\$17,518

COMPUTER DEVELOPMENT

Funds are requested to complete the development of the computer system currently being implemented. This modified would be funded with state workers' compensation insurance funds.

<u>Object</u>	<u>Fiscal 1988</u>	<u>Fiscal 1989</u>
Contracted Services	\$181,000	\$75,000

ADDITIONAL FTE

Funds are requested to add 1.5 FTE to assist in the automation of identifying uninsured employers in a variety of sources, generate management information reports and assist with increased incoming mail. The modified would be funded with state workers' compensation insurance funds.

<u>Object</u>	<u>Fiscal 1988</u>	<u>Fiscal 1989</u>
FTE	1.5	1.5
Personal Services	\$31,231	\$31,213
Contracted Services	2,151	4,136
Communications	300	100
Travel	-0-	798
Repair & Maintenance	360	360
Equipment	<u>3,700</u>	<u>-0-</u>
Total	\$37,742 \	\$36,607 \

DEPARTMENT OF LABOR AND INDUSTRY - DIVISION OF WORKERS' COMPENSATION
STATE INSURANCE FUND

<u>PERSONAL SERVICES</u>	<u>1988</u>	<u>1989</u>
Executive FTE	88.0	88.0
LFA Current Level FTE	<u>76.0</u>	<u>76.0</u>
Difference	12.0	12.0

Executive	\$1,855,106	\$1,855,636
LFA Current Level	<u>1,633,317</u>	<u>1,633,829</u>
Difference	\$ 221,789	\$ 221,807

- - - - - Personal Services Issues - - - - -

1. The executive includes 12 positions transferred from Job Service and Centralized Services in fiscal 1987. Because these positions were added via the program transfer process, which does not require legislative review, and funding has changed from primarily federal to state funding, the positions are not included in current level to allow for legislative review.

2. Committee Issues

Committee Action

<u>OPERATING EXPENSES</u>	<u>1988</u>	<u>1989</u>
Executive	\$1,677,129	\$1,739,371
LFA Current Level	<u>1,605,702</u>	<u>1,592,199</u>
Difference	\$ 71,427	\$ 147,172

----- -Operating Expenses Issues -----

1. LFA current level includes \$105,785 in fiscal 1988 and \$110,475 in fiscal 1989 over the executive in internal audit fees, and \$1,110 in fiscal 1988 and \$1,751 in fiscal 1989 over the executive in gasoline. The executive is over the LFA current level in the following areas: \$151,196 in fiscal 1988 and \$151,121 in fiscal 1989 in reinsurance costs, \$15,228 in fiscal 1988 and \$86,827 in fiscal 1989 in data processing costs, \$4,644 in fiscal 1988 and \$5,746 in fiscal 1989 in office supplies, \$5,224 in fiscal 1988 and \$10,721 in fiscal 1989 in postage, and \$2,937 in fiscal 1988 and \$5,421 in fiscal 1989 in repair costs.

2. Committee Issues

Committee Action

<u>EQUIPMENT</u>	1988		1989	
	<u>Exec</u>	<u>LFA</u>	<u>Exec</u>	<u>LFA</u>
Autos	\$17,304	\$ 8,652	\$ -0-	\$ 9,000
Computer Equip	35,175	20,100	36,600	14,300
Office	3,450	8,950	19,650	30,800
Library Books	<u>300</u>	<u>-0-</u>	<u>300</u>	<u>-0-</u>
Total	\$56,229\	\$37,702	\$56,550\	\$54,100

----- -Equipment Issues -----

1. Committee Issues

Committee Action

FUNDING

1988

1989

Exec

LFA

Exec

LFA

Workers' Comp\$3,588,464\

\$3,276,721

\$3,651,557\

\$3,280,128

- - - - - Funding Issues - - - - -

1. Committee Issues

Committee Action

MODIFIED REQUEST

WORKLOAD INCREASE

Funds are requested to add 10.0 FTE in response to increases in workload. The FTE include 1.0 FTE claims examiner, 6.0 FTE field representative, 1.0 supporting clerical staff, and 2.0 FTE attorney positions.

<u>Object</u>	<u>Fiscal 1988</u>	<u>Fiscal 1989</u>
FTE	10.0	10.0
Personal Services	\$238,359	\$238,228
Contracted Services	60	60
Supplies	7,553	7,800
Communications	5,909	6,107
Travel	30,507	30,507
Repair & Maintenance	2,000	2,000
Other Expenses	500	500
Equipment	<u>54,412</u>	<u>-0-</u>
Total	\$339,300	\$285,202

DEPARTMENT OF LABOR AND INDUSTRY - DIVISION OF WORKERS' COMPENSATION
INSURANCE COMPLIANCE

<u>PERSONAL SERVICES</u>	<u>1988</u>	<u>1989</u>
Executive FTE	35.0 34.0	35.0 34.0
LFA Current Level FTE	<u>35.0</u>	<u>35.0</u>
Difference	-0-	-0-

Executive	\$733,760	\$733,869
LFA Current Level	<u>734,015</u>	<u>734,153</u>
Difference	\$ (255)	\$ (284)

- - - - - Personal Services Issues - - - - -

1. Differences in personal services are due to differences in the calculation of vacancy savings.

2. Committee Issues

Committee Action

<u>OPERATING EXPENSES</u>	<u>1988</u>	<u>1989</u>
Executive	\$301,042	\$294,299
LFA Current Level	<u>258,573</u>	<u>255,131</u>
Difference	\$ 42,469	\$ 39,168

-----Operating Expenses Issues-----

1. The executive includes \$58,187 in fiscal 1988 and \$56,497 in fiscal 1989 more in computer processing than is included in current level. LFA current level includes \$15,290 more each year in internal audit fees than the executive.

2. Committee Issues

Committee Action

<u>EQUIPMENT</u>	1988		1989	
	<u>Exec</u>	<u>LFA</u>	<u>Exec</u>	<u>LFA</u>
Computer Eq.	\$24,800	\$16,800	\$3,200	\$-0-
Office	<u>900</u>	<u>6,450</u>	<u>900</u>	<u>900</u>
Total	\$25,700	\$23,250	\$4,100	\$900

-----Equipment Issues-----

1. Committee Issues

Committee Action

CRIME VICTIMS BENEFITS19881989

Executive	\$365,863	\$365,863
LFA Current Level	<u>348,711</u>	<u>349,447</u>
Difference	\$ 17,152	\$ 16,416

- - - - - - - - - - Crime Victims Issues - - - - -

1. The executive funds crime victims benefits to the division's request. LFA current level funds benefits to the anticipated level of income in to the crime victims fund.

2. Committee Issues

Committee Action

SOCIAL SECURITY OFFSETS19881989

| | | |
|-------------------|---------------|---------------|
| Executive | \$69,583 | \$64,583 |
| LFA Current Level | <u>69,583</u> | <u>64,583</u> |
| Difference | \$ -0- | \$ -0- |

- - - - - - - - - - Social Security offset Issues - - - - -

1. Social security offset payments are made to those persons adversely affected by a 1974 law offsetting payments from the division 100 percent for any social security payments received for the same purpose. The law was subsequently changed to a 50 percent offset.

2. Committee Issues

Committee Action

SILICOSIS BENEFITS

1988

1989

| | | |
|-------------------|----------------|----------------|
| Executive | \$576,000 | \$555,600 |
| LFA Current Level | <u>576,000</u> | <u>555,600</u> |
| Difference | \$ -0- | \$ -0- |

- - - - -Silicosis Benefits Issues- - - - -

1. Silicosis benefits are paid to those persons who contracted silicosis on the job prior to 1959 or to their surviving spouses. LFA current level includes \$12,519 in fiscal 1988 and \$12,504 in fiscal 1989 of administration costs. The executive includes \$11,861 in fiscal 1988 and \$11,846 in fiscal 1989 in administrative costs.

2. Committee Issues

Committee Action

TRANSFERS**1988****1989**

| | | |
|-------------------|---------------|---------------|
| Executive | \$58,789 | \$60,553 |
| LFA Current Level | <u>58,789</u> | <u>60,553</u> |
| Difference | \$ -0- | \$ -0- |

----- Transfers Issues -----

1. Transfers are made to fund administrative costs of the crime victims compensation program.

2. Committee Issues

Committee Action

FUNDING**1988****1989**

| | <u>Exec</u> | <u>LFA</u> | <u>Exec</u> | <u>LFA</u> |
|-----------------|------------------|------------------|------------------|----------------|
| General Fund \$ | 657,444 | \$ 658,103 | \$ 632,029 | \$ 632,687 |
| Crime Victims | 424,652 | 407,500 | 426,416 | 410,000 |
| Workers' Comp | <u>1,048,643</u> | <u>1,003,319</u> | <u>1,020,422</u> | <u>977,680</u> |
| Total | \$2,130,739 | \$2,068,922 | \$2,078,867 | \$2,020,367 |

----- Funding Issues -----

1. General fund funds social security offsets and silicosis benefits and administration.

2. Committee Issues

Committee Action

MODIFIED REQUESTS

CLAIMS EXAMINER

Funds are requested to add 1.0 FTE claims examiner to reduce the workload of the current FTE.

| <u>Object</u> | <u>Fiscal 1988</u> | <u>Fiscal 1989</u> |
|---------------------------|--------------------|--------------------|
| FTE | 1.0 | 1.0 |
| Personal Services | \$25,284 | \$25,271 |
| Supplies & Materials | 100 | 100 |
| Communications | 1,000 | 1,000 |
| Travel | 527 | 527 |
| Equipment | <u>4,000</u> | <u>-0-</u> |
| Total Workers' Comp Funds | \$30,911 | \$26,898 |

ADMINISTRATIVE OFFICER

Funds are requested to add 1.0 FTE administrative officer to deal with the self-insurance and insurer solvency programs.

| <u>Object</u> | <u>Fiscal 1988</u> | <u>Fiscal 1989</u> |
|---------------------------|--------------------|--------------------|
| FTE | 1.0 | 1.0 |
| Personal Services | \$21,650 | \$21,639 |
| Supplies & Materials | 100 | 100 |
| Communications | 600 | 600 |
| Travel | 182 | 182 |
| Equipment | <u>4,000</u> | <u>-0-</u> |
| Total Workers' Comp Funds | \$26,532 | \$22,521 |

DEPARTMENT OF LABOR AND INDUSTRY - DIVISION OF WORKERS' COMPENSATION
SAFETY

| <u>PERSONAL SERVICES</u> | <u>1988</u> | <u>1989</u> |
|--------------------------|-------------|-------------|
| Executive FTE | 25.0 | 25.0 |
| LFA Current Level FTE | <u>25.0</u> | <u>25.0</u> |
| Difference | -0- | -0- |

| | | |
|-------------------|----------------|----------------|
| Executive | \$677,730 | \$682,623 |
| LFA Current Level | <u>677,982</u> | <u>682,904</u> |
| Difference | \$ (252) | \$ (281) |

- - - - - Personal Services Issues - - - - -

1. Difference is due to differences in the calculation of vacancy savings.

2. Committee Issues

Committee Action

| <u>OPERATING EXPENSES</u> | <u>1988</u> | <u>1989</u> |
|---------------------------|----------------|----------------|
| Executive | \$141,652 | \$138,160 |
| LFA Current Level | <u>144,033</u> | <u>145,514</u> |
| Difference | \$ (2,381) | \$ (7,354) |

-----Operating Expenses Issues-----

1. The executive includes \$3,000 in fiscal 1988 to reprint the Montana safety laws and rules. LFA current level includes \$5,942 each year in travel over the executive, who has included this travel in a modified request, and \$1,149 in gasoline in fiscal 1989 over the executive level.

2. Committee Issues

Committee Action

| <u>EQUIPMENT</u> | 1988 | | 1989 | |
|------------------|--------------|------------|--------------|------------|
| | <u>Exec</u> | <u>LFA</u> | <u>Exec</u> | <u>LFA</u> |
| Vehicles | \$17,304 | \$29,804 | \$21,152 | \$30,500 |
| Computer Eq. | 2,995 | 2,200 | -0- | -0- |
| Video Recorder | 800 | -0- | -0- | -0- |
| Office | -0- | 6,560 | -0- | 2,495 |
| Code Books | 625 | -0- | 995 | -0- |
| Films | <u>1,500</u> | <u>-0-</u> | <u>1,500</u> | <u>-0-</u> |
| Total | \$23,224 | \$38,564 \ | \$23,647 | \$32,995 \ |

-----Equipment Issues-----

1. Committee Issues

Committee Action

FUNDING

1988

1989

Exec

LFA

Exec

LFA

| | | | | |
|------------------|---------------|---------------|---------------|---------------|
| Workers' Comp | \$751,257 | \$769,230 | \$752,623 | \$769,606 |
| Coal Mine Safety | 39,602 | 39,602 | 39,744 | 39,744 |
| On-Site Consult | <u>51,747</u> | <u>51,747</u> | <u>52,063</u> | <u>52,063</u> |
| Total | \$842,606 | \$860,579 | \$844,430 | \$861,413 |

- - - - - Funding Issues - - - - -

1. Committee Issues

Committee Action

MODIFIED REQUEST

LOSS CONTROL

Funds are requested to expand the travel conducted by field personnel to increase their loss control activities to provide more assistance to the State Insurance Fund.

| <u>Object</u> | <u>Fiscal 1988</u> | <u>Fiscal 1989</u> |
|----------------------|--------------------|--------------------|
| Contracted Services | \$ 565 | \$ 3,346 |
| Supplies & Materials | 119 | 119 |
| Communications | 811 | 811 |
| Travel | 43,994 | 41,272 |
| Repair & Maintenance | 120 | 120 |
| Equipment | <u>-0-</u> | <u>850</u> |
| Total | \$45,609 | \$46,518 |

HUMAN SERVICES SUB COMMITTEE

DATE _____

DATE February 23, 1987
DEPT _____

DEPT

[illegible]

PLEASE LEAVE PREPARED STATEMENT WITH SECRETARY.