

MINUTES

MONTANA HOUSE OF REPRESENTATIVES  
51st LEGISLATURE - REGULAR SESSION

SUBCOMMITTEE ON HUMAN SERVICES

Call to Order: By Rep. Dorothy Bradley, on January 10,  
1989, at 8:15 a.m.

ROLL CALL

Members Present: All

Members Excused: None

Members Absent: None

Staff Present: Evan McKinney, LFA  
John Huth, OBPP

Announcements/Discussion: Employment Services, Department  
of Labor & Industry - Job Service, Unemployment  
Insurance, Centralized Services, Employment Relations,  
Employment Policy, Human Rights, Job Training  
Partnership Act, General Assistance Training

HEARING ON DEPARTMENT OF LABOR AND INDUSTRY

Tape No. A090

Testifying Proponents and Who They Represent:

Rod Sager

Proponent Testimony:

Rod Sager made a presentation on the basic structure of  
employment services. (See exhibit 1)

Presentation by Staff, Evan McKinney (125): See attachment  
of issue sheets (Exhibit 2)

Discussion: The differences between the Executive and LFA  
budgets are as shown in exhibit 2; explanation of  
vacancy savings, Unemployment Insurance (UI)  
administration tax and FTE's. Vacancy savings  
represent jobs not filled or savings actualized in  
interim between posting and filling. UI administration  
tax represents approximately \$2.4 million in revenue  
each year. There is a proposal to use approximately  
\$1.3 to \$1.8 million to replace funding from the  
general fund. FTE's on attachment represent proposed,  
not actual, full time employees.

A130

Sen. Keating and Sen. Hofman requested specifics on the origin of the UI Administration Tax, its use and intent. Staff reported the UI Administration tax was implemented by the 1983 legislature. It is a tax paid by employers on wages subject to unemployment insurance. These funds, if they're not used are deposited in unemployment insurance trust fund, which is what happened the first few years they were in place. In the last session in the general appropriations act, it was specified that if federal funding declined for job service the decline could be offset by use of UI administration funds.

A480

Senator Keating inquired if funding for centralized services comes from the rest of the department when it receives payment from them for services performed. Centralized services provides overall management and support services, including legal assistance, personnel hiring and training, data processing and budgeting. Mr. McKinney reported that centralized services is entirely funded by charges made to other programs of the Department of Labor & Industry, including the Division of Workers' Compensation (WC). In the 1989 biennium, these were classified as proprietary funds, but are classified as state special revenue in the 1991 biennium.

If this funding comes from services rendered, Sen. Keating was doubtful that they could be termed federal funds. The cost allocation will have to be worked out as we finalize the budgets.

A587

Sen. Keating informed the department that in comparing last biennium's figures with issue sheets he noticed a substantial increase from 1988-1989 biennium to the proposed biennium. He stated he notices a decrease in operating expenses while there is an increase in personal services.

He feels these are areas the subcommittee will be exploring in determining budgets.

A700

Sen. Van Valkenburg inquired about the cost allocation of centralized services. Agency staff reported that the cost allocation plan which was developed allocates the cost of centralized services out to the various departments. Basically we use percentage allocations

but if we reduce the overall budget, then indirect assessments will have to be reduced also. Once the budget for centralized services has been approved, there will be a need to go back and redo cost allocations by the executive and LFA staffs.

A740

The first modified request (exhibit 2, page 18) is the result of the attorney general's decision that expanded the application of prevailing wage laws; thus there is a modified request for a prevailing wage enforcement officer (92103). The second modified request (exhibit 2, page 19) is \$3000 for a citizen board (92106) to review all hearing examiner decisions relative to the prevailing wage and wage payment acts.

A752

Mr. McKinney addressed the modified requests for human rights which is a request for authority to continue spending the balance of the fair housing grants which was received during the current biennium. There is a separate modified of \$5,000 for an outreach program to inform people on the rights and responsibilities of the Human Rights Act.

A765

Staff discussed the Job Training Partnership Act (JTPA) grants and estimation of available federal funding. Funding levels are estimates of federal funds that have not yet been allocated; they may be higher or lower. Rep. Cobb requested how the department would deal with a higher allocation. Agency staff said they would have to come in for a supplemental to use funds.

A830

General assistance training is a new program from last session. Differences in executive and LFA levels are essentially in the grants. There are a lot of changes going on with these grants.

A870

Presentation by John Huth (870): Change of administration has resulted in changes in executive budgets for Equipment, Employment Relations, and Human Rights.

Change of funding for human rights in 1990 now reflects \$240,349 general fund and \$102,700, federal funds; and in 1991, the general fund obligation would be \$228,343

with the federal funding at \$102,700.

The fair housing grant (exhibit 2, page 29) (92011), which is just the authority to continue authority on a budget amendment, the total amount would be the same but we would like to put in a .84 FTE in 1990 with personal services reflecting \$17,548, operating expenses would be \$27,421 and the total would be equal to the \$44,969.

Sen. Keating asked if this budget is just for 1990 and Mr. Huth stated budget amendment was approved September 1988; and Sen. Keating asked if this was a request for an additional .84 FTE or would this be an employee transferred in. Mr. Huth stated budget amendment as approved was for an eighteen month period and this employee has been associated with the amendment as it is and agency is just asking to continue this employee. Funding was granted on basis the department came up with FTE.

A930

Discussion of General Issues: Methodology for allocating costs is based on FTE's in a given program, so ratios vary as FTE's vary. After we complete the subcommittee action, the department gets together with the LFA and Executive Budget Office and reallocates the approved budget. The same methodology, an approved budget, is used when we negotiate that allocation plan with the Federal government for purposes of being able to cover central support costs by Federal dollars. If federal funding comes in at a higher level, the agency would proceed through the budget amendment process in utilization of these funds and get approval.

B020

FTE base is over 300 and there are 5-6 currently vacant; there is turnover and there are always positions that are vacant. In reply to Sen. Hofman's inquiry on how we could handle the workloads with reduced FTE's, department officials said one of the major factors that enables them to manage the job service program is through the automation that has occurred in the local office. Job service has one of the lowest operating budgets as far as salaries are concerned because we put a cap on administrative costs.

B075

Rep. Cody requested information on time factor in purchasing equipment. Agency staff stated that equipment usually was not purchased till December or January in order to be sure what the federal funding

level is going to be after federal fiscal (October). Going through the purchasing process usually takes 2-3 months so the maintenance contract and/or purchase price ends up showing as an expense in the last quarter of the state fiscal year. Quite frequently that quarter will reflect heavier purchasing because we may not know until January what the actual authority is from the federal grant

B522

In answer to inquiry of periodic assessments of personnel needs by Sen. Hofman, agency staff stated that such assessments are done on an annual basis and on the federal level, appropriations are determined at a higher or lower figure.

B728

Testimony from Donna K. Porter, Montana Displaced Homemaker Network on New Horizons Transitional Child Care. (see attachments)

B800

Testimony from Diane Sands, Montana Women's Lobby, on supporting Montana Displaced Homemaker Program and the New Horizons program funding. (see attachment).

ADJOURNMENT

Adjournment at 11:15 a.m.

  
REP. DOROTHY BRADLEY, CHAIRMAN

DB/dib

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DAILY ROLL CALL

HUMAN SERVICES

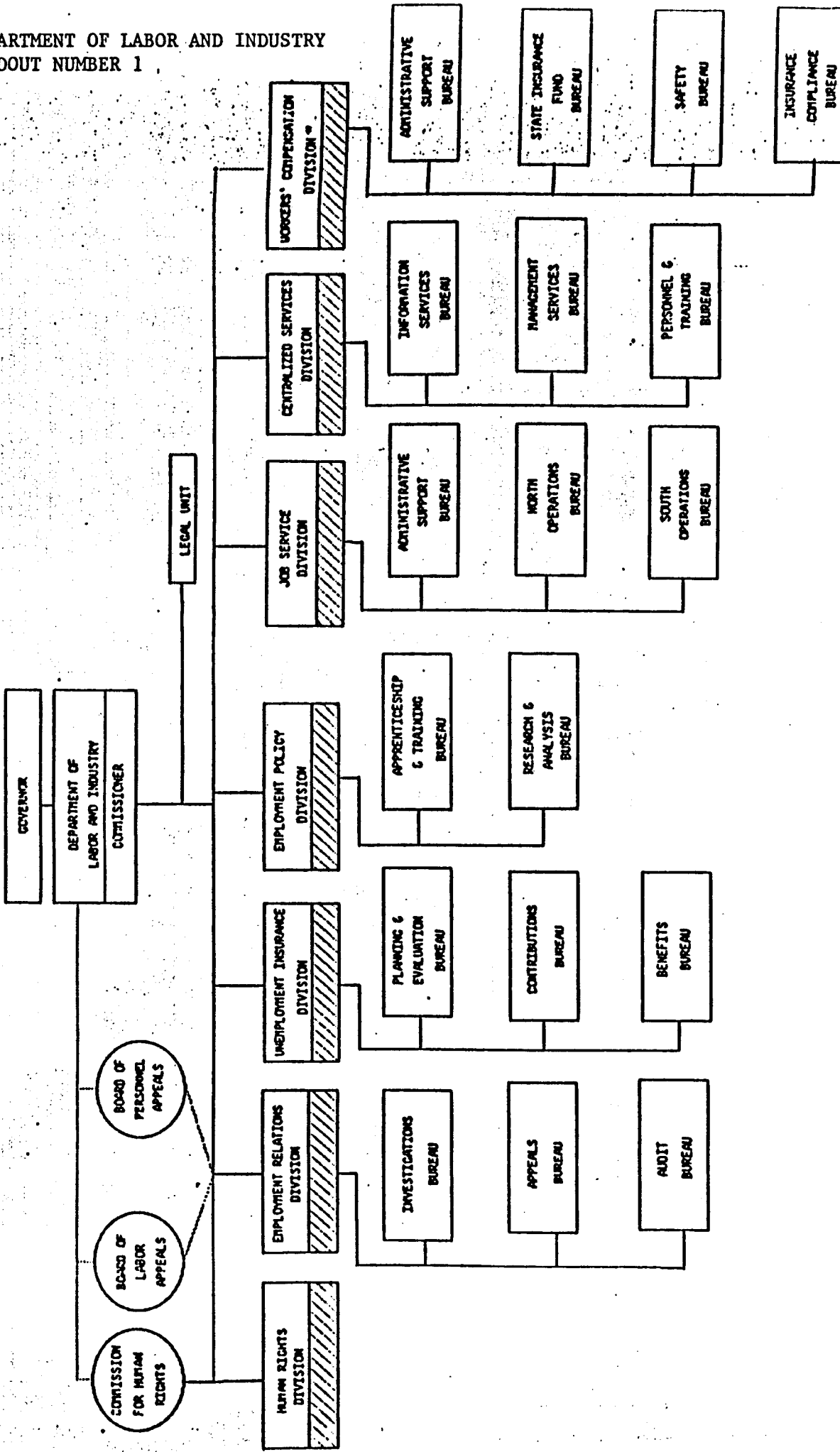
SUBCOMMITTEE

DATE 1-10-89

NAME	PRESENT	ABSENT	EXCUSED
Rep..Bradley (Chair.)	✓		
Sen. Keating (Vice Chair.)	✓		
Sen. Hofman	✓		
Sen. Van Valkenberg	✓		
Rep. Cody	✓		
Rep. Cobb	✓		
Rep. Grinde	✓		

DEPARTMENT OF LABOR AND INDUSTRY  
HANDOUT NUMBER 1

EXHIBIT  
DATE 1-10  
HB



DEPARTMENT OF LABOR AND INDUSTRY  
JUNE 1986  
*[Signature]*  
COMMISSIONER

DEPARTMENT OF LABOR AND INDUSTRY  
HANDOUT NUMBER 2

Continue language in the General Appropriation Act that states:

"Job Service spending authority for current level operations of all existing job service offices. If federal funds are less than these amounts, the department may seek an operational plan change to supplement federal funds with state unemployment assessments as provided in 39-51-404(4)".



DEPARTMENT OF LABOR AND INDUSTRY  
HANDOUT NUMBER 3

Executive Budget  
UI Administrative Tax/Penalty and Interest Revenues

Function	FY 90	FY 91
Job Service		
Replace lost federal funds	347,457	347,092
Employment Relations		
Personnel Appeals	298,599	297,036
Investigations/Wage Claims	364,955	363,106
Prevailing Wage-- Mod--	30,512	30,492
Citizen Board--Mod--	3,000	3,000
Employment Policy		
Apprenticeship	191,672	195,296
Prevailing Wage	20,000	0
Prevailing Wage--Mod--	20,499	40,172
Human Rights		
Human Rights Current level	240,349	228,343
Employer Outreach--Mod--	5,000	5,000
Program 50 Grants		
Dislocated Worker	324,000	359,806
	-----	-----
Total Admin Tax in Exec Budget	1,846,043	1,869,392
	=====	=====
Less:		
Non General Fund		
Job Service	-347,457	-347,092
Apprenticeship	-191,672	-195,296
Dislocated Worker	-209,000	-209,000
	-----	-----
General Fund Savings	1,097,914	1,118,004
	=====	=====

Note: FY83 current level used for Dislocated Worker because amounts over \$209,000 would have to come from General Fund instead of P&I. Increase is needed for JTPA and JOBS match.

DEPARTMENT OF LABOR AND INDUSTRY  
HANDOUT NUMBER 4

Modified Budget-Employment Service Reimbursable Grant Wage Surveys  
Program 07 Employment Policy Division

PROGRAM DESCRIPTION

Additional funding was received by the Job Service Division from the federal Employment and Training Administration through the Employment Service Cost Reimbursable Grant. \$53,000 of this funding will be given to the Research and Analysis Bureau to conduct agricultural and non-agricultural wage surveys as required by the Employment and Training Administration. Agricultural wage surveys may include cherries, sugar beets (and other row crops), sheepherders and farm/ranch hands. Non-agricultural surveys may include wage surveys/determinations as received for Alien Employment Certification. The entire state of Montana will be covered in these surveys. Wage rate findings will be computed according to federal requirements and will be published by the Research and Analysis Bureau.

The survey information will be used to provide accurate wage data for Montana's agricultural industry and to ensure the prevailing wage is paid to workers.

USDOL requires an annual survey. If this wage information is not provided to USDOL, Montana's funding would be jeopardized.

The contract will be closely monitored to ensure statistically valid sampling procedures are used and reliable results are published. The rates are subject to Employment and Training Administration audits each year. It is the intent to conduct these surveys annually.

DEPARTMENT OF LABOR AND INDUSTRY  
HANDOUT NUMBER 4 CONTINUED

MODIFIED BUDGET  
PROGRAM 07 EMPLOYMENT POLICY DIVISION  
EMPLOYMENT SERVICE REIMBURSABLE GRANT WAGE SURVEYS

FTE	SFY90	SFY91	TOTAL 90/91
	2.00	2.00	
1100 Salaries	25,400	25,400	50,800
1200 Hourly Wages	0	0	0
1300 Other Compensation	0	0	0
1400 Employee Benefits	5,600	5,600	11,200
TOTAL PERSONAL SERVICES	31,000	31,000	62,000
2100 Contracted Services	1,000	1,000	2,000
2200 Supplies and Materials	2,000	2,000	4,000
2300 Communications	800	800	1,600
2400 Travel	5,500	5,500	11,000
2500 Rent	0	0	0
2600 Utilities	0	0	0
2700 Repair and Maintenance	500	500	1,000
2800 Other Expenses	12,200	12,200	24,400
2900 Goods Purchased for Resale	0	0	0
TOTAL OPERATING EXPENSES	22,000	22,000	44,000
3100 Equipment	0	0	0
3400 Intangible Assets - Software	0	0	0
TOTAL EQUIPMENT EXPENSES	0	0	0
4200 Buildings	0	0	0
TOTAL CAPITAL OUTLAY	0	0	0
6100 Grants from State Sources	0	0	0
6200 Grants from Federal Sources	0	0	0
TOTAL GRANTS EXPENSES	0	0	0
GRAND TOTAL EXPENSES	53,000	53,000	106,000

DEPARTMENT OF LABOR & INDUSTRY  
 Employment Services - Job Service

<u>PERSONAL SERVICES - Job Service</u>	<u>1990</u>	<u>1991</u>
	<u>304.90</u>	<u>302.9</u>
Executive FTE	309.60	307.85
LFA Current Level FTE	328.70	328.70
Difference	(19.10)	(20.85) <i>to Cmte</i>
Executive	7,681,325	7,660,326
LFA Current Level	7,838,781	7,854,264
Difference	(157,456)	(193,938)

LFA budget - page B-42  
 Executive budget - page 320

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

1. The executive budget varies from the LFA budget as a result of the following:

a) The executive budget eliminates 14.00 vacant FTE and the positions associated with the federal work incentive program (5.10 FTE in fiscal 1990 and 6.85 in fiscal 1991). Elimination of these positions reduces the personal services budget by \$327,053 in fiscal 1990 and \$364,608 in fiscal 1991.

b) The executive budget uses a 2.0 percent vacancy savings rate while the LFA budget uses a 4.0 percent rate. The higher rate reduces the personal services budget by \$169,597 in fiscal 1990 and \$170,670 in fiscal 1991.

2. Executive Issues

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3. Committee Issues

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Committee Action

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OPERATING EXPENSES - Job Service

1990

1991

Executive

2,913,589

2,876,753

LFA Current Level

2,931,489

2,900,280

Difference

(17,900)

(23,527)

LFA budget - page B-42

Executive budget - page 320

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

1. Executive Issues

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2. Committee Issues

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Committee Action

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EQUIPMENT - Job Service

1990

1991

Executive	158,065	103,764
LFA Current Level	159,478	104,970
Difference	(1,413)	(1,206)

LFA budget - page B-42  
Executive budget - page 320

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

1. Executive Issues

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2. Committee Issues

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Committee Action

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NON-OPERATING - Job Service

1990

1991

Executive

22,000

0

LFA Current Level

190,600

221,000

Difference

(168,600)

(221,000)

LFA budget - page B-42  
Executive budget - page 320

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

1. The non-operating expenses represent capital projects for Job Service offices, and are included in the long-range building plan.

2. Executive Issues

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3. Committee Issues

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Committee Action

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FUNDING - Job Service 1988

1989

	<u>Exec</u>	<u>LFA</u>	<u>Exec</u>	<u>LFA</u>
St Special	84,649	85,000	84,637	85,000
Federal	10,690,330	11,035,348	10,556,206	10,995,514

LFA budget - page B-42  
Executive budget - page 320

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

1. Executive Issues

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2. Committee Issues

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Committee Action

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**DEPARTMENT OF LABOR AND INDUSTRY  
Employment Services - Unemployment Insurance**

<u>PERSONAL SERVICES - Unemployment Ins</u>	<u>1990</u>	<u>1991</u>
Executive FTE	84.90	84.90
LFA Current Level FTE	88.90	88.90
Difference	(4.00)	(4.00)
 Executive	 1,906,394	 1,911,327
LFA Current Level	1,922,894	1,927,754
Difference	(16,500)	(16,427)

LFA budget - page B-43  
Executive Budget - page 321

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

1. The executive budget varies from the LFA budget as a result of the following:

- a) The executive budget eliminates 4.0 vacant FTE which reduces the budget by \$57,643 in fiscal 1990 and \$57,674 in fiscal 1991.
- b) The executive budget uses a 2.0 percent vacancy savings rate while the LFA budget uses a 4.0 percent rate. The higher rate reduces the budget by \$41,145 in fiscal 1990 and \$41,247 in fiscal 1991.

2. Executive Issues

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	7.25
	81.90

3. Committee Issues


Committee Action


<u>OPERATING EXPENSES - Unemployment Ins</u>	<u>1990</u>	<u>1991</u>
Executive	1,299,126	1,277,119
LFA Current Level	1,196,420	1,164,047
Difference	102,706	113,072

LFA budget - page B-43  
 Executive Budget - page 321

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

1. The primary differences between the executive and LFA budgets are:

a) The LFA budget for contracted services is \$185,440 lower than the executive budget. The difference relates to computer processing charges.

b) The LFA budget for indirect assessments is \$32,124 lower than the executive budget.

2. Executive Issues

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3. Committee Issues

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Committee Action

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EQUIPMENT - Unemployment Ins

	<u>1990</u>	<u>1991</u>
Executive	65,000	45,000
LFA Current Level	65,000	45,000
Difference	0	0

LFA budget - page B-43  
Executive Budget - page 321

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

1. Executive Issues

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2. Committee Issues

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Committee Action

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**FUNDING - Unemp Ins 1990**

**1991**

	<u>Exec</u>	<u>LFA</u>	<u>Exec</u>	<u>LFA</u>
Federal	3,270,520	3,184,314	3,233,446	3,136,801

LFA budget - page B-43  
Executive Budget - page 321

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

1. This program is funded entirely from federal unemployment insurance funds.

2. Executive Issues

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3. Committee Issues

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Committee Action

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**DEPARTMENT OF LABOR & INDUSTRY  
Employment Services - Centralized Services**

<u>PERSONAL SERVICES - Cent Services</u>	<u>1990</u>	<u>1991</u>
Executive FTE	68.00	68.00
LFA Current Level FTE	69.00	69.00
Difference	(1.00)	(1.00)
Executive	1,786,989	1,790,887
LFA Current Level	1,691,396	1,695,068
Difference	95,593	95,819

LFA budget - page B-44  
Executive budget - page 322

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

1. The executive budget varies from the LFA budget as a result of the following:

a) The executive eliminated 2.00 vacant FTE and the LFA eliminated 1.00 vacant FTE. As a result the executive budget is \$14,870 lower in fiscal 1990 and \$14,883 lower in fiscal 1991.

b) The executive uses a 2.0 percent vacancy savings rate while the LFA used a 8.0 percent rate. The higher rate reduces the budget by 110,463 in fiscal 1990 and \$110,702 in fiscal 1991.

2. Executive Issues

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3. Committee Issues

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Committee Action

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<u>OPERATING EXPENSES - Cent Services</u>	<u>1990</u>	<u>1991</u>
Executive	809,437	789,152
LFA Current Level	786,410	726,802
Difference	23,027	62,350

LFA budget - page B-44  
 Executive budget - page 322

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

1. The primary difference between the executive and LFA budgets are:
  - a) The LFA budget for data network services is \$24,000 lower than the executive budget. This occurs because the LFA budget is set at the fiscal 1988 actual level, while the executive includes data network services not utilized in fiscal 1988.
  - b) The LFA budget for information services is \$17,878 lower than the executive budget because the LFA budget does not include subscription fees which cover the cost of on-going technical assistance from the Department of Administration.
  - c) The LFA budget for indirect assessments is \$8,276 lower than the executive budget.

2. Executive Issues

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3. Committee Issues

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Committee Action

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EQUIPMENT - Cent Services

	<u>1990</u>	<u>1991</u>
Executive	43,939	41,650
LFA Current Level	24,981	24,360
Difference	18,958	17,290

LFA budget - page B-44  
Executive budget - page 322

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

1. The LFA budget is \$36,248 lower than the executive budget. The LFA budget is set at the level appropriated for the 1989 biennium.

2. Executive Issues

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3. Committee Issues

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Committee Action

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<u>FUNDING</u> - Cent Svc		1990		1991
	<u>Exec</u>		<u>LFA</u>	<u>Exec</u>
St Special	0	2,502,787		0
Federal	2,640,365		0	2,446,230
			2,621,689	0

LFA budget - page B-44  
 Executive budget - page 322

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

1. This program is funded by assessments charged against other programs which use the services provided. The LFA budget classified the funds received through the assessments as state special revenue while the executive budget classifies them as federal funds.

2. Executive Issues

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3. Committee Issues

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Committee Action

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**DEPARTMENT OF LABOR & INDUSTRY**  
**Employment Services - Employment Relations**

<u>PERSONAL SERVICES - Emp Relations</u>	<u>1990</u>	<u>1991</u>
Executive FTE	53.50	53.50
LFA Current Level FTE	53.50	53.50
Difference	0.00	0.00
Executive	1,460,075	1,461,833
LFA Current Level	1,433,738	1,435,460
Difference	26,337	26,373

LFA budget - page B-45  
 Executive budget - page 323

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

1. The executive budget uses a 2.0 percent vacancy savings rate while the LFA budget uses a 4.0 percent rate. The higher rate reduces the budget by \$52,710.

2. Executive Issues

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3. Committee Issues

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Committee Action

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<u>OPERATING EXPENSES</u> - Emp Relations	<u>1990</u>	<u>1991</u>
Executive	552,974	548,259
LFA Current Level	539,583	530,067
Difference	13,291	18,192

LFA budget - page B-45  
 Executive budget - page 323

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

1. The significant differences between the executive and LFA budgets are:

a) The executive budget for rent is \$19,330 lower than the LFA budget because included rent expenses for the Workers' Compensation Mediation Panel which was created by the 1987 legislature.

b) The executive budget includes \$20,000 for computer maintenance contracts. The LFA budget does not include the funding for purchase of the computers so the maintenance contract expenses were also eliminated

c) The LFA budget for indirect assessments is \$34,226 lower than the executive budget.

2. Executive Issues

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3. Committee Issues

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Committee Action

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EQUIPMENT - Emp Relations

	<u>1990</u>		<u>1991</u>	
Executive	<del>41,759</del> 16,000	25,759	<del>25,600</del> 18,000	6,900
LFA Current Level	6,000		6,000	
Difference	<del>35,759</del>	19,759	19,600	900

LFA budget - page B-45  
Executive budget - page 323

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

1. The LFA budget is \$55,359 lower than the executive budget. The LFA budget is set at the level appropriated for the 1989 biennium.

2. Executive Issues

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3. Committee Issues

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Corrected figures  
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Committee Action

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<u>FUNDING - Emp Rel</u>		1990		1991	
	<u>Exec</u>	<u>LFA</u>	<u>Exec</u>	<u>LFA</u>	
Gen Fund	0	577,565	0	586,869	
St Special	221,542	229,407	221,300	228,915	
Federal	1,863,278	1,168,849	1,844,384	1,152,243	
Proprietary	3,500	3,500	3,500	3,500	
Total	2,088,320	1,979,321	2,069,184	1,971,527	

LFA budget - page B-45  
 Executive budget - page 323

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

1. The major funding difference is that the executive replaces general fund support with Unemployment Insurance Admin Tax receipts while the LFA budget continues to use general funds.

2. Executive Issues

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3. Committee Issues

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Committee Action

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**MODIFIED REQUEST**  
**Labor & Industry - Employment Relations**

**1. Prevailing Wage-Enforcement Officer (92013)**

This modification would fund the cost of a 1.00 FTE (Enforcement Officer) for work related to an Attorney General opinion which expanded the application prevailing wage laws.

	<u>1990</u>	<u>1991</u>
<b>Expenditures</b>		
Personal Services	25,082	25,090
Operating	5,430	5,402
Equipment	0	0
<b>Total</b>	<b>30,512</b>	<b>30,492</b>
<b>Funding</b>		
Unemployment Admin Tax	30,512	30,512

Committee Issues

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Committee Action

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**MODIFIED REQUEST**  
**Labor & Industry - Employment Relations**

**1. Citizen Board (92016)**

This modification would fund the cost of a citizen board to review all hearing examiner decisions relating to prevailing wage and wage payment acts.

	<u>1990</u>	<u>1991</u>
<b>Expenditures</b>		
Personal Services	3,000	3,000
Operating	0	0
Equipment	0	0
<b>Total</b>	<b>3,000</b>	<b>3,000</b>
<b>Funding</b>		
Unemployment Admin Tax	3,000	3,000

Committee Issues

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Committee Action

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**DEPARTMENT OF LABOR & INDUSTRY**  
**Employment Services - Employment Policy**

<u>PERSONAL SERVICES - Emp Policy</u>	<u>1990</u>	<u>1991</u>
Executive FTE	44.50	44.50
LFA Current Level FTE	41.00	41.00
Difference	3.50	3.50
Executive	1,218,606	1,222,668
LFA Current Level	1,163,286	1,167,230
Difference	55,320	55,438

LFA budget - page B-47  
 Executive budget - page 324

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

1. The executive budget varies from the LFA budget as a result of the following:

- a) The LFA budget eliminates 3.50 FTE that were transferred to the division from Job Service during the 1989 biennium, which reduces the budget by \$49,851 in fiscal 1990 and \$49,997 in fiscal 1991.
- b) The executive uses a 2.0 percent vacancy savings rate while the LFA uses a 2.4 percent rate. The higher rate reduces the budget by \$5,469 in fiscal 1990 and \$5,441 in fiscal 1991.

2. Executive Issues

*Costs  
accepted  
recommen  
union*

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3. Committee Issues

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Committee Action

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<u>OPERATING EXPENSES - Emp Policy</u>	<u>1990</u>	<u>1991</u>
Executive	1,147,422	1,236,994
LFA Current Level	844,984	848,693
Difference	302,438	388,301

LFA budget - page B-47  
 Executive budget - page 324

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

1. The significant differences between the executive and LFA budgets are:

- a) The executive budget includes \$622,047 in consulting fees for special studies and projects that are not included in the LFA budget.
- b) The executive budget includes \$38,295 in data processing services and \$25,050 in data processing supplies that are not included in the LFA budget.
- c) The LFA budget includes \$27,814 more for travel than in included in the executive budget.
- d) The executive budget for indirect assessments is \$58,861 higher than the LFA budget.

2. Executive Issues

*Don V. spend. auth as  
 G. Es person*

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3. Committee Issues

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Committee Action

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<u>EQUIPMENT - Emp Policy</u>	<u>1990</u>	<u>1991</u>
Executive	182,155	197,805
LFA Current Level	42,570	42,570
Difference	139,585	155,235

LFA budget - page B-47  
 Executive budget - page 324

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

1. The LFA budget for equipment is \$294,820 lower than the executive budget. The LFA budget is set at the level appropriated for the 1989 biennium.

2. Executive Issues

*est fed funds*

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3. Committee Issues

*Cobb*  
*acc. l.o.*  
*unnow*  
*no funds*

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Committee Action

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FUNDING - Emp Policy 1990

1991

	<u>Exec</u>	<u>LFA</u>	<u>Exec</u>	<u>LFA</u>
Federal	2,548,183	2,050,840	2,657,467	2,058,493

LFA budget - page B-47

Executive budget - page 324

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

1. Executive Issues

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2. Committee Issues

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Committee Action

*none*

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**MODIFIED REQUEST**  
**Labor & Industry - Employment Policy**

**1. Prevailing Wage (92014)**

This modification would fund 0.50 FTE in fiscal 1990 and 1.50 FTE in fiscal 1991 for work related to an Attorney General opinion which expanded the application prevailing wage laws.

	<u>1990</u>	<u>1991</u>
<b>Expenditures</b>		
Personal Services	14,181	37,572
Operating	6,318	2,600
Equipment	0	0
<b>Total</b>	<b>20,499</b>	<b>40,172</b>
<b>Funding</b>		
Unemployment Admin Tax	20,499	40,172

Committee Issues

*approved as per lat*

Committee Action

*53,000 emp/teny grant* *Van Jaek*  
*approve*  
*renew*

**DEPARTMENT OF LABOR & INDUSTRY  
Employment Services - Human Rights**

<u>PERSONAL SERVICES</u> - Human Rights	<u>1990</u>	<u>1991</u>
Executive FTE	9.00	9.00
LFA Current Level FTE	9.00	9.00
Difference	0.00	0.00
Executive	242,134	242,375
LFA Current Level	237,408	237,533
Difference	4,726	4,842

LFA budget - page B-49  
Executive budget - page 325

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

1. The executive budget is \$9,568 higher than the LFA budget because the executive uses a 2.0 vacancy savings rate while the LFA uses a 4.0 percent rate.

2. Executive Issues

*Van V  
eg  
man*

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3. Committee Issues

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Committee Action

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<u>OPERATING EXPENSES - Human Rights</u>	<u>1990</u>	<u>1991</u>
Executive	89,690	88,668
LFA Current Level	88,789	87,498
Difference	901	1,170

LFA budget - page B-49  
 Executive budget - page 325

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

1. Executive Issues

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2. Committee Issues

*Handwritten notes:*  
 saw U  
 app lfa  
 unan

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Committee Action

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<u>EQUIPMENT - Human Rights</u>	<u>1990</u>	<u>1991</u>
Executive	11,225	0
LFA Current Level	556	0
Difference	10,669	0

LFA budget - page B-49  
 Executive budget - page 325

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

1. The executive budget includes funding \$10,669 for single user computers that were not included in the LFA budget.

2. Executive Issues

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3. Committee Issues

*Cost  
 all so  
 none*

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Committee Action

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FUNDING - Human Rights 1990

1991

	<u>Exec</u>	<u>LFA</u>	<u>Exec</u>	<u>LFA</u>
Gen Fund	<del>0</del> 240,349	224,960	<del>0</del> 228,343	221,989
Federal	343,049	96,000	331,043	96,000

102,700  
 LFA budget - page B-49  
 Executive budget - page 325

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

1. The executive budget replaces general fund support with Unemployment Insurance Admin Tax receipts while the LFA budget continues to use general fund.

2. Executive Issues

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*none*

3. Committee Issues

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Committee Action

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**MODIFIED REQUEST**  
**Labor & Industry - Human Rights**

**1. Fair Housing Grant (92011)**

This modification would authorize the Human Rights Division to use the remaining balance of a Fair Housing Grant received in September of 1988. The grant allows the division to assist individuals with complaints about housing discrimination.

	<u>1990</u>	<u>1991</u>
<b>Expenditures</b>		
Personal Services	<del>0</del> 17,548	0
Operating	44,969 27,421	0
Equipment	0	0
<b>Total</b>	<b>44,969 44,969</b>	<b>0</b>
<b>Funding</b>		
Federal	44,969	0

*.84 FTE*

*only in 1990*

Committee Issues

*Jan approve memo not new employee  
 could have money if came up with FTE*

Committee Action



**MODIFIED REQUEST**  
**Labor & Industry - Human Rights**

**1. Outreach (92015)**

This modification would fund an outreach program to assist Montana employers, landlords, and others regarding their rights and responsibilities under the Montana Human Rights Act.

	<u>1990</u>	<u>1991</u>
<b>Expenditures</b>		
Personal Services	0	0
Operating	5,000	5,000
Equipment	0	0
<b>Total</b>	<b>5,000</b>	<b>5,000</b>
<b>Funding</b>		
General Fund	5,000	5,000

Committee Issues

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*Van V  
 Cobb  
 approval  
 at next  
 meeting*

Committee Action

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*from admin tax to g.f.*

DEPARTMENT OF LABOR & INDUSTRY  
Employment Services - JTPA

<u>GRANTS</u>	<u>1990</u>	<u>1991</u>
Executive	8,157,660	8,106,099
LFA Current Level	10,285,778	11,285,550
Difference	(2,128,118)	(3,290,189)

LFA budget - page B-50  
Executive budget - page 327

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

1. The grant authority relates entirely to federal Job Training Partnership Act grants. The LFA budget accepts the Department's request, which is based on their estimate of available federal funding. The executive budget reduces this request by \$5.4 million.

2. Executive Issues

*Cost  
acc so  
review*

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3. Committee Issues

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Committee Action

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MONTANA DIVORCE TRENDS  
1980 - 1988

YEAR	NUMBER OF DIVORCES	NEW HORIZON	DISPLACED HOMEMAKER	BIG BROTHER AND SISTERS	CHILDREN TRUST FUND	COUNTY
1980	8,336	\$41,680	\$333,440	\$250,080	\$41,680	\$166,720
1981	8,209	41,045	328,360	246,270	41,045	164,180
1982	8,185	40,925	327,400	245,550	40,925	163,700
1983	8,092	40,460	323,680	242,760	40,460	161,840
1984	7,659	38,295	306,360	229,770	38,295	153,180
1985	7,178	35,890	287,120	215,340	35,890	143,560
1986	6,739	33,695	269,560	202,170	33,695	134,780
1987	4,116	20,580	164,640	123,480	20,580	82,320
1988*	3,687	18,435	147,480	110,610	18,435	73,740

\* The 1988 figure is the number of divorces from Jan. - Nov.

The above chart reflects the number of divorces within Montana from 1980 - 1988. The funding figures in the above chart are reflective of HB460 passed in the 1987 session. HB460 permanently increased the fee for dissolution of marriage from \$25 to \$100 of which \$40 will be deposited to the general fund for the Displaced Homemaker Program. The remaining \$60 is distributed to the Big Brothers and Sisters Program \$30, Childrens Trust Fund account \$5, Aid to Families with Dependent Children (AFDC) \$5, and the counties retain \$20. Prior years have been adjusted to reflect the legislation.

FUNDING - JTPA

1990

1991

	<u>Exec</u>	<u>LFA</u>	<u>Exec</u>	<u>LFA</u>
Gen Fund	275,738	165,000	275,738	165,000
Fed & Other	7,881,922	10,120,778	7,830,361	11,120,550
Total	8,157,660	10,285,778	8,106,099	11,285,550

LFA budget - page B-50

Executive budget - page 327

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

1. The general fund supports the Displaced Homemakers and New Horizons programs. A portion of marriage dissolution fees goes to the general fund to support these programs, and the LFA budget sets the general fund authority at a level approximating the amount of revenue received in fiscal 1988.

2. Executive Issues

3. Committee Issues

*only affd eligibles*  
*matching \$353,000*  
*Cobb - misc tax*  
*current DH 216,000*  
*CC 110,000*  
*NH 270,95-*

*David*  
*app DH*  
*re 2*  
*& 1st 6 mos*  
*FY89 - 6 mos*  
*1990 1st*  
*u NH*

*summary*

*summary*

**MODIFIED REQUEST  
Labor & Industry - JTPA**

**1. Outreach (92002)**

This modification would fund development of an AFDC model project relating to the federal welfare reform, and includes 3.00 FTE.

	<u>1990</u>	<u>1991</u>
<b>Expenditures</b>		
Personal Services	76,674	76,811
Operating	56,007	67,147
Equipment	3,500	0
Grants	1,051,062	2,455,251
<b>Total</b>	<b>1,187,243</b>	<b>2,599,209</b>
<b>Funding</b>		
General Fund	0	343,447
Federal	1,187,243	2,255,762

Committee Issues

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*wait till  
SPS*

Committee Action

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**MODIFIED REQUEST  
Labor & Industry - JTPA**

**1. JTPA Increase (92010)**

This modification would provide additional federal funding authority for the JTPA program.

	<u>1990</u>	<u>1991</u>
<b>Expenditures</b>		
Personal Services	0	0
Operating	0	0
Equipment	0	0
Grants	914,000	1,896,000
<b>Total</b>	<b>914,000</b>	<b>1,896,000</b>
<b>Funding</b>		
Federal	914,000	1,896,000

Committee Issues

*Van U  
Kron*

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Committee Action

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**DEPARTMENT OF LABOR & INDUSTRY**  
**Employment Services - General Assistance Training**

<u>PERSONAL SERVICES</u>	<u>1990</u>	<u>1991</u>
Executive FTE	25.30	25.30
LFA Current Level FTE	25.30	25.30
Difference	0.00	0.00
Executive	528,147	528,851
LFA Current Level	517,419	518,109
Difference	10,728	10,742

LFA budget - page B-51  
 Executive budget - page 328

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

1. The executive budget uses a 2.0 vacancy savings rate while the LFA budget uses a 4.0 percent rate. The higher rate reduces the budget by \$10,728 in fiscal 1990 and \$10,742 in fiscal 1991.

2. Executive Issues

*postpone to SRS*

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3. Committee Issues

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Committee Action

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<u>OPERATING EXPENSES</u> - Gen Asst Trng	<u>1990</u>	<u>1991</u>
Executive	205,105	203,109
LFA Current Level	206,230	205,748
Difference	(1,125)	(2,639)

LFA budget - page B-51  
Executive budget - page 328

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

1. Executive Issues

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2.

Committee Issues

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Committee Action

SRS

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GRANTS - Gen Asst Trng

1990

1991

Executive	1,505,871	1,505,988
LFA Current Level	858,200	858,200
Difference	647,671	647,788

LFA budget - page B-51  
Executive budget - page 328

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

1. The LFA budget sets grant authority at the level used in fiscal 1988, while the executive uses an expanded grant level.

2. Executive Issues

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3. Committee Issues

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SRS

Committee Action

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FUNDING - G.A. Trng 1990

1991

	<u>Exec</u>	<u>LFA</u>	<u>Exec</u>	<u>LFA</u>
Gen Fund	788,676	790,925	788,676	791,029
Federal	1,450,447	790,924	1,449,272	791,028

LFA budget - page B-51  
 Executive budget - page 328

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

1. The LFA budget funds the program at current level and divides the funding authority between general fund authority and federal authority based on the anticipated federal reimbursement level.

2. Executive Issues

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2. Committee Issues

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Committee Action

SRS

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WITNESS STATEMENT

NAME Donna K. Porter BILL NO DOI-Budg  
ADDRESS 17 1/2 So. Last Chance Gulch, Helena, Mt 59601 DATE 1/10/89  
WHOM DO YOU REPRESENT? Mt. Displaced Homemaker NETWORK  
SUPPORT DOI-Budget Appropriation OPPOSE \_\_\_\_\_ AMEND \_\_\_\_\_

PLEASE LEAVE PREPARED STATEMENT WITH SECRETARY.

Comments: -New Horizons Transitional Child Care  
-Montana State Displaced Homemaker  
funding levels FY 1990 & FY 1991 be continued  
at FY 1989 levels in support of Department  
of Labor & Industry budget requests.

New Horizons Child care assistance  
FY 88 expenditures do not reflect the need  
of AFDC mothers entering employment.  
Year to date, FY 1989 more closely reflects the  
need.

The funding level cuts as reflected in  
the Governor's proposed budget would  
seriously impact the quality of the program,  
numbers to be served and the state wide  
delivery system.

We request funding levels as requested  
by the Department of Labor & Industry, \$216,000  
from the general fund.

1/10/89

NEW HORIZONS PROGRESS REPORT JULY 1, 1988 THROUGH DECEMBER 31, 1988

Fiscal Year (FY) 89 Allocation

Child Care Assistance Program - \$109,091

Incentive Program - \$ 27,095 (plus \$50,000, continuing appropriations)

The expenditure data is from program operators' best estimates as their monthly reports were not available when this report was completed. The Incentive information is the amount actually requested prior to January 1, 1989.

<u>Center</u>	<u>Budget</u>	<u>Expended/ Accrued</u> <u>(\$)</u> <u>(%)</u>		<u>Incentive Requested</u>
Billings	\$17,862	\$ 4,980	(33%)	\$ 1,050
Bozeman	\$ 9,137	\$ 4,814	(53%)	\$ 0
Butte	\$ 5,800	\$ 499	( 9%)	\$ 1,050
Gt. Falls	\$16,810	\$14,747	(88%)	\$ 0
Havre	\$ 3,658	\$ 1,490	(41%)	\$ 0
Helena	\$15,718	\$10,385	(66%)	\$ 700
Kalispell	\$16,113	\$ 2,507	(16%)	\$ 0
Lewistown	\$ 1,394	\$ 433	(31%)	\$ 700
Missoula	\$17,188	\$ 8,008	(47%)	\$ 1,050
Miles City	\$ 5,411	\$ 0	( 0%)	\$ 0
Totals	\$109,091	\$47,863	(43.9%)	\$ 4,550

44% percent of the child care assistance funds have been expended through the first 6 months (50%) of the current program year.

Comparison With FY 88

Child Care Assistance - (FY 88) - \$14,934 expended

Child Care Assistance - (FY 89) - \$47,863 expended (through 6 months)

Incentive Program - FY 88 - \$ 3,500 requested

Incentive Program - FY 89 - \$ 4,550 requested (through 6 months)

12/01/88

NEW HORIZONS PROGRESS REPORT JULY 1, 1988 THROUGH NOVEMBER 30, 1988

Fiscal Year (FY) 89 Allocation

Child Care Assistance Program - \$109,091

Incentive Program - \$ 27,095 (plus \$50,000, continuing appropriations)

The expenditure data is from program operators' best estimates as their monthly reports were not available when this report was completed. The Incentive information is the amount actually requested prior to December 1st.

<u>Center</u>	<u>Budget</u>	<u>Expended/ Accrued (\$)</u> <u>(%)</u>	<u>Child Care Clients</u>	<u>Number of Children</u>	<u>Incentive Requested</u>
Billings	\$17,862	\$ 3,994 (22%)	9	18	\$ 1,050
Bozeman	\$ 9,137	\$ 4,000 (44%)	5	10	\$ 0
Butte	\$ 5,800	\$ 499 ( 9%)	1	2	\$ 1,050
Gt. Falls	\$16,810	\$10,929 (65%)	14	24	\$ 0
Havre	\$ 3,658	\$ 1,150 (31%)	4	4	\$ 0
Helena	\$15,718	\$ 8,058 (51%)	8	19	\$ 700
Kalispell	\$16,113	\$ 1,569 (10%)	5	7	\$ 0
Lewistown	\$ 1,394	\$ 476 (34%)	1	3	\$ 700
Missoula	\$17,188	\$ 6,154 (36%)	12	20	\$ 350
Miles City	\$ 5,411	\$ 0 ( 0%)	0	0	\$ 0
Totals	\$109,091	\$36,829 (34%)	59	107	\$ 3,850

34% percent of the child care assistance funds have been expended through the first 5 months (42%) of the current program year.

Comparison With FY 88

Child Care Assistance - FY 88 - \$14,934 expended

Child Care Assistance - FY 89 - \$36,829 expended (through 5 months)

Incentive Program - FY 88 - \$ 3,500 requested

Incentive Program - FY 89 - \$ 3,850 requested (through 5 months)

1/10/89

NEW HORIZONS CHILD CARE DATA ON CLIENTS  
RECEIVING SERVICES IN FY 89 THROUGH NOVEMBER

59 clients with a total of 107 children have received child care services through the first ~~six~~ months of FY 89.  
FIVE

Average number of months employed	-	<u>5.5</u>
Percentage still employed (2 were laid-off, 6 quit)	-	<u>86.4%</u>
Average number of hours worked per week	-	<u>37.6</u>
Percentage receiving health insurance paid in full	-	<u>11.8%</u>
Percentage receiving health insurance paid in part	-	<u>18.6%</u>
Percentage receiving no health insurance benefits	-	<u>69.5%</u>
Average number of children per family receiving New Horizons child care assistance	-	<u>1.8</u>
Average monthly New Horizons child care assistance per family	-	<u>\$171.80</u>
Average monthly AFDC payment prior to employment	-	<u>\$333.70</u>
Average number of months on AFDC prior to receiving New Horizons Child Care Assistance	-	<u>24.00</u>

Of the New Horizons Child Care clients served, 28.4% were helped to initially obtain a job. The remaining 71.6% were helped to retain employment.

WITNESS STATEMENT

EXHIBIT 4  
DATE 1-10-89  
HB \_\_\_\_\_

NAME DIANE SANDS BILL NO. \_\_\_\_\_

ADDRESS P.O. Box 1099 DATE 1-10-89

WHOM DO YOU REPRESENT? MT. Women's Lobby

SUPPORT  OPPOSE \_\_\_\_\_ AMEND \_\_\_\_\_

PLEASE LEAVE PREPARED STATEMENT WITH SECRETARY.

Comments:

Support Displaced Homemaker Program  
funding at the \$ 216,000 level recommended  
in the Dept. of labor recommendation.  
Funding source should remain General Fund

Support New Horizons program funding  
at the \$110,000 level in Dept of labor &  
Gov's Budget. Transmutal Child Care  
for moving people from welfare to work  
is required in new Family Support Act  
and Federal monies will be available  
to support the majority of cost.