

## **MINUTES**

### **MONTANA HOUSE OF REPRESENTATIVES 52nd LEGISLATURE - REGULAR SESSION**

#### **SUBCOMMITTEE ON HUMAN SERVICES & AGING**

**Call to Order:** By **CHAIRMAN DOROTHY BRADLEY**, on February 12, 1991, at 8:10 a.m.

#### **ROLL CALL**

##### **Members Present:**

Rep. Dorothy Bradley, Chairman (D)  
Sen. Mignon Waterman, Vice Chairman (D)  
Rep. John Cobb (R)  
Rep. John Johnson (D)  
Sen. Tom Keating (R)  
Sen. Dennis Nathe (R)

**Staff Present:** Terri Perrigo, Associate Fiscal Analyst (LFA)  
Dan Gengler, Budget Analyst (OBPP)  
Faith Conroy, Secretary

**Please Note:** These are summary minutes. Testimony and discussion are paraphrased and condensed.

##### **Announcements/Discussion:**

#### **DEPARTMENT OF LABOR AND INDUSTRY**

#### **HUMAN RIGHTS COMMISSION (CONT.)**

**Tape 1A**

**Anne MacIntyre**, Human Rights Commission Administrator, distributed additional information on the Commission's workload. **EXHIBIT 1**

**Sue Mohr**, Montana Job Training Partnership Executive Director, discussed an upcoming video program on disadvantaged youth, "Realizing America's Hope." She distributed promotional brochures. **EXHIBIT 2**

**Ms. MacIntyre** reviewed **EXHIBIT 1**.

#### **EXECUTIVE ACTION ON THE HUMAN RIGHTS COMMISSION (CONT.)**

**MOTION:** **REP. COBB** moved to add 2 FTEs to the Human Rights Commission at a cost of \$67,885 in fiscal year (FY) 1992 and \$60,885 in FY 93, with funding to come from the General Fund and for it to be line-itemed.

**DISCUSSION:** Mike Micone, Labor Commissioner, said the Department spent a lot of time putting the budget together. Each division could probably use more money, but the Department feels it can live with its budget and is not asking for additional money.

**VOTE:** The motion PASSED 4-2, with SEN. KEATING and SEN. NATHE voting no.

**EXECUTIVE ACTION ON THE JOB TRAINING GRANTS PROGRAM (CONT.)**

Terri Perrigo, Legislative Fiscal Analyst, said there was a \$760 difference between the LFA and executive budgets for the Job Training Grants Program. It is Unemployment Insurance (UI) administrative tax funding for the Displaced Homemaker Program. It is identified as a difference in the funding base. Prior to now, that has not been an issue. CHAIRMAN BRADLEY referred to Appropriation Policy Issue No. 1 on Page 1 of EXHIBIT 10 from Feb. 11, 1991, minutes.

**MOTION:** SEN. WATERMAN moved approval of the LFA funding base.

**VOTE:** The motion PASSED 5-1, with REP. COBB voting no.

**HEARING ON THE EMPLOYMENT RELATIONS DIVISION**

Ms. Perrigo distributed a budget summary for the Employment Relations Division. EXHIBIT 3

Brian McCullough, Management System Bureau Chief, reviewed background information on the Division on Page 8-9 of EXHIBIT 6 from Feb. 8, 1991, minutes. He said the number of claims reviewed for adequacy of settlement may increase. When there is disagreement over the settlement amount, parties can go to court to contest it. There is concern that insurers will come to the Division to try to resolve these issues, therefore increasing its workload. It is difficult to predict. Historically, there have been about 2,000 cases. That may increase to 2,600. It's just a guess. The Department may have proposals by the next biennium if impacts occur.

The Files Management Unit is still sharing the State Fund's data processing system. The Department is trying to separate from the system so that the two entities no longer access the same data base. Concerns have been raised from Plan I and II carriers that the State Fund has an unfair advantage by having access to this information. The Department has tried to establish security procedures, but the perception can exist.

SEN. WATERMAN asked if the Department of Labor communicates with the Department of Revenue to track uninsured employers. Mr. McCullough said auditors share information. SEN. WATERMAN said it seems auditing is a slow process and there will always be a lag

time of a year or so. This is an area where cooperation could benefit both. **Dan Gengler, Office of Budget and Program Planning**, said the departments of Labor and Revenue, and the State Fund agreed this fall to share audit information. **Mr. McCullough** said it is hoped there will be coordination in the future, as each agency's computer system is updated. An interface needs to be developed.

**SEN. KEATING** asked how many uninsured claims are received. **Mr. McCullough** said 650 employers have been identified. The Department hopes to identify up to 800. Benefits vary from year to year. In 1988, \$63,000 was paid out of the uninsured fund; \$298,000 was paid out in 1989; \$333,000 in 1990; and \$130,000 through December 1991.

**SEN. KEATING** asked how the Department collects this money. **Mr. McCullough** said the Department goes after the employer, but often the employer is bankrupt. The collection rate is about 10 percent. For those employers who are operational, the penalty is 100 percent of the premium and it goes into the fund. That is the primary revenue generator for these claims. If claims deplete the fund, the Department has to stop making benefit payments. That occurred at one point early on.

Tape 1B

#### EXECUTIVE ACTION ON THE EMPLOYMENT RELATIONS DIVISION

Votes were taken on issues in EXHIBIT 3.

**Ms. Perrigo** explained Program Issue No. 1, which summarizes additional funding for the boards of Personnel and Labor Appeals on Page 1 of EXHIBIT 3.

**MOTION:** **SEN. KEATING** moved approval of the executive budget for Program Issue No. 1 for the boards of Personnel and Labor Appeals.

**DISCUSSION:** **SEN. WATERMAN** asked if the motion provides spending authority and ensures the money won't be transferred elsewhere. **Mr. McCullough** said it will be in Personal Services, which finances per diem amounts. **SEN. KEATING** asked if the money is line-itemed. **Mr. McCullough** said no.

**VOTE:** The motion PASSED unanimously.

**Ms. Perrigo** said Program Issue No. 2 relates to the Department's internal reorganization, after it took over the Workers' Compensation regulatory function.

**Mr. McCullough** said reorganization involved audit functions for Unemployment Insurance, Workers' Compensation, Uninsured Employer and State Fund. With the separation of those functions, the Employment Relations Division ended up with only 3 FTEs to cover

the whole state. That significantly impacted travel costs.

**MOTION:** SEN. KEATING moved approval of the executive budget for auditors' travel.

**VOTE:** The motion PASSED unanimously 5-0. REP. JOHNSON was absent.

Ms. Perrigo said that in Program Issue No. 3, the LFA maintained the 1990 expenditure level for Secretary of State filing fees, which was zero. The agency requested more than that.

Mr. McCullough said this updates wage and hour rules to coincide with federal law.

**MOTION:** SEN. KEATING moved approval of the executive budget for Secretary of State filing fees for wage claim rules.

**VOTE:** The motion PASSED unanimously 5-0. REP. JOHNSON was absent.

Mr. Perrigo said Program Issue No. 4 is for accident cataloging costs related to the Department's reorganization.

SEN. KEATING asked if this is spending authority or an estimate of costs. Mr. McCullough said the Department is trying to determine what the accident cataloging function is going to be. This is an estimate of operating costs associated with the FTE for the accident cataloging network.

**MOTION:** SEN. KEATING moved approval of the executive budget for accident cataloging costs.

**VOTE:** The motion PASSED 4-1, with REP. COBB voting no. REP. JOHNSON was absent.

Ms. Perrigo explained Additional Issue No. 1. She said neither budget includes \$10,755 per year in General Fund money to administer silicosis and social security offset benefit payments. The executive budget has been revised to switch this money from state special revenue to General Fund. Mr. McCullough said this was a technical error in the budget process.

**MOTION:** SEN. KEATING moved approval of the correction to the executive budget.

**VOTE:** The motion PASSED unanimously 4-0. REP. JOHNSON and SEN. NATHE were absent.

Ms. Perrigo explained the Additional Issue No. 2. She said it also deals with a funding switch. The Accounting Division has advised the Department that payment of uninsured and subsequent

injury benefits are to be made out of a proprietary fund. Neither budget includes this. The executive budget has been revised to make the switch.

Mr. McCullough said federal accounting principles state that this must be paid for out of proprietary funds instead of the state special fund. Everything out of the proprietary fund needs to be appropriated. The Department's preference in benefits is to have a statutory appropriation for this. The Department drafted a bill to accomplish this and would like to submit it as a committee bill. CHAIRMAN BRADLEY said the two issues will be handled separately.

SEN. KEATING asked what the subcommittee is dealing with here. Mr. McCullough said this involves revenues from subsequent injury and the uninsured. A portion of those revenues is used for administration. Instead of showing it in one fund, it will be shown in another. It is procedural. SEN. KEATING asked if this is what is recovered from the uninsured employer. Mr. McCullough said yes. It is a portion of that. SEN. KEATING asked if this is supposed to be a proprietary fund instead of state special. Mr. McCullough said yes. The Department is not increasing appropriation authority. It is an effort to improve the credibility of the state's financial statements.

SEN. KEATING asked if the dollars are hypothetical. Mr. McCullough said they are in the benefits area, not in administration. SEN. KEATING asked about the spending authority. Mr. Perrigo said the \$393,000 per year is the amount the agency estimates it will cost to pay benefits. It is included on the line identified in the budget summary as state special revenue. The proposal is to take that amount out of state special, which is Workers' Compensation money, and move it into a proprietary account.

MOTION: REP. COBB moved approval of the funding switch to proprietary funds.

VOTE: The motion PASSED unanimously 4-0. REP. JOHNSON and SEN. NATHE were absent.

CHAIRMAN BRADLEY asked if a line-item wouldn't have been simpler. Mr. McCullough said yes. But he wants to make sure that if benefit expenditures exceed estimates, the Department can amend the budget for the additional authority to continue paying benefits. Mr. Gengler said the shift is in accord with the executive budget, but bringing benefits onto the budget would not be.

CHAIRMAN BRADLEY asked what the Budget Office wants the subcommittee to do. Mr. Gengler said the funds are currently in an unbudgeted trust fund account. If it were a statutory appropriation, it would not require a general appropriation. Mr.

**McCullough** said trust funds don't have to be appropriated. If the subcommittee wants to line-item it, it increases what appears to be appropriated authority and, therefore, expenditures. If that is a concern, then that is something to be aware of. It doesn't matter which way it is done to improve the state's financial statements. He is concerned that the Department not be prevented from paying benefits.

**SEN. WATERMAN** asked for a historical perspective on benefit payments. **Mr. McCullough** said subsequent injury and uninsured payments totaled \$380,000 in FY 88, \$526,000 in FY 89, \$730,000 in FY 90 and \$380,000 for the first six months of FY 91.

**CHAIRMAN BRADLEY** asked for a copy of the Department's bill. **Mr. McCullough** distributed copies. **EXHIBIT 4. CHAIRMAN BRADLEY** asked why the Department didn't get someone to carry the bill. She said the subcommittee is burdened. **Mr. McCullough** said it took until a week ago to get a consensus. It may be more expeditious to identify a line-item and word it in a way to get it budget-amended. The Department wants to minimize the need for a budget amendment.

**CHAIRMAN BRADLEY** asked if **Ms. Perrigo** could come up with some line-item language to accommodate the Department's concerns. That would be easier than to run it through as a committee bill. **Mr. McCullough** said the Department can seek a statutory appropriation next biennium.

**MOTION:** **SEN. KEATING** moved to adopt the LFA budget with adjustments by the subcommittee.

**VOTE:** The motion **PASSED** unanimously 5-0. **SEN. NATHE** was absent.

**SEN. KEATING** asked if adjustments were made under Policy Issues. **CHAIRMAN BRADLEY** said they are the same every time. **SEN. WATERMAN** said she thinks the subcommittee decided that for the entire Department of Labor at the previous hearing. **SEN. KEATING** asked if the subcommittee has been doing that as a general rule. **CHAIRMAN BRADLEY** said no. The subcommittee has been ignoring them. A vote can be taken if desired. The subcommittee said at the onset of this budget that the funding base was automatically the LFA, the difference in the computer network was the executive and the difference in inflation was the LFA. That has been standard in every budget.

#### HEARING ON THE RESEARCH, SAFETY AND TRAINING DIVISION

**Ms. Perrigo** distributed a budget summary for the Research, Safety and Training Division. **EXHIBIT 5**

**Mr. McCullough** reviewed Pages 16-17 of **EXHIBIT 6** from Feb. 8, 1991, minutes. He said this Division used to be called the Employment Policy Division. Part of the Job Training Partnership

Act program was contracted to a private non-profit organization. A statistical function was added to the Division relative to the Workers' Compensation reorganization. The Safety Bureau also was added.

**EXECUTIVE ACTION ON THE RESEARCH, SAFETY AND TRAINING DIVISION**

Votes were taken on issues in EXHIBIT 5.

Ms. Perrigo reviewed Program Issue No. 1. She said the LFA budget includes nearly \$140,000 for supplies. The executive budget does not include the appropriation because it was for one-time purchases only.

**MOTION:** SEN. KEATING moved the executive budget for Program Issue No. 1, which would not include the \$139,362.

**DISCUSSION:** CHAIRMAN BRADLEY said the money is being taken out since it had been for one-time purchases only.

**VOTE:** The motion PASSED unanimously 5-0. SEN. NATHE was absent.

Ms. Perrigo explained Program Issue No. 2. She said this is to correct an error in calculating the amounts for equipment.

**MOTION:** SEN. KEATING moved the executive budget for Program Issue No. 2, to correct the error.

**DISCUSSION:** REP. COBB asked if this is for new equipment. Mr. McCullough said the equipment is primarily for research and analysis. It will finance the upgrading of equipment for surveys that tie into work for the federal government.

REP. COBB asked if this involves equipment loaned to the private entity, Montana Job Training Partnership (MJTP) Inc. Mr. McCullough said no. CHAIRMAN BRADLEY said that issue is under Program Issue No. 3. Ms. Perrigo said the Department told the LFA that some of the equipment was transferred to MJTP and would be used by the organization for as long as necessary. The agency request did not specifically ask to replace that equipment. But in giving them a four-year average of equipment in the Workers' Compensation Safety Bureau and the former Employment Policy Division, Policy Issue No. 3 is above that four-year average.

**VOTE:** The motion PASSED 4-1, with REP. COBB voting no. SEN. NATHE was absent.

Mr. McCullough said the equipment identified in Program Issue No. 3 are two personal computers, for \$8,900 per year, that relate to the Bureau of Labor Statistics survey work and a laser printer, which costs \$3,600; a portable personal computer and monitor for educational presentations by the State Occupational Information

Coordinating Committee; and replacement of two old personal computers in the Apprenticeship Program.

**CHAIRMAN BRADLEY** asked if what the Department is really trying to do is replace equipment that was loaned out. **Mr. McCullough** said he doesn't see this equipment falling into that category. **Ingrid Danielson, Apprenticeship and Training Bureau Chief**, said the two computers that are being replaced are being used by staff members in the bureau. The Bureau is having trouble with maintenance and getting parts for them. The Bureau just installed a new management information system and is trying to tie all the computers into the network. These two computers cannot be linked with newer versions.

**SEN. WATERMAN** asked if this is a separate system from the state's mainframe. **Ms. Danielson** said this is a separate system. The Bureau recently removed itself from the mainframe and has installed a system that uses personal computers. It is cheaper and easier to program.

**SEN. WATERMAN** said she thought the Department of Administration's proposal was to limit separate computer networks. **Mr. Gengler** said he could put someone in touch with **SEN. WATERMAN** to address her question.

**CHAIRMAN BRADLEY** said LFA equipment at the top of the budget summary includes more than \$38,000 each year, based on the rolling average, and the subcommittee has added Program Issue No. 2 back into the budget. She asked if the subcommittee is satisfied that is enough.

**Ms. Perrigo** said that when the LFA current level at the top of the summary is added to Program Issue No. 2, that represents a four-year average of equipment for the old Workers' Compensation Safety Division and the old Employment Policy Division.

**Rod Sager, Centralized Services Administrator**, said the intent with the statewide network is to have everyone that would use mainframe capabilities tie into that system. There will always be a need for local area networks. The Department envisions downloading information from the mainframe system to a local area network. That is the most cost-effective application. Most of this equipment is federally funded. The Research and Analysis Program is exclusively federally funded. No General Fund is involved. The Department also is trying to stay current with the demands of the Bureau of Labor Statistics.

**SEN. KEATING** asked if this is in the governor's budget. **Mr. Gengler** said yes.

**Tape 2A**

**MOTION:** **SEN. KEATING** moved the executive budget for Program Issue No. 3, which includes \$53,218 more than the LFA for equipment.



VOTE: The motion FAILED 1-4, with SEN. KEATING voting aye. SEN. NATHE was absent.

Mr. McCullough reviewed the Additional Issue. He said the Department took out 10 positions from its budget for reorganization of the Division. One of the 10 positions should have been a half-time slot. The Department needs to add 0.5 FTE back into the budget.

SEN. KEATING asked about the number of FTEs at the top of the budget summary. Ms. Perrigo said the total would be 60 FTEs if the half-time slot is added back in.

CHAIRMAN BRADLEY asked if the position is filled. Mr. McCullough said yes. It is in the job training program.

MOTION: SEN. KEATING moved the correction.

VOTE: The motion PASSED unanimously 5-0. SEN. NATHE was absent.

MOTION: REP. COBB moved adoption of the LFA budget, with adjustments approved by the subcommittee.

VOTE: The motion PASSED unanimously 5-0. SEN. NATHE was absent.

#### HEARING ON THE LEGAL SERVICES DIVISION

Ms. Perrigo distributed a budget summary for the Legal Services Division. EXHIBIT 6

Mr. McCullough said the Legal Services Division is new through reorganization. It received staff from Workers' Compensation, Centralized Services and the Employment Relations Division. The purpose is to consolidate legal activities into one division.

REP. COBB asked how many attorneys are involved. Mr. McCullough said six.

#### EXECUTIVE ACTION ON THE LEGAL SERVICES DIVISION

The vote was taken on figures in EXHIBIT 6.

CHAIRMAN BRADLEY said there are no issues to discuss.

MOTION: SEN. KEATING moved approval of the LFA budget.

VOTE: The motion PASSED unanimously 5-0. SEN. NATHE was absent.

CHAIRMAN BRADLEY asked Department officials and Ms. Perrigo to review at the beginning of the next hearing the draft language

regarding the funding switch in the Employment Relations Division. If the language does not address Department concerns, the subcommittee will take up its bill. **EXHIBIT 4.** She said the issue has to be resolved. At the end of the subcommittee's work, **Ms. Perrigo** will provide a list of UI administrative tax expenditures.

**Mr. McCullough** distributed an updated spread sheet on impacts to the UI administrative tax from subcommittee action. **EXHIBIT 7**

**Mr. Micone** said the LFA and executive have disagreed on some issues over the years during the budget process. What they agree on is that they cannot trust agencies to administer their budgets. The Department is working within parameters set by the Legislature. Flexibility is not increasing. The Legislature and Budget Office are tightening up.

Capital expenditures may be high one year and low another. But because of the budget process, Departments are locked into a base. Administrators are encouraged to spend money that is appropriated. People are not rewarded for efficiencies. Salaries are inflexible too. Employees of different disciplines and pay grades are making decisions. This could cause problems later. The Department is looking for ways to reward employees, to improve the system and compensate employees without being strictly tied to the pay plan.

He urged the Legislature to give agencies flexibility and authority to manage their budgets, and to reward them accordingly.

**CHAIRMAN BRADLEY** said she agrees with **Mr. Micone** completely. But she feels strapped as a subcommittee chairman to do anything about it. She doesn't know why those changes can't be made. She believes agencies should be free to manage their appropriations. She doesn't know how to get to that point. She agrees that good management is punished in this system. **Mr. Micone** said it boils down to trust. **CHAIRMAN BRADLEY** said there isn't much of that around right now.

**Mr. Micone** said he hopes the governor's pay plan, which would move salaries toward market levels, will help the Department in its hiring process. The Department hopes the Legislature will support the governor's plan.

**REP. COBB** said he believes agencies should be able to use unspent money for salary bonuses. **Mr. Micone** said he believes a bonus system can be accomplished without increasing the base.

**CHAIRMAN BRADLEY** thanked everyone for their work on the Department's budgets. She said she feels badly that the Labor Department is discussed for only three days. It isn't that the subcommittee doesn't care about the Department; it's just that its budget does not include much General Fund money. The fact


that the subcommittee spends only three days on this budget shows a certain amount of trust. Other budgets have been examined much more closely.

REP. COBB said audits show the agencies are doing what they're supposed to be doing. CHAIRMAN BRADLEY said maybe, as audits continue to show government is doing OK, there will be more trust and the Legislature can provide the flexibility that is needed.

ADJOURNMENT

Adjournment: 9:50 a.m.

  
\_\_\_\_\_  
REP. DOROTHY BRADLEY, Chairman

  
\_\_\_\_\_  
FAITH CONROY, Secretary

DB/fc

**HOUSE OF REPRESENTATIVES**  
**HUMAN SERVICES SUBCOMMITTEE**

**ROLL CALL**

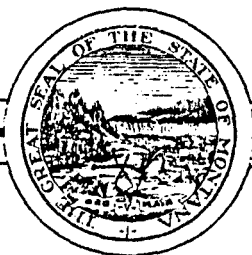
**DATE**

2/12/91

NAME	PRESENT	ABSENT	EXCUSED
REP. JOHN COBB	✓		
SEN. TOM KEATING	✓		
REP. JOHN JOHNSON	✓		
SEN. DENNIS NATHE	✓		
SEN. MIGNON WATERMAN, VICE-CHAIR	✓		
REP. DOROTHY BRADLEY, CHAIR	✓		

Exhibit #1  
2/12/91  
Human Services  
Subc.

# HUMAN RIGHTS COMMISSION



STAN STEPHENS, GOVERNOR

P.O. BOX 1728

## STATE OF MONTANA

(406) 444-2884

HELENA, MONTANA 59624

DATE 2-12-91  
HC

February 11, 1991

To: Members of the Joint Human Services and Aging Subcommittee

From: *Anne L. MacIntyre*  
Anne L. MacIntyre, Administrator  
Human Rights Commission

Subject: Your request for additional information concerning Human Rights Commission caseload

1. You have requested information concerning what the effect of additional staff would be on the workload of the Human Rights Commission and what the cost of the additional staff would be.

When Ken Toole made his presentation to the subcommittee, he requested that the Commission budget be increased by \$100,000 per year, which, according to his testimony, would allow the Commission to increase staff by 2 FTEs. Representative Cobb also asked what the effect would be of adding 1 FTE to the Commission staff. Thus, I present several scenarios for your consideration. Each scenario assumes that 400 cases per year will be filed with the Commission. My projections also assume that with existing staff levels, the Commission can close between 320 and 350 cases per year.

a. Adding 1 FTE. If the legislature increased the Commission's staffing by 1 FTE, I would recommend that the increase in staffing be used to increase two existing part-time employees, a .5 FTE hearing examiner and a .5 FTE investigator, to full-time. This would allow the Commission to close an additional 50 cases per year. Thus we would close between 370 and 400 cases per year, very close to the same number being filed. Such an increase would allow us to keep from falling further behind.

The cost of adding 1 FTE would be:

	<u>FY92</u>	<u>FY93</u>
Personal services		
Hearing examiner (gr. 15, st. 2)	14,057	14,057
Investigator (gr. 14, st. 3)	13,205	13,205
Operating expenses	<u>5,700</u>	<u>5,700</u>
TOTAL	<u>32,962</u>	<u>32,962</u>

b. Adding 2 FTEs. If the legislature increased the Commission's staffing by 2 FTEs, I would recommend that the increase in staffing be used to hire an additional investigator and increase two existing part-time employees, a .5 FTE hearing examiner and a .5 FTE secretary, to full-time. This would allow the Commission to close an additional 100 cases per year. Thus we would close between 420 and 450 cases per year. This increase would allow us to reduce the open inventory of cases if 400 cases per year are filed.

The cost of adding these 2 FTEs would be:

	<u>FY92</u>	<u>FY93</u>
Personal services		
Hearing examiner (gr. 15, st. 2)	14,057	14,057
Investigator (gr. 14, st. 2)	27,687	27,687
Secretary (gr. 8, st. 2)	8,441	8,441
Operating expenses	13,900	10,700
Equipment	<u>3,800</u>	<u>0</u>
TOTAL	<u>67,885</u>	<u>60,885</u>

c. Adding 3.5 FTEs. If the legislature wished to provide funding close to the levels Ken Toole was requesting, this would allow the Commission to become current with its workload during the upcoming biennium, it could add 3.5 FTEs to the Commission staff. This would allow the Commission to add two full-time investigators and one full-time secretary and increase the existing .5 FTE hearing examiner to full-time. This increase would allow us close an additional 150 cases per year. Thus we would close between 470 and 500 cases. This would allow us to become current with our caseload, provide more employer education, and focus on insuring that parties are complying with Commission orders and conciliation agreements.

DATE 2-12-91  
RE Dum. Adv. Sub.

The cost of adding these 3.5 FTEs would be:

	<u>FY92</u>	<u>FY93</u>
Personal services		
Hearing examiner (gr. 15, st. 2)	14,057	14,057
2 investigators (gr. 14, st. 2)	55,373	55,373
Secretary (gr. 8, st. 2)	18,682	18,682
Operating expenses	27,800	21,400
Equipment	<u>5,600</u>	<u>0</u>
TOTAL	<u>121,512</u>	<u>109,512</u>

2. You also requested information on the duration of cases before the agency.

	FY87	FY88	FY89	FY90	FY91
Average processing time for cases closed during the fiscal year (# of days)*	380	328	261	258	308
Average age of cases open at end of fiscal year (# of days)*	330	291	299	297	326

\*figures for FY91 are based on data as of 12/31/90

3. You also requested information concerning the numbers of cases removed to district court from the Commission. This generally occurs when a case is over 12 months old and no hearing has been held. At that point, either party may request such removal.

FY87	30
FY88	20
FY89	29
FY90	20
FY91*	14

\*figures for FY91 are based on data as of 2/11/91

I can provide data for earlier years if requested by the Committee. Most of these removals to district court occur at the request of the respondent in a case in which the Commission staff has found reasonable cause to believe discrimination occurred.

**Exhibit 2 consists of a packet of brochures entitled "Realizing America's Hope: Investing In Our Youth". The entire exhibit is available at the Montana Historical Society, 225 North Roberts, Helena, MT 59601. (Phone 406-444-4775)**



6602 LABOR & INDUSTRY  
04 EMPLOYMENT RELATIONS  
00000

DATE : 01/08/91  
TIME : 21/29/24  
CURRENT LEVEL COMPARISONS

Budget Item	Actual Fiscal 1990	Executive Fiscal 1992	LFA Fiscal 1992	Difference Fiscal 1992	Executive Fiscal 1993	LFA Fiscal 1993	Difference Fiscal 1993
FTE	59.75	59.75	59.75	.00	59.75	59.75	.00
Personal Services	1,343,866	1,572,170	1,563,425	8,745	1,570,746	1,562,000	8,746
Operating Expenses	634,019	918,451	811,534	106,917	917,227	812,146	105,081
Equipment	97,444	9,659	9,659	0	9,659	9,659	0
Benefits and Claims	496,989	423,224	423,224	0	394,028	394,028	0
Total Expend.	\$2,572,318	\$2,923,504	\$2,807,842	\$115,662	\$2,891,660	\$2,777,833	\$113,827
<u>Fund Sources</u>							
General Fund	507,748	423,224	423,224	0	394,028	394,028	0
State Revenue Fund	1,353,994	1,808,298	1,711,871	96,427	1,801,539	1,706,302	95,237
Federal Revenue Fund	710,576	688,237	669,002	19,235	692,348	673,758	18,590
Proprietary Fund	0	3,745	3,745	0	3,745	3,745	0
Total Funds	\$2,572,318	\$2,923,504	\$2,807,842	\$115,662	\$2,891,660	\$2,777,833	\$113,827

LFA Current Level Analysis Reference: page B-54  
Executive Budget Summary Reference: page 118  
Executive Budget Narrative Reference: page 25

--Executive Over (Under) LFA--

Current Level Issues	FTE	Amount
A. Reorganization Issues		
NONE		
B. Appropriation Policy Issues		
1. Difference in the Funding Base		\$3,692
2. Difference in Computer Network Charges		\$18,608
3. Difference in Inflation		(\$5,209)
C. Program Issues		
1. Executive Budget includes \$17,456 more than LFA for Boards of Personnel and Labor Appeals. (federal funds)	8,728	8,728
2. Executive Budget includes \$61,488 more than LFA for travel to audit uninsured employers. (workers compensation state funds)	31,677	29,811
3. Executive Budget includes \$16,770 more than LFA for Secretary of State filing fees for wage claim rules. (UI admin tax--federal funds)	8,385	8,385
4. Executive Budget includes \$96,801 more than LFA for accident cataloging costs which are not reflected in fiscal 1990 actuals. (workers comp state funds)	49,781	47,020
TOTAL	115,662	113,827

EXHIBIT 3  
DATE 2-12-91  
Exhibit #3  
2/12/91  
Human Serv.  
Subc.

D. Additional Issue

1. Executive Budget revised to switch \$10,755 per year from state special revenue to general fund for administration of silicosis and social security offset benefit programs.
2. Executive Budget revised to switch \$393,815 per year from state special (workers comp) to proprietary funds.

=====

4  
DATE 2-12-91  
Exhibit #4  
2/12/91  
Human Serv.  
Subc.

\_\_\_\_\_ BILL NO. \_\_\_\_\_

INTRODUCED BY \_\_\_\_\_

BY REQUEST OF THE DEPARTMENT OF LABOR AND INDUSTRY

A BILL FOR: AN ACT TO PROVIDE THAT ALL FUNDS DERIVED FROM 39-71-504, MCA ARE TO BE DEPOSITED IN THE UNINSURED EMPLOYERS FUND FOR PAYMENT OF BENEFITS AS PROVIDED IN 39-71-503, AND 39-71-505, MCA; TO PROVIDE THAT FUNDS DEPOSITED IN THE SUBSEQUENT INJURY FUND ARE PAID TO THE DEPARTMENT OF LABOR AND INDUSTRY TO PAY BENEFITS PROVIDED IN 39-71-907, MCA; AMENDING SECTIONS 39-71-502, 39-71-902, AND 17-7-502, MCA; PROVIDING FOR AN EFFECTIVE DATE.

BE IT ENACTED BY THE LEGISLATURE OF THE STATE OF MONTANA:

**Section 1.** Section 39-71-502, MCA, is amended to read:

**39-71-502. Creation and purpose of uninsured employers' fund.**

There is created an uninsured employers' fund. The purpose of the fund is to pay to an injured employee of an uninsured employer the same benefits the employee would have received if the employer had been properly enrolled under compensation plan No. 1, 2, or 3, except as provided in 39-71-503(2).

(2) All collections of penalties, assessments, interest and other funds provided in 39-71-504, must be deposited in the Uninsured Employers' Fund and are statutorily appropriated, as provided in 17-7-502, to the Department to be used to pay benefits provided in 39-71-503 and 39-71-505.

**Section 2.** Section 39-71-902 is amended to read:

**39-71-902. Fund to receive payment from insurer for each death under chapter -- assessment of insurers. (1)** In every case of

the death of an employee under this chapter, the insurer shall pay to the fund the sum of \$1,000. In addition, the department may assess every insurer an amount not to exceed 5% of the compensation paid in Montana in the preceding fiscal year. The assessment must be transmitted annually to the subsequent injury fund by the employer or insurer.

(2) When, in the judgment of the department, the amount of money in the subsequent injury fund is such that there is a surplus above and beyond projected liabilities, the department may at its discretion suspend or reduce further collection of assessments for a period of time determined by the department.

(3) All collections of assessments and interest must be deposited in the Subsequent Injury Fund and are statutorily appropriated, as provided in 17-7-502, to the Department to be used to pay benefits provided in 39-71-907.

**Section 3.** Section 17-7-502 is amended to read:

(1) Same

(2) Same

(3) The following laws are the only laws containing statutory appropriations: 2-9-202; 2-17-105; 2-18-812; 10-3-203; 10-3-312; 10-3-314; 10-4-301; 13-37-304; 15-1-111; 15-25-123; 15-31-702; 15-36-112; 15-37-117; 15-70-101; 16-1-404; 16-1-410; 16-1-411; 17-3-212; 17-5-404; 17-5-424; 17-5-804; 19-8-504; 19-9-702; 19-9-1007; 19-10-205; 19-10-305; 19-10-506; 19-11-512; 19-11-513; 19-11-606; 19-12-301; 19-13-604; 20-6-406; 20-8-111; 20-9-361; 23-5-306; 23-5-409; 23-5-610; 23-5-612; 23-5-1016; 23-5-1027; 27-12-206; 37-51-501; 39-71-2504; 53-6-150; 53-24-206; 61-2-406; 61-5-121; 67-3-205; 75-1-1101; 75-5-1108; 75-11-313; 76-12-123; 80-2-103; 82-11-136; 82-11-161; 90-3-301; 90-4-215; 90-4-613; 90-6-331; 90-9-306; and section 13, House Bill No. 861, Laws of 1985. , 39-71-502, 39-71-902.

(4) Same

**NEW SECTION:** This Act is effective on July 1, 1991.

Budget Item	Actual Fiscal 1990	Executive Fiscal 1992	LFA Fiscal 1992	Difference Fiscal 1992	Executive Fiscal 1993	LFA Fiscal 1993	Difference Fiscal 1993
FTE	66.50	59.50	59.50	.00	59.50	59.50	.00
Personal Services	1,798,697	1,712,446	1,711,412	1,034	1,712,269	1,711,046	1,223
Operating Expenses	1,191,980	1,004,914	1,083,992	79,078-	987,066	1,067,913	80,847-
Equipment	142,143	96,829	38,454	58,375	109,297	38,454	70,843
Total Expend.	\$3,132,820	\$2,814,189	\$2,833,858	\$19,669-	\$2,808,632	\$2,817,413	\$8,781-
<u>Fund Sources</u>							
State Revenue Fund	687,504	747,614	745,637	1,977	748,611	746,486	2,125
Federal Revenue Fund	2,445,316	2,066,575	2,088,221	21,646-	2,060,021	2,070,927	10,906-
Total Funds	\$3,132,820	\$2,814,189	\$2,833,858	\$19,669-	\$2,808,632	\$2,817,413	\$8,781-

LFA Current Level Analysis Reference: page B-57  
Executive Budget Summary Reference: page 118  
Executive Budget Narrative Reference: page 39

--Executive Over (Under) LFA--

Current Level Issues	FTE	Amount
A. Reorganization Issues		
NONE		
B. Appropriation Policy Issues		
1. Difference in the Funding Base		(\$11,685) (\$16,477)
2. Difference in Computer Network Charges		\$15,979 \$15,979
3. Difference in Inflation		(\$12,657) (\$9,445)
C. Program Issues		
1. LFA Current Level includes \$139,362 for supplies not included in Executive Budget due to one-time-only nature of purchases. (federal funds)		(69,681) (69,681)
2. LFA Current Level does not include \$76,000 for equipment due to calculation error (state and federal funds)		38,000 38,000
3. Executive Budget includes \$53,218 more than LFA for equipment. (state and federal funds)		20,375 32,843
TOTAL		----- (\$19,669) (\$8,781)
D. Additional Issue		
1. Executive reduced FTE too much on snapshot, and recommends inclusion of additional 0.5 FTE. Grade 14, step 2. (Federal Funds)		13,140 13,108

5  
2-12-91

EXHIBIT 10  
2/12/91  
Human Serv.  
Sube.

Budget Item	Actual Fiscal 1990	Executive Fiscal 1992	LFA Fiscal 1992	Difference Fiscal 1992	Executive Fiscal 1993	LFA Fiscal 1993	Difference Fiscal 1993
FTE	18.00	18.00	18.00	.00	18.00	18.00	.00
Personal Services	494,880	588,395	588,617	222-	587,851	588,109	258-
Operating Expenses	203,899	250,813	247,654	3,159	251,278	247,647	3,631
Equipment	46,858	5,422	5,422	0	5,584	5,584	0
Total Expend.	\$745,637	\$844,630	\$841,693	\$2,937	\$844,713	\$841,340	\$3,373
<u>Fund Sources</u>							
State Revenue Fund	218,760	241,016	248,299	7,283-	240,920	248,195	7,275-
Federal Revenue Fund	405,423	467,840	458,723	9,117	468,006	458,531	9,475
Proprietary Fund	121,454	135,774	134,671	1,103	135,787	134,614	1,173
Total Funds	\$745,637	\$844,630	\$841,693	\$2,937	\$844,713	\$841,340	\$3,373

LFA Current Level Analysis Reference: page B-56  
Executive Budget Summary Reference: page 118  
Executive Budget Narrative Reference: page 33

--Executive Over (Under) LFA--

Current Level Issues	FTE	Amount
A. Reorganization Issues		
NONE		
B. Appropriation Policy Issues		
1. Difference in the Funding Base		(\$3,159) (\$3,082)
2. Difference in Computer Network Charges		\$6,483 \$6,483
3. Difference in Inflation		(\$387) (\$28)
C. Program Issues		
None		
TOTAL		\$2,937 \$3,373

Exhibit #6  
2/12/91  
Human Serv.  
Subc.

DATE 2-12-91

# UI ADMIN TAX

	FY83 thru FY88	FY89 actual	FY90 actual	FY91 budget	FY92				FY93				FY94 estimate (5)	FY95 estimate (5)	
					executive budget (2)	pay plan (3)	subcom. (4)	total	executive budget (2)	pay plan (3)	subcom. (4)	total			
Beginning Balance		2,219,365	4,567,273	5,585,547	3,290,090			3,290,090	3,485,549				3,485,549	3,404,308	3,020,433
Revenue (1)		2,697,908	2,649,424	2,795,173	2,873,500			2,873,500	2,951,455				2,951,455	3,031,524	3,113,766
Interest			246,079	446,844	263,207			263,207	278,844				278,844	272,345	241,635
TOTAL AVAILABLE	10,895,731	4,917,273	7,462,776	8,827,564	6,426,797			6,426,797	6,715,848				6,715,848	6,708,176	6,375,834
Expenditures:															
Job Service															
Division		350,000	551,389	769,902	749,885	334,106		1,083,991	746,499	669,931			1,416,430	1,750,536	2,084,642
JMG					126,517	1,409		127,926	124,485	2,811			127,296	128,705	130,114
Employment Relations			543,163	591,215	647,506	25,303		672,809	651,536	50,689			702,225	727,528	752,831
Legal Services			186,643	198,338	218,111	7,162		225,273	218,452	14,331			232,783	239,945	247,107
Research/Safety/Train			247,301	265,267	267,026	8,223		275,249	260,317	16,489			276,806	285,029	293,252
Job Training Grants:															
Dislocated Workers				359,806	0			0	0				0	0	0
Displaced Homemakers			216,000	216,760	216,760		53,240	270,000	216,760		53,240		270,000	270,000	270,000
New Horizons Day Care			106,725	109,091	0			0	0				0	0	0
Project Work					286,000			286,000	286,000				286,000	286,000	286,000
New Horizons			26,008	27,095	0			0	0				0	0	0
TOTAL EXPENDITURES		350,000	1,877,229	2,537,474	2,511,805	376,203	53,240	2,941,248	2,504,049	754,251	53,240		3,311,540	3,687,743	4,063,946
TRANSFERS TO UI TRUST FUND	8,676,366			3,000,000											
BALANCE	2,219,365	4,567,273	5,585,547	3,290,090	3,914,992			3,485,549	4,211,799				3,404,308	3,020,433	2,311,888

- (1) Includes interest thru FY89.
- (2) Based on Exec. budget.
- (3) Based on Governor's pay plan.
- (4) Human Services subcommittee action as of document date.
- (5) Based on FY93 plus assumes duplicating the Governor's pay plan for the FY92 & FY93 biennium in the following biennium.

February 11, 1991

Exhibit #7  
2/12/91  
Human Serv. Subc

EXHIBIT 7  
DATE 2-12-91

Human Services SUBCOMMITTEE DATE 2/12/91  
DEPARTMENT(S) Labor & Industry DIVISION \_\_\_\_\_

**PLEASE PRINT**

[illegible]

PLEASE LEAVE PREPARED TESTIMONY WITH SECRETARY. WITNESS STATEMENT FORMS ARE AVAILABLE IF YOU CARE TO SUBMIT WRITTEN TESTIMONY.