

MINUTES

MONTANA HOUSE OF REPRESENTATIVES 54th LEGISLATURE - REGULAR SESSION

JOINT SUBCOMMITTEE ON HUMAN SERVICES & AGING

Call to Order: By **CHAIRMAN JOHN COBB**, on January 13, 1995, at 8:00 a.m.

ROLL CALL

Members Present:

Rep. John Cobb, Chairman (R)
Sen. Charles "Chuck" Swysgood, Vice Chairman (R)
Rep. Beverly Barnhart (D)
Sen. James H. "Jim" Burnett (R)
Rep. Betty Lou Kasten (R)

Members Excused: SEN. J.D. LYNCH

Members Absent: None.

Staff Present: Mark Lee, Legislative Fiscal Analyst
Douglas Schmitz, Office of Budget & Program Planning
Ann Boden, Committee Secretary

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

Committee Business Summary:

Hearing: None.
Executive Action: DEPARTMENT OF LABOR AND INDUSTRY: Job Service Division, Unemployment Insurance Division, Employment Relations Division, Legal Services Division, Human Rights Commission.

EXECUTIVE ACTION ON JOB SERVICE DIVISION

Tape No. 1:A:3.1

Discussion: CHAIRMAN JOHN COBB said that SEN. J.D. LYNCH was attending a Micron Hearing.

BUDGET ITEM Budget Amendments & Administrative Appropriations:

Tape No. 1:A:3.5

Mr. Gary Curtis, Administrator, Job Service Division said that if a motion was not made for reconsideration of this budget request, \$118,930 would be removed from each year of the biennium. He expressed his concern regarding the loss of vacancy savings.

Mr. Curtis clarified that the Division was requesting to keep Other Services outlined on Table 3, page B-6 of the LFA Budget Analysis rather than Other Expenses as previously indicated.

REP. BETTY LOU KASTEN asked what would be the total amount of reduction results from the budget amendments and administrative appropriations. **Mr. Curtis** replied \$47,278 in FY96 and \$64,182 in FY97 for Other Services, Rent, Utilities and Repair & Maintenance.

Motion/Vote: **REP. KASTEN** MOVED TO ACCEPT THE TOTAL REDUCTION OF \$71,652 IN EACH YEAR OF THE BIENNIUM FROM THE EXECUTIVE REQUEST OF \$118,930: \$22,794 IN EACH YEAR OF THE BIENNIUM FOR OTHER SERVICES; \$19,434 EACH YEAR OF THE BIENNIUM FOR RENT; \$9,415 EACH YEAR OF THE BIENNIUM FOR UTILITIES; AND \$20,179 EACH YEAR OF THE BIENNIUM FOR REPAIR & MAINTENANCE. Motion FAILED 3-2 with REPS. **BEVERLY BARNHART** AND **KASTEN** voting yes.

BUDGET ITEM Equipment:

Tape No. 1:A:11.2

Motion: **CHAIRMAN COBB** MOVED TO ACCEPT \$84,363 IN FY96 AND \$111,416 IN FY97 FOR EQUIPMENT.

Discussion: **Mr. Curtis** said this is a zero based item. He reiterated that the Division has made a great effort to automate Job Service offices in order to utilize less staff and reach more people.

SEN. CHUCK SWYSGOOD asked what the mileage was for the two replacement vehicles requested by the department. **Mr. Curtis** replied that some cars have up to 180,000 miles as a backup vehicle, and others that have 12,000 miles for out-of-town travel.

SEN. SWYSGOOD then questioned how many Job Service offices in the state do not have a car and how the offices that don't are compensated. **Mr. Curtis** replied that 12 out of 23 offices do not have a vehicle, and that it is necessary in offices that do not have a vehicle to fill out a reimbursement claim form for miles traveled.

SEN. SWYSGOOD asked the how the determination can be made for the costs between two replacement vehicles proposed under executive present law adjustments and the executive new proposal for new vehicle lease. **Doug Schmitz, Budget Office** said the executive new proposal for leased vehicles contains expenditures for maintenance repairs, gasoline, the lease payment and a negative amount for the acquisition price, thus resulting in a net savings. In the Present Law Adjustment, the amount includes the outright purchase of the vehicle. If new proposal is adopted the operating budget will be adjusted accordingly.

SEN. SWYSGOOD asked what the lease term is. Mr. Schmitz replied that it is on-going until the vehicle reaches a certain number of miles.

SEN. SWYSGOOD felt that over a course of years the cost of a \$12,000 automobile, plus the cost of repairs, would probably result in \$25,000 to \$30,000 being spent. He didn't want to fund the department each biennium for a car to be paid for twice over.

Vote: Motion CARRIED 4-1 with SEN. SWYSGOOD voting no.

BUDGET ITEM New Vehicle Lease:

Tape No. 1:A:30.0

Motion/Vote: CHAIRMAN COBB MOVED TO ACCEPT (\$21,499) IN FY96 AND (\$18,250) IN FY97 FOR NEW VEHICLE LEASE, CONTINGENT UPON ACCEPTANCE IN THE D.O.T. BUDGET OF THE NEW VEHICLE LEASE PROPOSED IN ITS BUDGET. Motion CARRIED 5-0.

EXECUTIVE ACTION ON UNEMPLOYMENT INSURANCE DIVISION

Tape No. 1:A:31.4

BUDGET ITEM Personal Services :

Motion/Vote: REP. BARNHART MOVED TO ACCEPT 2.00 FTE IN EACH YEAR OF THE BIENNIUM AND \$128,890 IN FY96 AND \$146,704 IN FY97 FOR PERSONAL SERVICES. Motion CARRIED 3-2 with REP. KASTEN and SEN. BURNETT voting no.

BUDGET ITEM R&A National Conference:

Tape No. 1:A:35.0

Discussion: Rod Sager, Administrator, Unemployment Insurance Division, told the subcommittee that the National Bureau of Labor Statistics holds and funds this conference annually throughout the nation. The application for approval of funding will be decided in May of 1995.

Motion/Vote: CHAIRMAN COBB MOVED TO ACCEPT \$40,000 IN FY96 AS A ONE TIME APPROPRIATION, CONTINGENT UPON RECEIPT OF APPROVAL FROM THE NATIONAL BUREAU OF LABOR STATISTICS FOR FUNDING. Motion CARRIED 5-0.

BUDGET ITEM Interactive Voice Response:

Tape No. 1:A:36.6

Discussion: Mr. Sager pointed out to the subcommittee the typographical error in the description of Item 9 on page B-11 of the "Budget Analysis 1997 Biennium." It should read "The executive proposes the expenditure of \$49,500 in each year of the biennium for telephone equipment charges to implement the interactive voice response system to assist in responding to

CLAIMANT questions." He explained that this is to facilitate the capability for claimants to call and find out individual status.

REP. KASTEN asked how this item would be reflected in the budget next biennium if approved. Mr. Sager replied that it would be reflected in the base. He said that by reducing personal services by eliminating 2.00 FTE, the funds would be moved over to operating expense which is less on an on-going basis.

Motion/Vote: REP. KASTEN MOVED TO ACCEPT \$49,500 IN EACH YEAR OF THE BIENNIUM FOR INTERACTIVE VOICE RESPONSE SYSTEM. Motion CARRIED 4-1 with REP. BARNHART voting no.

BUDGET ITEM Equipment:

Tape No. 1:A:41.3

Discussion: Mr. Sager said the requested increases are related to upgrading automated equipment in response to compliance with federal mandated requirements. He indicated that the funding is 100 percent federal money.

Motion/Vote: CHAIRMAN COBB MOVED ACCEPT \$100,407 IN FY96 AND \$72,907 IN FY97 FOR EQUIPMENT. Motion CARRIED 4-1 with SEN. SWYSGOOD voting no.

BUDGET ITEM Other :

Tape No. 1:A:43.8

Motion/Vote: REP. KASTEN MOVED TO ACCEPT \$17,469 IN FY96 AND \$40,179 IN FY97 FOR ALL OTHER PRESENT LAW ADJUSTMENTS PROPOSED BY THE EXECUTIVE. Motion CARRIED 3-2 with CHAIRMAN COBB and SEN. SWYSGOOD voting no.

BUDGET ITEM Equipment - UID Operations:

Tape No. 1:A:46.1

Motion: REP. BARNHART MOVE TO ACCEPT \$10,788 IN FY96 AND \$12,288 IN FY97 FOR EQUIPMENT - UID OPERATIONS.

Discussion: Mr. Sager said the request for pull-out keyboard shelves resulted from research conducted by St. Peter's Hospital indicating a reduction in carpal tunnel problems.

SEN. SWYSGOOD questioned the justification of the additional expenditures for equipment under the new proposal when a \$173,314 biennial appropriation was just approved for equipment. Mr. Sager explained that this was required to be placed under the New Proposal category when compiling the budget.

Vote: Motion FAILED 4-1 with REP. BARNHART voting yes.

EXECUTIVE ACTION ON EMPLOYMENT RELATIONS DIVISION

BUDGET ITEM Effectiveness/Satisfaction Surveys:

Tape No. 1:A:50.0

Discussion: Chuck Hunter, Administrator, Unemployment Insurance Division, said there is quite a bit of dispute about what really happens in the system. This item has allowed the Division in the past to hire independent people and conduct scientific surveys about what is truly taking place.

No motion was made.

BUDGET ITEM Training:

Tape No. 1:A:50.8

Discussion: Mr. Hunter brought two other items to the subcommittee's attention regarding training not previously discussed. First, he said funding is included in this budget item for the Western Association of Workers' Compensation Boards and Commission, which staff will attend in 1995 plus host in 1996. Second, is training for the Division's Board of Personnel Appeals to travel to receive training in collective bargaining.

REP. BARNHART asked where the funds originate. Mr. Hunter replied that the things related to collective bargaining and minimum wage are from the UI Admin Tax, those related to Workers' Compensation come from the assessment of Workers' Compensation Insurers.

No motion was made.

BUDGET ITEM Other:

Tape No. 1:A:53.4

Discussion: Mr. Hunter informed the subcommittee that if this area is not funded, it will result in a net thirteen percent reduction since the 1994 actual level.

Motion/Vote: REP. KASTEN MOVED TO ACCEPT THE ADJUSTED AMOUNT OF \$47,033 IN FY96 AND \$52,443 IN FY97 FOR OTHER PRESENT LAW ADJUSTMENTS PROPOSED BY THE EXECUTIVE. Motion FAILED 2-3 with CHAIRMAN COBB, SEN. SWYSGOOD, and SEN. BURNETT voting no.

EXECUTIVE ACTION ON LEGAL SERVICES DIVISION

BUDGET ITEM Court Reporters:

Tape No. 1:a:55.6

Discussion: David Scott, Administrator, Legal/Centralized Services Division, informed the subcommittee that the Division would accept a one time line item for this funding.

Motion: CHAIRMAN COBB MOVED TO ACCEPT \$18,900 IN EACH YEAR OF THE BIENNIUM AS A LINE ITEM, EXCLUDING IT FROM THE BASE BUDGET. Motion FAILED 3-2 with CHAIRMAN COBB and REP. BARNHART voting yes.

EXECUTIVE ACTION ON HUMAN RIGHTS COMMISSION

Tape No. 1:A:59.4

BUDGET ITEM Martin Luther King Jr. Advisory Council:

Tape No. 1:A:59.4

Discussion: Doug Schmitz, Office of Budget and Program Planning, said the Governor felt very strongly about this Council. The Council will travel throughout the state and work with various communities and organizations for the promotion of the Martin Luther King holiday.

Motion/Vote: REP. BARNHART MOVED TO RECONSIDER THE SUBCOMMITTEE'S PREVIOUS MOTION TO ACCEPT THE EXECUTIVE FOR \$1,250 IN EACH YEAR OF THE BIENNIUM FOR THE MARTIN LUTHER KING, JR. COUNCIL. Motion FAILED 4-1 with REP. BARNHART voting yes.

BUDGET ITEM Personal Services Reductions:

Tape No. 1:B:1.0

Discussion: CHAIRMAN COBB expressed his concern of minimizing the Unemployment Insurance Administration (UI Admin.) Tax fund. He said the revenues coming in exceed the expenditures going out, and because of the subcommittee's motion to remove the programs funded by this tax, it is necessary "to fight with everyone else for their general fund." He also expressed his concern about using the UI Admin. Tax funds for the Department's pay plan increase. He said more and more money would be used from the UI Admin Tax to pay for the pay plan. He reported that \$200,000 each year exceeded the revenues, including the pay plan. He suggested a permanent cut of about \$400,000 over the biennium in operating expenses so the Department would have to start downsizing to live within that revenue stream.

Laurie Ekanger, Commissioner, said that most of the money that is budgeted under the UI Admin. Tax is to keep the local Job Services open by paying for staff salaries. She agreed that downsizing will be necessary at some point, and is already considering the investment in technology to do local delivery different through automation, networking and KIOSK. She emphasized the need for UI Admin. Tax money is not for extra costs, but that it is the cost to fund the pay adjustment for staff. She clarified that the UI Admin. Tax was only a portion of funding for the Job Service offices, which was necessary to make up the short-fall from federal funding sources.

Tape No. 1:B:8.6

Brian McCullough, Chief, Budget Bureau, discussed a report on the UI Admin Tax fund since subcommittee action. **EXHIBIT 1**

SEN. SWYSGOOD said he intended to make a motion that would transfer the \$1.3 million UI Admin Tax fund ending balance to the General Trust Fund. He explained that in theory what would happen is that after this initial flow into the trust, unless further cuts are approved in succeeding bienniums, there probably wouldn't be any more flow into the trust because the expenditures would zero out the balance to the revenues. He asked how his intended motion would affect the interest revenues fund. **Mr. McCullough** replied that it would reduce the interest revenues considerably because the balance is generating most of the interest. He said it would be necessary to get towards the end of the biennium in order to have funds available to transfer to the trust.

SEN. SWYSGOOD explained that one potential risk in his intended motion was that if the reserve amount is wiped out, and the next legislature doesn't see fit to reduce the Department's expenditures and the expenditures are over the Department's income, the very thing he is trying to keep from happening will happen, and that is to reduce the 3.05% rate employers pay into the UI trust fund.

Tape No. 1:B:26.5

CHAIRMAN COBB felt the interest should not be counted. He said another alternative would be to get the Department to use less of the pay plan, down size now, and allow the UI Admin. fund to build up so in case there is a short-fall, it at least gives programs transferred to general fund a chance to be saved next session.

Motion: **CHAIRMAN COBB MOVED TO REDUCE THE DEPARTMENT OF LABOR'S OPERATING EXPENSES BY \$125,000 OVER THE BIENNIUM.**

Discussion: **SEN. SWYSGOOD** spoke against the motion because he felt that by the previous action taken, expenditures are not exceeding the revenues generated. He said previous action taken was done with some rather tough decisions, such as removing funding groups from this tax like the Displaced Homemakers Program. **CHAIRMAN COBB** responded by indicating that is not just balancing these two, but the bigger picture is that there could be less and less job training money coming in the future from the federal level. He said, "We might as well force the issue now, build-up some of that balance for some flexibility next session, because if you don't build up some balance they keep using for the pay plan and other things, there is just no money there for any anticipation, so they will just crash next session anyway."

Vote: Motion CARRIED 3-2, with REP. BARNHART and SEN. SWYSGOOD voting no.

Motion: SEN. SWYSGOOD MOVED TO INCLUDE LANGUAGE IN HB 2 THAT TRANSFERS ANY ENDING FUND BALANCE, RESERVE, OR ANTICIPATED EXCESS FUNDS REMAINING IN THE UI ADMIN ACCOUNT TO THE TRUST AT A TIME DEEMED APPROPRIATE BY THE DEPARTMENT BUT NO LATER THAN JUNE 30, 1996.

Discussion: Mr. McCullough asked if this motion could indicate "as of a point in time which doesn't adversely affect its cash flow." CHAIRMAN COBB indicated that if the time deadline for the transfer was after June 30, 1996, there wouldn't be that much more ending fund balance.

SEN. SWYSGOOD commented that his motion doesn't preclude the Displaced Homemakers, Jobs for Montana Graduates, Montana Community Service Corps from trying to get UI Admin Tax funding next session.

Amended Motion/Vote: SEN. SWYSGOOD AMENDED HIS MOTION SO THAT THE DEADLINE WOULD BE OCTOBER 1, 1996. Motion CARRIED 4-1 with REP. COBB voting no.

Discussion: CHAIRMAN COBB briefly discussed EXHIBIT 2, then made the following motion:

Motion: CHAIRMAN COBB MOVED TO ACCEPT THE GOALS OUTLINED IN THE HUMAN RIGHTS COMMISSION PERFORMANCE INDICATORS EXHIBIT 2 WITH A FOLLOW-UP REPORT TO THE NEXT LEGISLATURE.

SEN. LYNCH briefly returned to the meeting at 10:25 a.m. He cast his vote on the following motion as indicated:

Motion/Vote: CHAIRMAN COBB MOVED TO REDUCE THE DEPARTMENT OF LABOR'S OPERATING EXPENSES BY \$125,000 OVER THE BIENNIUM. Motion FAILED 3-3 with REP. BARNHART, SEN. SWYSGOOD, and SEN. LYNCH voting no.

Discussion: REP. BEVERLY BARNHART said that she preferred to hold off on the vote until she had further time to review the goals outlined in EXHIBIT 2.

Action was deferred until a later time.

ADJOURNMENT

Adjournment: 11:00 a.m.

John Cobb

REPRESENTATIVE JOHN COBB, Chairman

Ann Boden

ANN BODEN, Secretary

JC/ab

HUMAN SERVICES AND AGING

Joint Appropriations Subcommittee

ROLL CALL

DATE 1-13-95

| NAME | PRESENT | ABSENT | EXCUSED |
|------------------------------------|---------|--------|---------|
| Rep. John Cobb, Chairman | X | | |
| Rep. Beverly Barnhart | X | | |
| Rep. Betty Lou Kasten | X | | |
| Sen. Chuck Swysgood, Vice Chairman | X | | |
| Sen. J.D. Lynch | | | X |
| Sen. Jim Burnett | X | | |

EMPLOYMENT SECURITY ACCOUNT

(FORMALLY REFERRED TO AS THE U.I. ADMINISTRATIVE TAX FUND)

FY94-FY97

EXHIBIT

DATE

1-23-95

HB

| | FY94 TOTALS | Approp. | FY95 TOTALS | Request | FY96 TOTALS | Request | FY97 TOTALS |
|---|----------------------|-------------|----------------------|-------------|----------------------|-------------|----------------------|
| BEGINNING BALANCE | \$3,726,931 | | \$2,351,446 | | \$1,387,943 | | \$1,429,871 |
| LESS EXPENDITURES | | | | | | | |
| Job Service Division | \$2,225,656 | \$2,062,486 | | \$2,294,550 | | \$2,114,874 | |
| Jobs For Montana Graduates | \$125,204 | \$125,905 | | \$125,205 | | \$125,205 | |
| Apprenticeship | \$197,388 | \$208,222 | | \$199,214 | | \$200,479 | |
| Displaced Homemakers | \$212,258 | \$216,000 | | \$237,600 | | \$237,600 | |
| MT Community Service Corps | \$25,151 | \$279,988 | | \$94,949 | | \$94,949 | |
| Unemployment Insurance Division | \$368,031 | \$368,830 | | \$357,687 | | \$369,004 | |
| Employment Relations Division | \$626,083 | \$634,686 | | \$578,632 | | \$575,026 | |
| Legal Services Division | \$267,449 | \$339,549 | | \$302,104 | | \$300,028 | |
| Governor's Proposed Pay Plan | \$0 | \$0 | | \$241,269 | | \$607,595 | |
| Anticipated FY95 Reversion | \$0 | | \$35,000 | | | | |
| Special Projects: | | | | | | | |
| Dislocated State Workers | \$366,330 | \$100,833 | | \$0 | | \$0 | |
| Dislocated Non-State Workers | \$215,102 | \$3,398 | | \$0 | | \$0 | |
| Ex-Offenders / Corrections | \$220,861 | \$59,139 | | \$0 | | \$0 | |
| Ex-Offenders / Labor & Industry | \$16,138 | \$53,862 | | \$0 | | \$0 | |
| Multiple Barriers | \$116,302 | \$233,698 | | \$0 | | \$0 | |
| TOTAL REQUESTED BUDGET | (\$4,981,953) | | (\$4,686,596) | | (\$4,431,210) | | (\$4,624,760) |
| Health & Human Services Subcommittee Action | | | | | | | |
| Jobs For Montana Graduates | | | | (\$125,205) | | (\$125,205) | |
| Displaced Homemakers | | | | (\$237,600) | | (\$237,600) | |
| MT Community Service Corps | | | | (\$94,949) | | (\$94,949) | |
| JSD - B/A's & A/A's | | | | (\$118,930) | | (\$118,930) | |
| JSD - Equipment | | | | | | | |
| JSD - New Vehicle Lease | | | | | | | |
| JSD - Dividers | | | | (\$8,000) | | \$0 | |
| LSD - Cons. & Prof. Services | | | | (\$2,025) | | (\$2,025) | |
| LSD - Court Reporters | | | | (\$12,600) | | (\$12,600) | |
| ERD - Effectiveness/Satisfaction Surveys | | | | (\$3,000) | | (\$3,000) | |
| ERD - Other | | | | (\$6,740) | | (\$6,709) | |
| BUDGET AFTER SUBCOMMITTEE ACTION | | | | | | | |
| | \$3,476,206 | | \$3,622,000 | | (\$3,822,161) | | (\$4,023,742) |
| ACTUAL / ESTIMATED COLLECTIONS | | | | | | | |
| ACTUAL / ESTIMATED INVESTMENT EARNINGS | | | | | | | |
| | \$128,262 | | \$68,093 | | \$68,089 | | \$66,458 |
| ENDING BALANCE | \$2,351,446 | | \$1,387,943 | | \$1,429,871 | | \$1,395,585 |

HUMAN RIGHTS COMMISSION PERFORMANCE INDICATORS

The primary objective of the Human Rights Commission is to enforce Montana's laws prohibiting discrimination. The Commission enforces these laws by operating as a forum to resolve and adjudicate disputes about discrimination between Montana citizens. We receive discrimination complaints filed by Montana citizens and investigate, mediate, and hold hearings on these complaints. The Commission process is an alternative to the district courts for resolution of these disputes.

The significant performance indicators for the Commission, therefore, are:

- 1) productivity of Commission staff in resolving complaints, measured in terms of numbers of **complaints closed annually**
- 2) quality of complaint resolutions, measured in terms of
 - the **percentage of complaints resolved on the merits**, as opposed to withdrawn or administratively closed
 - acceptance of Commission resolutions by federal agencies
- 3) the timeliness of complaint processing, measured in terms of
 - **overall processing time**
 - **the time required to assign a complaint for investigation**
- 4) the overall number of open cases in Commission inventory

Assuming funding of the case processing budget proposed by the governor and new filings of 648 cases per year, the Commission will:

- 1) **Productivity:** close 650 cases annually
- 2) **Quality:**
 - increase closures on the merits to 75%
 - maintain federal agency acceptance rate of no less than 95%
- 3) **Timeliness:** maintain average complaint processing time of 13 months and time required to assign complaint for investigation of 6 months
- 4) **Open inventory:** maintain at the 690 case level

The ability of the Commission to meet specific goals established with respect to these performance indicators is affected by factors outside of the Commission's control. Specifically, the number of new complaints filed is an external factor which affects all case processing performance indicators.

The following formula demonstrates Commission caseload dynamics over a period of time, such as a fiscal year:

$$\text{Open cases} + \text{new filings} - \text{cases closed} = \text{open cases at FYE}$$

If the number of new filings exceeds the number of cases closed, the cases open at the end of the period will be greater than the number at the beginning. Conversely, if the number of cases closed exceeds the number of new filings, the cases open at the end of the period will be lower than the number at the beginning.

For example, in FY94, we had 699 cases open on July 1, 1993. There were 533 new complaints filed during the year and we closed 542 cases. Thus:

$$\begin{aligned} & 699 \text{ (cases open on 7/1/93)} \\ & + 533 \text{ (new complaints filed during FY94)} \\ & - \underline{542} \text{ (cases closed during FY94)} \\ & = 690 \text{ (cases open on 6/30/94)} \end{aligned}$$

Because the Commission does not control the number of complaint filings, the performance indicators set for the Commission must include assumptions about the number of new complaint filings. For purposes of these indicators, we assume that 648 new complaints will be filed in FY95 and in each succeeding year of the biennium. This projection is based on the fact that we received 324 new complaints in the first 6 months of FY95. Internal factors, such as staff turnover or illness can also affect productivity and is not easily controlled by management.

To affect these indicators in any positive way, we must either decrease the number of new filings or increase the Commission's capacity to close cases. Following are possible legislative changes which could affect Commission performance indicators:

1. It has been suggested that permitting direct filing of discrimination complaints in district court would decrease the number of complaints filed with the Commission. I estimate a reduction of 50 cases per year. Such a change would, of course, increase district court case loads correspondingly.
2. The addition of staff would increase the Commission's capacity to close cases. The addition of 3 FTE to the Commission staff would allow us to increase productivity to 800 cases per year.
3. Another proposal has been to allow removal of cases to district court at the end of 6 months, rather than the present 12 months.

The following table compares the performance indicators of the status quo to those I would anticipate if any of the three proposals discussed above were adopted:

| | | Status quo | Direct court | Add staff | Removal after 6 mos. |
|---|------|------------|--------------|-----------|----------------------------|
| Case completions | FY96 | 650 | 650 | 800 | 680 |
| | FY97 | 650 | 650 | 800 | 650 ¹ |
| Resolutions on merits | FY96 | 75% | 77% | 80% | 71% |
| | FY97 | 75% | 77% | 80% | 75% |
| Federal acceptance | | 95% | 95% | 98% | 92% |
| Average processing time | FY96 | 13 mos. | 12 mos. | 8 mos. | 12 mos. |
| | FY97 | 13 mos. | 11 mos. | 6 mos. | 12 mos. |
| Time lapse before assignment to investigator | FY96 | 7 mos. | 6 mos. | 2 mos. | 6 mos. |
| | FY97 | 7 mos. | 5 mos. | none | 6 mos. |
| Open inventory at FYE | FY96 | 686 | 636 | 536 | 656 |
| | FY97 | 684 | 584 | 384 | 654 |

¹This proposal would increase closures in the first year because of the reduced time required to request removal in pending cases; it would return to current level thereafter.

DEPARTMENT OF LABOR & INDUSTRY; CENTRALIZED SERVICES DIVISION
PROGRAM GOALS / PERFORMANCE INDICATORS
1995 LEGISLATIVE SESSION; SUBCOMMITTEE HEARING

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GENERAL INFORMATION

The following goals, objectives and measures are not all inclusive for the Centralized Services Division, or for the Bureaus within the division. They have been developed for discussion purposes only, at the request of the chair of the Human Resources Subcommittee.

ACCOUNTING BUREAU

GOAL: ASSIST DEPARTMENT PROGRAM MANAGERS WITH THE FISCAL MANAGEMENT OF THEIR PROGRAMS

OBJECTIVE: Provide program managers with financial status reports for each program on an accrual basis.

MEASURES:

- Accounting Bureau will create an internal tracking system for resources on order and accrued costs which have not been recorded in SBAS by fiscal year end 1995.
- Accounting Bureau will prepare and distribute to program managers monthly financial status reports for 105 programs within 10 working days following the reporting month.
- Accounting Bureau will assure 95% accuracy by reconciling quarterly the financial status reports to SBAS.

GOAL: DEVELOP A SYSTEM THAT REDUCES THE AMOUNT OF PAPERWORK NECESSARY TO MEET CUSTOMER NEEDS AND IMPROVE OVERALL EFFICIENCY OF THE SYSTEM.

OBJECTIVE: Develop an automated Purchasing System whereby the user electronically submits requisitions to the Purchasing Unit.

MEASURES:

- Develop and implement an on-line purchasing system by December, 1995.
- Accounting Bureau will track number of electronically transmitted requisitions versus number of paper requisitions for the period 12/95 through fiscal year end 1995.
- Accounting Bureau will conduct a customer survey by September 1996 to measure customer satisfaction and overall system efficiency.

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PERSONNEL AND TRAINING BUREAU

GOAL: INCREASE THE EFFECTIVENESS OF DEPARTMENT OF LABOR AND INDUSTRY STAFF THROUGH THE PROVISION OF JOB-RELATED TRAINING.

OBJECTIVE: Provide "New Employee Orientation" training to 75% of newly-hired employees within 90 days of hire date.

MEASURES:

- Number of new employees trained vs. number hired.
- Time lapse between hire date and training.
- Ninety percent of participant evaluations will rate course quality helpful. Evaluations will be Solicited 90 days after attendance at training.

GOAL: INCREASE THE QUALITY OF THE PERSONNEL SELECTION PROCESS IN THE DEPARTMENT OF LABOR AND INDUSTRY BY DEVELOPING AND PRESENTING WORKSHOPS.

OBJECTIVE: Develop and present a selection workshop for supervisors and employees. Workshop will be conducted three times per year.

MEASURES:

- Workshop designed and piloted by 12/94.
- First workshop conducted by 02/95 and at least twice more during CY '95.
- Ninety percent of participant evaluations will rate course quality helpful. Evaluations will be solicited 6 months after attendance at training.
- Surveys of management to determine effectiveness of selection procedures i.e., whether they are more confident about hiring capable employees after completing workshop.
- Surveys of applicants to determine perception of treatment and fairness.
- Defensibility of procedures if challenged i.e., Do attorneys defending department actions have the documentation to defend decisions made?

BUDGET BUREAU

GOAL: FACILITATE AND PARTICIPATE IN THE RESOLUTION OF THE FY98-99 FUNDING SHORTAGE IN THE EMPLOYMENT SECURITY ACCOUNT BY JANUARY, 1996.

OBJECTIVES:

- Review the historical perspective of the Employment Security Account.
- Prioritize all programs/functions supported by Employment Security Account funds.
- Seek out all appropriate input.

MEASURES:

- The Department of Labor & Industry's budget for FY98-99 is balanced. Specifically, expenditures from the Employment Security Account are equal to, or less than, revenues into the account.
- The impact on services to the public, positive and/or negative.
- The impact (changes or no changes) on Employment Security Account historical procedures.

UNEMPLOYMENT INSURANCE DIVISION
Program Objectives For The 96/97 Biennium

1/95rs

*Implementation
Objectives
R.S. ok.*

OBJECTIVE # 1

WHAT: Unemployment Insurance Profiling
WHEN: October 1, 1995 Implementation date
COST: \$194,646.00 estimated implementation cost to be funded by U.S. Dept of Labor. On-going operational costs to be funded by UI Division's base grant.

MEASUREMENT OF SUCCESS:

Success will be measured by implementation of a profiling program by October 1, 1995, which complies with the initial federal requirements of selection, referral and tracking of employment outcomes of the participants.

The U.S. Department of Labor has indicated this programs' criteria may be revised in the future.

OBJECTIVE # 2

WHAT: Interactive Voice Response (IVR)
The UI Division will offer claimants the option to file their continued benefit claims via IVR instead of by mail and to inquire on the status of their benefits checks. IVR will improve customer service by enabling claimants to transact business with the Division beyond the typical 8 -5 business day. The Division will explore expanding the services available through IVR in future years.

WHEN: Scheduled to be operational by March, 1995.

COST: \$271,024.00 estimated annual expenditures for 96-97 biennium.

FUNDING: This project is funded from UI base grant allocation. The Division will reallocate funds to pay for future operational costs from existing and future budgets.

MEASUREMENT:

Success will be measured by the acceptance of IVR by our customers. Other states utilizing this technology, to offer these options to their customers, have realized 90+% usage. We intend to periodically survey our customers to determine (1) additional services to

be offered and (2) improvements to existing services. Plans envision discussions with employer groups to determine how IVR may be used to improve UI services to employers.

ZIP!Office Release 1.25

Printed by: West, Diane at 01/11/95 2:25p

From: Scott, David

Date: January 11, 1995 2:25p

Forwarded by Scott, David. David and Brian Is this adequate for the performance objectives? It seems to me it is pretty simplistic and omits all the tasks that go into doing this, but it seems to follow the Texas examples.
Melanie

LEGAL/CENTRALIZED SERVICES DIVISION
HEARINGS BUREAU
PERFORMANCE OBJECTIVES

*Could do it
per MS*

GOAL: Resolve contested cases in a timely manner.

OBJECTIVES: Continue meeting Federal timelines for lower level unemployment insurance benefit hearings - 60% within 30 days of appeal and 80% within 45 days of appeal.

MEASUREMENTS:

Number of unemployment insurance benefit appeals.

Number of unemployment insurance benefit appeals issued within 30 days of date of appeal.

Percentage of appeals resolved within 30 days of appeal.

Percentage of appeals resolved within 45 days of appeal.

OBJECTIVE: Issue unemployment insurance tax, wage claim,

collective bargaining and classification appeal decisions within 90 working days of submission.

Issue workers' compensation rehabilitation final orders within 20 days of hearing.

Issue other workers' compensation decisions within 90 working days of submission.

MEASUREMENTS:

Determine day appeal submitted for decision.

Determine day decision issued.

Subtract dates to determine whether issued within the appropriate time frame.

JOB SERVICE DIVISION

GOAL: REFER QUALIFIED APPLICANTS, THROUGH THE JOB MATCH PROCESS, TO LONG TERM EMPLOYMENT.

OBJECTIVE: Emphasize placement of applicants in jobs lasting more than six months.

MEASURES: - 60% of the individuals placed will be into long term employment.

GOAL: INCREASE ACCESS, FOR JOB APPLICANTS, TO INFORMATION ON EMPLOYMENT OPPORTUNITIES AND LABOR MARKET INFORMATION.

OBJECTIVE: Provide automated systems that allow self-initiated job search for local, state and national job opportunities.

MEASURES: - Install 28 kiosks across the state to allow access to job information during non-office hours.

- Increase the number of individuals that obtain employment, by 10% a year during the biennium, as a result of using information and services provided by Job Service staff and self-initiated activities.

Memorandum

January 10, 1995

To: Mary Beth Linder

Fm: Mike McCarter

Re: Workers' Compensation Court Objectives for Biennium

Objective: Our principal goal over the next biennium is reduce the time between submission of a case for decision and the final decision to six (6) weeks on the average, and to issue all decisions within ninety (90) days of submission.

Methods of achieving objective: The Court will achieve its goal through the following methods, most of which are already being used:

The Court will issue bench rulings -- i.e., oral decisions rendered at trial after all evidence has been presented -- in appropriate cases and will follow up with written decisions within one to two weeks.

To facilitate the use of bench rulings, the Court will continue to conduct an early review of pleadings to identify cases which may be appropriate for bench rulings. In identified cases, the Court will require that all depositions and proposed findings of fact be submitted at the time of trial.

The Court's hearing examiner will hear attorney fee disputes and write orders regarding attorney fees and costs.

The Court will continue to require completion of depositions prior to trial except in exceptional cases.

The Court's hearing examiner will conduct settlement conferences in appropriate cases, thus reducing the number of cases which go to

trial.

In selected cases the Court's hearing examiner will draft written decisions for the Court's consideration.

The Court will continue to discourage unnecessary pretrial motions.

Abbreviated briefing schedules will be adopted in cases in which bench rulings are inappropriate, thus reducing the time between trial and the submission of the case for decision. This will assure that the facts are still fresh in the Court's mind when it makes its decision, thereby reducing the time needed to draft the opinion.

Submitted cases and motions will be tracked by computer through the Court's case management data base.

The judge will continue work overtime to keep current.

Measuring success/failure: The Court has installed a computerized case management/docketing system this past year. The system was designed and implemented by Court personnel. It provides fields for entry of information concerning cases and motions which are submitted for decision, including the date of submission and the date of decision. Mathematical functions can be applied to these fields to yield an average time between submission and decision and determine a longest time between those two dates.

Necessary resources: The Court currently has the staff and resources necessary to achieve its goal. Reduction in staff or operating budget, however, could not only prevent us from reaching our goal but cause major delays in trials and decisions. The Court has reduced its staff by 25% since December 1992 (from 8 to 6). A secretarial position was eliminated in December 1992. On October 30, 1993, the Court eliminated a hearing examiner position. That position had previously been filled by an attorney/hearing examiner who heard approximately one-half of the Court's trials. Thus, the judge is now presiding over all trials. The elimination of the hearing examiner position was possible by placing greater responsibilities on other staff, hard work, and computerization of case management and opinion writing. The Court needs to maintain its current staffing levels and maintain sufficient funds for travel, court stenographers, and outside hearing examiners in cases in which it must recuse

**Workers' Compensation Court
Objectives for Biennium**

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itself. Since the number of trials is not entirely predictable, it must have sufficient funds to cover a possible "high" year. A shortage of funds would require the Court to delay trials. A reduction in staff would create substantial delays in issuing opinions.