



UTAH LABOR COMMISSION

BUSINESS, ECONOMIC DEVELOPMENT & LABOR APPROPRIATIONS SUBCOMMITTEE
STAFF: ZACKERY KING

BUDGET BRIEF

SUMMARY

The Labor Commission has a primary role in maintaining a proper balance between the needs of Utah employees and the interests of Utah employers. The Labor Commission serves the citizens of Utah by assuring a safe, healthful, fair, non-discriminatory work environment; assuring fair housing practices; and ensuring that fair wage laws are followed.

The Labor Commission line item contains nine programs which carry out all administrative and operational duties of the agency.

1. Administration
2. Industrial Accidents
3. Appeals Board
4. Adjudication
5. Boiler, Elevator and Coal Mine Safety
6. Workplace Safety
7. Anti-Discrimination and Labor
8. Utah Occupational Safety and Health
9. Building Operations and Maintenance

Refer to the following link for further detail:
http://le.utah.gov/lfa/reports/cobi2013/LI_TAA.htm

Issues and Recommendations

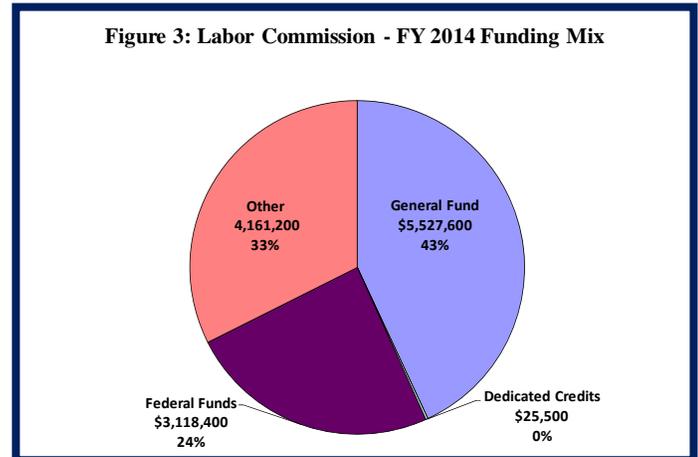
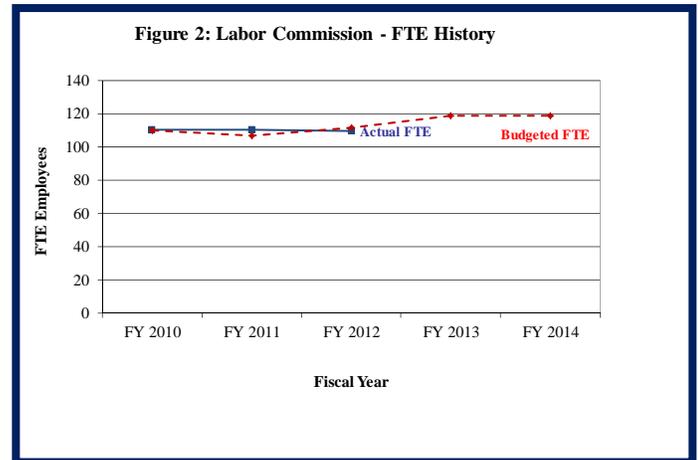
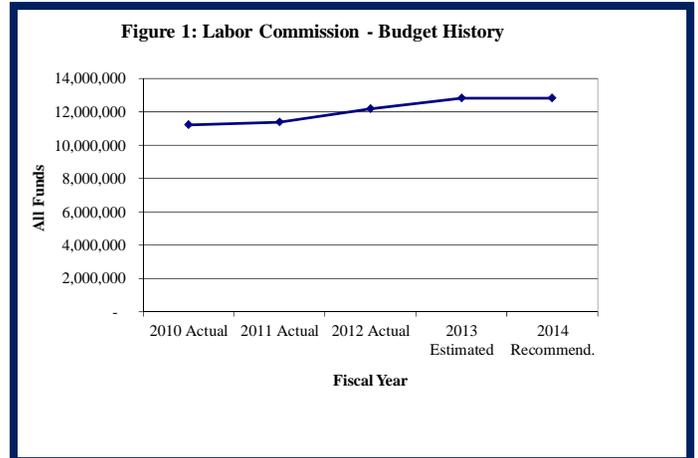
Budget Adoption

For the Labor Commission Line Item, the Fiscal Analyst recommends a FY 2014 budget of \$12,832,700.

Elevator Inspector

Pending availability of funds, the Fiscal Analyst recommends that the subcommittee forward to the Executive Appropriations Committee for further consideration, an increase of \$86,600 from the General Fund for an additional FTE in the Boiler, Elevator and Coal Mine Safety Division of the Labor Commission.

With the retirement of an inspector in FY 2009, and the average annual increase of 500 new elevator installations each year, overdue inspections have increased from 15% to 22% and are projected to continue to increase. An elevator inspector returns revenue to the state through fees collected from inspections performed; fee revenue remits to the General Fund. The average amount of fees collected by an inspector over the past five years is about \$92,000. The average amount in expenditures for an inspector over the past five years is about \$93,000.



	Fees Generated	Expenditures	Percentage Within (Absolute)	Number of Inspectors
FY 2008	\$ 377,870.00	\$ 395,029.24	4%	4
FY 2009	\$ 458,745.00	\$ 463,533.96	1%	5
FY 2010	\$ 390,600.00	\$ 430,476.16	9%	4.5
FY 2011	\$ 416,212.00	\$ 407,181.13	2%	4.5
FY 2012	\$ 432,447.00	\$ 405,039.13	7%	4.5

Table 1

Table 1 shows actual fee revenue compared to expenditures for elevator inspectors over the last five years. In FY 2009 a boiler inspector position was vacated and converted to an elevator position. In FY 2010 an elevator inspector retired and the position has not been filled to date. Beginning FY 2010 the Chief Elevator Inspector began dedicating 50 percent of his time to field inspections.

Workers’ Compensation Coverage Waiver Support Specialist

The Fiscal Analyst recommends the subcommittee forward to the Executive Appropriations Committee for further consideration, a FY 2013 supplemental increase of \$22,000, and beginning FY 2014, an ongoing increase of \$85,000 from the Industrial Accidents Restricted Account for a workers’ compensation coverage waiver support specialist.

Responsibility to review and approve workers’ compensation coverage waivers was transferred to the Labor Commission with 2011 General Session SB 191, “Workers’ Compensation Coverage Waivers.” This legislation also converted waivers from three-years to one-year. The cumulative number of waiver applications has increased each fiscal year as three-year waiver applications expire and applicants begin the cycle of an annual waiver.

In FY 2012, 3,942 waivers were issued out of 4,468 applications. The Labor Commission estimates the total number of waivers issued for FY 2013 and FY 2014 will be 7,491 and 10,408 respectively. These estimates are based on current three-year waivers that will expire and subsequently require a new, one-year, waiver going forward. It is estimated that revenues from the forecasted increase in annual applications will be adequate to cover the \$85,000 costs of this new FTE; a waiver application is \$50.

Federal Funds

UCA 63J-5-201 states, “The Legislative Fiscal Analyst shall submit a federal funds request summary for each agency... for review during each annual general session. Each legislative appropriations subcommittee shall review the federal funds request summary and may recommend that the agency accept the federal funds...or recommend that the agency not accept the federal funds...” A detailed listing of the Labor Commission’s request for federal funds authorization for FY 2013 and FY 2014 is found in the issue brief titled *Business, Economic Development and Labor: Federal Funds*.

Adoption of Fees

In accordance with UCA 63J-1-504 requiring the department to “submit its fee schedule . . . to the Legislature for its approval on an annual basis”, UCA 63J-1-504 also states, “the Legislature may approve, increase or decrease and approve, or reject any fee submitted to it by a fee agency.” A detailed fee schedule for the Labor Commission is found in the issue brief titled *Labor Commission: FY 2014 Fee Schedule*.

Governor’s Recommendations

The Governor made the following recommendations for the Labor Commission’s Requests (* indicates the item was recommended in previous year’s budget):

	Name	Requested	Gov. Rec.
FY 2014	Computer Programmer	\$131,000 ongoing GF	No Recommendation
	Elevator Inspector*	\$86,600 ongoing GF	As Requested
	Workers’ Comp. Coverage Waiver Support Sp.	\$85,000 ongoing restricted	As Requested
	Workplace Safety Appropriation Adjustment	(\$300,000) ongoing restricted	As Requested
FY 2013	Workers’ Comp. Coverage Waiver Support Sp.	\$22,000 one-time restricted	As Requested
	Utah OSHA Vehicle Purchase	\$48,800 one-time GF	As Requested
	Workplace Safety Appropriation Adjustment	(\$300,000) supp. restricted	As Requested

BUDGET DETAIL TABLE

Labor Commission						
Sources of Finance	FY 2012	FY 2013	Changes	FY 2013	Changes	FY 2014*
	Actual	Appropriated		Revised		Recommended
General Fund	5,426,300	5,527,600	0	5,527,600	0	5,527,600
General Fund, One-time	49,000	0	0	0	0	0
Federal Funds	3,006,600	2,740,300	378,100	3,118,400	0	3,118,400
Dedicated Credits Revenue	19,500	25,500	0	25,500	0	25,500
GFR - Industrial Accident Restricted Account	2,555,700	2,514,400	0	2,514,400	0	2,514,400
GFR - Workplace Safety	1,563,600	1,573,200	0	1,573,200	0	1,573,200
Employers' Reinsurance Fund	73,600	73,600	0	73,600	0	73,600
Transfers	(49,000)	0	0	0	0	0
Lapsing Balance	(492,600)	0	0	0	0	0
Total	\$12,152,700	\$12,454,600	\$378,100	\$12,832,700	\$0	\$12,832,700
Programs						
Administration	1,778,500	1,671,000	139,500	1,810,500	0	1,810,500
Industrial Accidents	1,531,900	1,430,900	54,300	1,485,200	0	1,485,200
Appeals Board	19,300	17,700	(1,000)	16,700	0	16,700
Adjudication	1,166,500	1,241,700	(113,900)	1,127,800	0	1,127,800
Boiler, Elevator and Coal Mine Safety Division	1,297,500	1,348,200	(24,600)	1,323,600	0	1,323,600
Workplace Safety	710,800	1,128,300	9,600	1,137,900	0	1,137,900
Anti-Discrimination and Labor	1,695,200	1,808,300	(9,200)	1,799,100	0	1,799,100
Utah OSHA	3,798,800	3,657,200	314,700	3,971,900	0	3,971,900
Building Operations and Maintenance	154,200	151,300	8,700	160,000	0	160,000
Total	\$12,152,700	\$12,454,600	\$378,100	\$12,832,700	\$0	\$12,832,700
Categories of Expenditure						
Personnel Services	8,984,400	9,330,000	204,800	9,534,800	0	9,534,800
In-state Travel	32,600	25,900	9,200	35,100	0	35,100
Out-of-state Travel	52,900	36,100	19,800	55,900	36,500	92,400
Current Expense	1,424,900	1,025,200	140,700	1,165,900	(36,500)	1,129,400
DP Current Expense	1,042,500	985,700	(22,200)	963,500	0	963,500
DP Capital Outlay	16,500	0	17,000	17,000	0	17,000
Capital Outlay	6,300	0	0	0	0	0
Other Charges/Pass Thru	641,600	1,051,700	8,800	1,060,500	0	1,060,500
Transfers	(49,000)	0	0	0	0	0
Total	\$12,152,700	\$12,454,600	\$378,100	\$12,832,700	\$0	\$12,832,700
Other Data						
Budgeted FTE	112	118	0	118	1	119
Actual FTE	114	0	0	0	0	0
Vehicles	38	38	0	38	0	38

*Does not include amounts in excess of subcommittee's state fund allocation that may be recommended by the Fiscal Analyst.

SUMMARY OF RECOMMENDATIONS

The Analyst recommends the Legislature:

1. Approve a FY 2014 recommended budget of \$12,832,700 as outlined in the budget detail table on page 3.
2. Pending availability of funds, forward to the Executive Appropriations Committee for further consideration, an ongoing General Fund increase of \$86,600 for an Elevator Inspector position.
3. Forward to the Executive Appropriations Committee for further consideration, a FY 2013 supplemental increase of \$22,000, and beginning FY 2014, an ongoing increase of \$85,000 from the Industrial Accidents Restricted Account for a workers' compensation coverage waiver support specialist.
4. After review and adjustment, authorize the Labor Commission to accept federal funds for FY 2013 and FY 2014 listed in the issue brief titled *Business, Economic Development, and Labor: Federal Funds*. In conjunction with this action, direct the fiscal analyst to include the authorized federal funds and associated federal programs in the annual appropriations act for final approval by the Legislature.
5. After review and adjustment, adopt the fee schedule referenced on page 2 and contained in the issue brief titled *Labor Commission: FY 2014 Fee Schedule*.