

# Budget Brief - Labor Commission

2007 GENERAL SESSION, LC-01

## SUMMARY

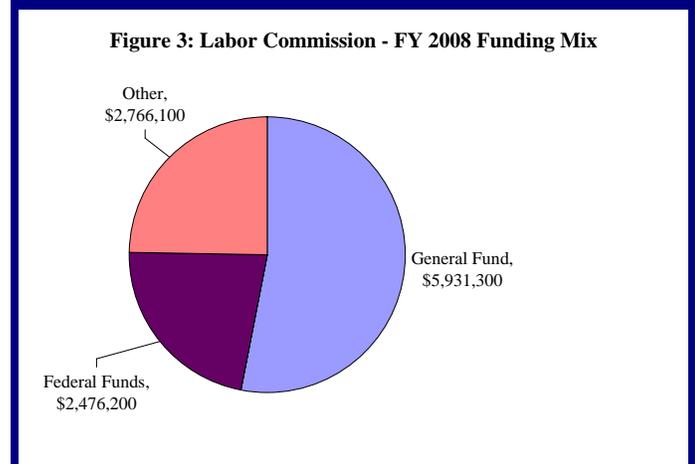
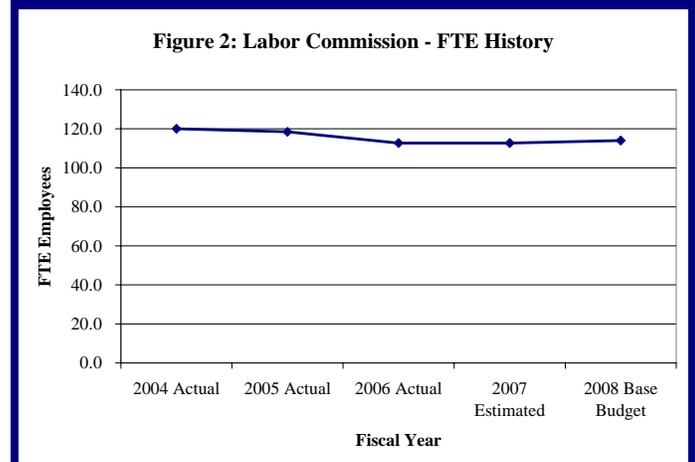
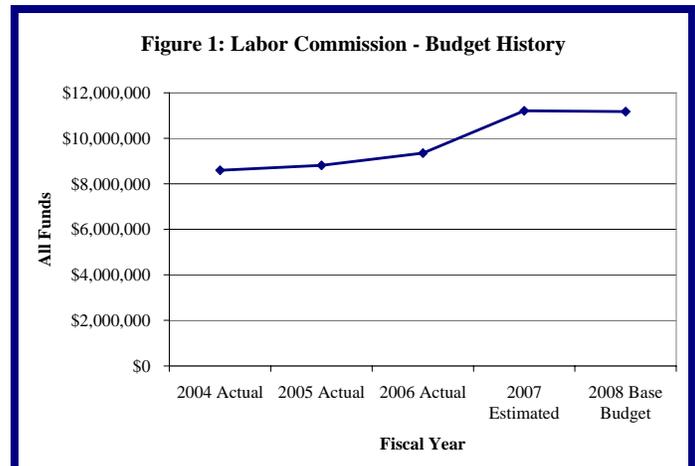
The Utah Labor Commission serves the people by assuring a safe, healthful, fair, non-discriminatory work environment; assuring fair housing practices; and promoting employee and employer general welfare without needless interference.

## ISSUES

The Utah Division of Anti-Discrimination and Labor is requesting an additional **Wage Claim Specialist**. The program’s staffing level has not changed since FY 2001 and is now lower than it was in FY 1996. In the ten years since FY 1995, the number of wage claims has increased by more than 43% (going from 1,004 in FY 1995 to 1,437 in FY 2005) and from FY 2002 to FY 2004 the Wage Claim Unit averaged 1,886 claims per year. The program gets about 30,000 calls per year from the public requesting information on Utah’s labor laws. The Analyst **recommends \$55,800 from ongoing General Fund** for an addition wage claim specialist.

The Anti-Discrimination program is requesting **\$100,000 to replace lost federal funds**. The funding will allow the program to hire back one FTE and maintain a part-time contract position which has gone unfilled due to the funding shortfall. These additional FTE will allow the Division to further reduce case backlog and investigate an increasing number of complaints in a timely manner. The federal Housing and Urban Development agreement requires that the “Agency shall furnish all the necessary personnel...necessary for or incidental to the performance of the work set forth in the Statement of Work...” The Analyst recommends \$100,000 in ongoing General Fund.

**Digitize Workers’ Compensation claims and accident reports:** Over 200 insurance carriers provide workers’ compensation policies for Utah employers. All carriers are required to provide a report of claims against those policies. Employers and physicians are required to report industrial accident claims. This amounts to 70,000 pages of information submitted to the commission which is then entered manually into the computerized case management system. The Department would like to adopt the International Association of Industrial



Accidents Boards and Commission's standard of Electronic Data Interchange. This standard has been adopted by over 35 other states. All insurance carriers currently use this standard in other states. This will allow the Department to improve productivity, reduce errors, increase data integrity, reduce workload on employers and physicians. The Analyst recommends \$96,000 in one-time General Fund to implement the program. Since this will take two years, the Analyst further recommends the following intent:

*The Legislature intends that \$96,000 appropriated to digitize workers' compensation claims and accident reports shall not lapse.*

**See: Issue Brief – Fees.** The Legislature must approve all fees.

**See: Issue Brief – Federal Funds.** The Legislature must approve all federal funds.

### **INTENT**

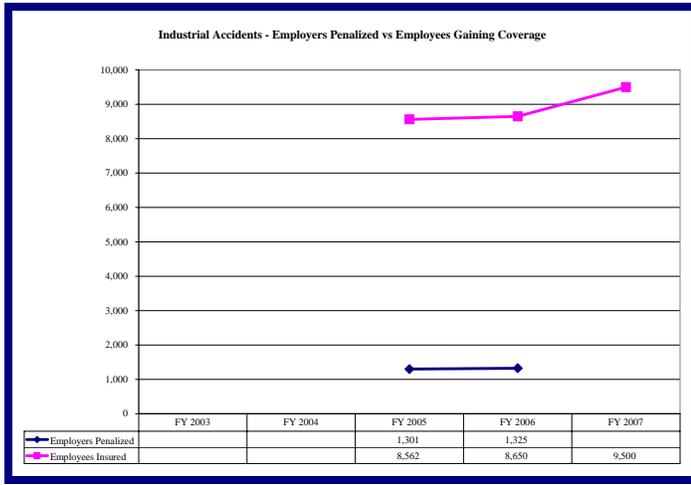
The Analyst recommends the following intent statements:

*The Legislature intends that fees collected from sponsoring and holding seminars shall not lapse.*

The Analyst recommends the following supplemental intent:

*Under the terms of Section 63-38-8.1 Utah Code Annotated, Item 60 of Chapter 1 and Item 55 of Chapter 366, this appropriation shall not lapse with expenditures of non-lapsed funds limited to the following: up to \$250,000 of Workplace Safety funds shall not lapse and shall be used for a study of Pain Medication Management and Education, \$250,000 of Workplace Safety funds for a study of law enforcement and firefighters occupational diseases, \$50,000 for computer equipment and software and \$15,000 for replacement of broken and out-dated furnishings.*

**ACCOUNTABILITY DETAIL**

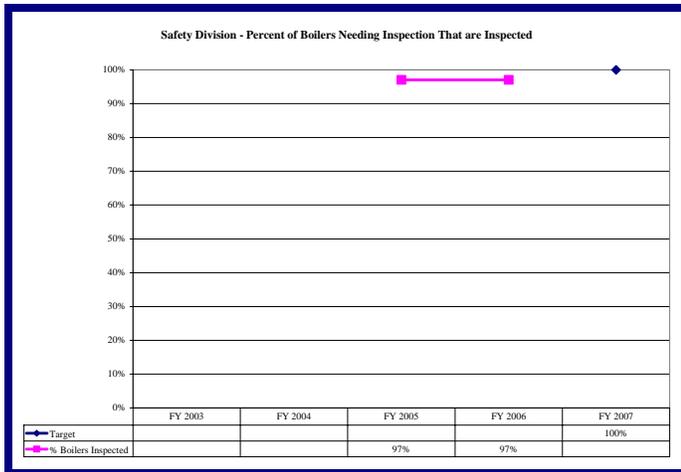


**Measure:** Employees Gaining Workers' Compensation Coverage

**Goal:** Ensure that all eligible workers are covered by Workers Compensation Insurance.

**Methodology:** Count the number of workers gaining insurance due to agency actions. Also shown is the number of employers penalized.

**Measure Type:** Outcome.



**Measure:** Percent of boilers needing inspection that are inspected.

**Goal:** Inspect all boilers in a timely manner.

**Methodology:** Number of boilers inspected divided by the number of boilers needing inspection.

**Measure Type:** Output.

The number of elevators overdue for inspection has not improved from last year. There is no indication of workload.

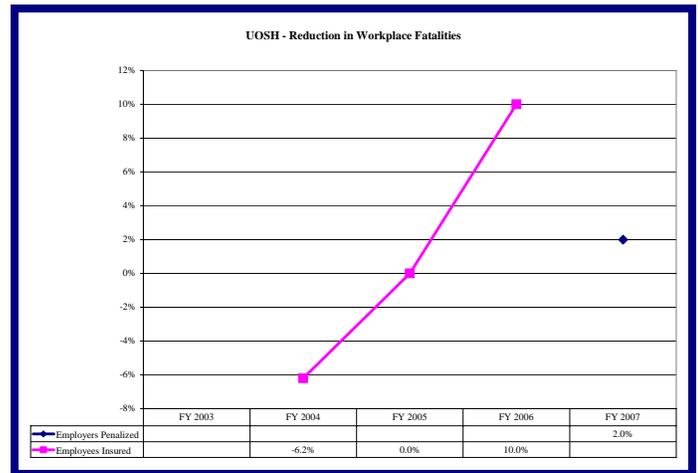


**Measure:** Wage Claims Filed vs. Wage Claims Resolved.

**Goal:** Resolve wage claims in a timely manner.

**Methodology:** Compare the number of wage claims filed with the number of wage claims resolved.

**Measure Type:** Output.



**Measure:** Rate of Workplace Fatalities

**Goal:** Reduce the number of workplace fatalities.

**Methodology:** Divide the number of current year's workplace fatalities by the number of previous year's workplace fatalities.

**Measure Type:** Outcome

Workplace fatalities are being reduced at an increasing rate. Things are getting better.

**BUDGET DETAIL**

The Analyst recommends the base budget shown below of \$11,173,600 of which \$5,931,300 is General Fund.

<b>Labor Commission</b>						
	<b>FY 2006</b>	<b>FY 2007</b>		<b>FY 2007</b>		<b>FY 2008*</b>
<b>Sources of Finance</b>	<b>Actual</b>	<b>Appropriated</b>	<b>Changes</b>	<b>Revised</b>	<b>Changes</b>	<b>Base Budget</b>
General Fund	4,978,200	5,931,300	0	5,931,300	0	5,931,300
General Fund, One-time	0	(14,600)	0	(14,600)	14,600	0
Federal Funds	2,330,200	2,476,600	0	2,476,600	(400)	2,476,200
GFR - Workplace Safety	990,400	1,571,300	46,600	1,617,900	(45,800)	1,572,100
Uninsured Employers' Fund	1,318,200	1,164,600	(46,600)	1,118,000	51,000	1,169,000
Transfers	25,000	25,000	0	25,000	0	25,000
Beginning Nonlapsing	(50,000)	0	50,000	50,000	(50,000)	0
Lapsing Balance	(245,000)	0	0	0	0	0
<b>Total</b>	<b>\$9,347,000</b>	<b>\$11,154,200</b>	<b>\$50,000</b>	<b>\$11,204,200</b>	<b>(\$30,600)</b>	<b>\$11,173,600</b>
<b>Line Items</b>						
Labor Commission	9,347,000	11,154,200	50,000	11,204,200	(30,600)	11,173,600
<b>Total</b>	<b>\$9,347,000</b>	<b>\$11,154,200</b>	<b>\$50,000</b>	<b>\$11,204,200</b>	<b>(\$30,600)</b>	<b>\$11,173,600</b>
<b>Categories of Expenditure</b>						
Personal Services	7,754,500	8,878,000	(1,236,900)	7,641,100	41,000	7,682,100
In-State Travel	47,800	38,800	22,300	61,100	0	61,100
Out of State Travel	53,000	48,500	21,500	70,000	(15,700)	54,300
Current Expense	906,700	1,328,800	540,100	1,868,900	(4,100)	1,864,800
DP Current Expense	219,700	231,900	881,200	1,113,100	(51,800)	1,061,300
Other Charges/Pass Thru	365,300	628,200	(178,200)	450,000	0	450,000
<b>Total</b>	<b>\$9,347,000</b>	<b>\$11,154,200</b>	<b>\$50,000</b>	<b>\$11,204,200</b>	<b>(\$30,600)</b>	<b>\$11,173,600</b>
<b>Other Data</b>						
Budgeted FTE	112.8	121.0	(8.3)	112.8	1.3	114.0
Vehicles	29	29	0	29	0	29

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