



# LABOR COMMISSION

COMMERCE AND WORKFORCE SERVICES APPROPRIATIONS SUBCOMMITTEE

BUDGET BRIEF

## Summary

The Utah Labor Commission serves the citizens of Utah by assuring a safe, healthful, fair, non-discriminatory work environment; assuring fair housing practices; and promoting the general welfare of employee and employers in the State of Utah.

## ISSUES AND RECOMMENDATIONS

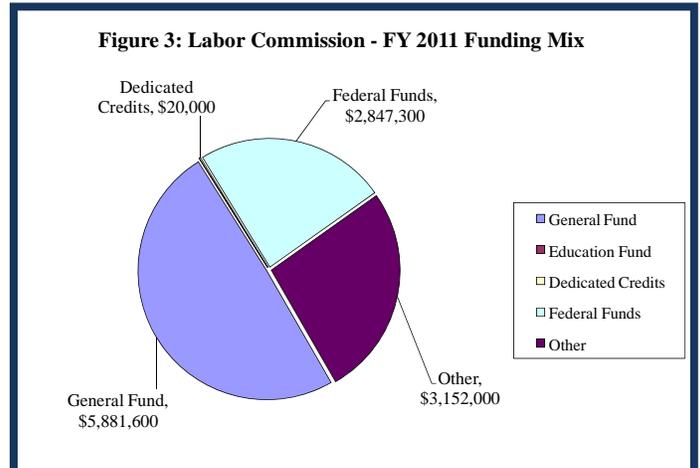
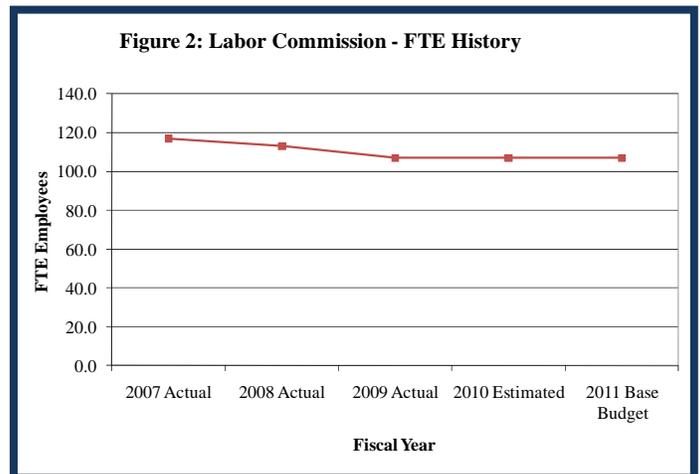
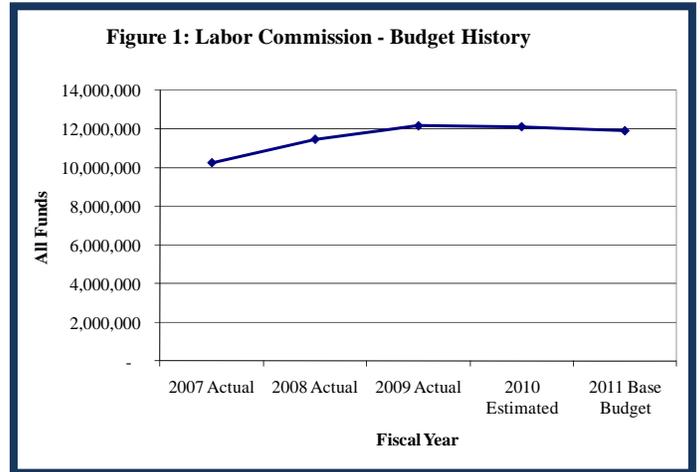
The Executive Appropriations Committee (EAC) has made base budget allocations to the various appropriations subcommittees, reflects the allocation for the Labor Commission, but does not include funding for the recommendations presented in this brief or other budget priorities the subcommittee may wish to consider.

The co-chairs of the EAC recommend that the subcommittee complete the following tasks: review agency base budgets; reallocate revenue where possible within the base budget to meet new subcommittee budget priorities; and, develop a priority list, to be submitted to the EAC, of new budget priorities not completed through budgetary reallocations.

### *Issue Briefs*

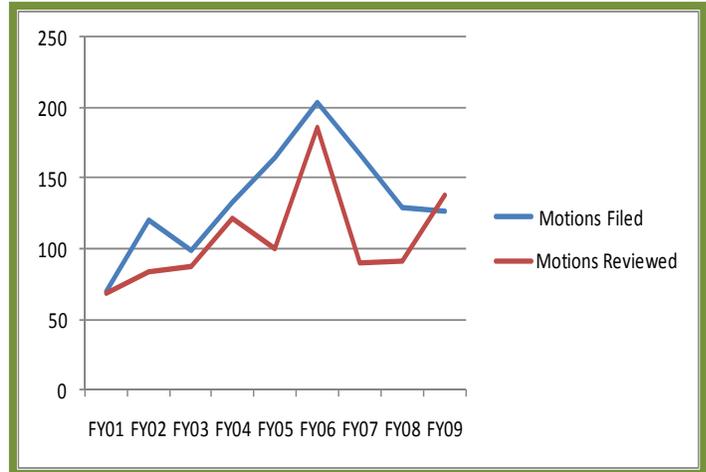
Several Issue Briefs provide the subcommittee with additional information on FY 2011 Labor Commission budget issues. Please refer to these Issue Briefs for additional information on the following topics:

- Labor Commission Fees: provides the FY 2011 fee schedule and other related fees.
- Federal Funds provides information on all federal funds received.

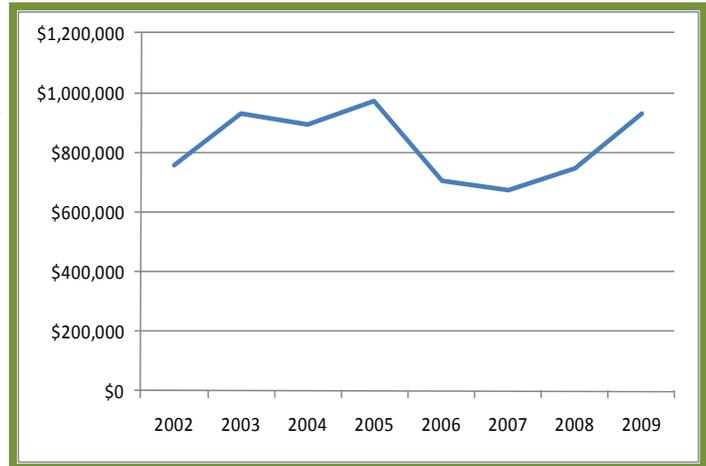


**PERFORMANCE MEASURES**

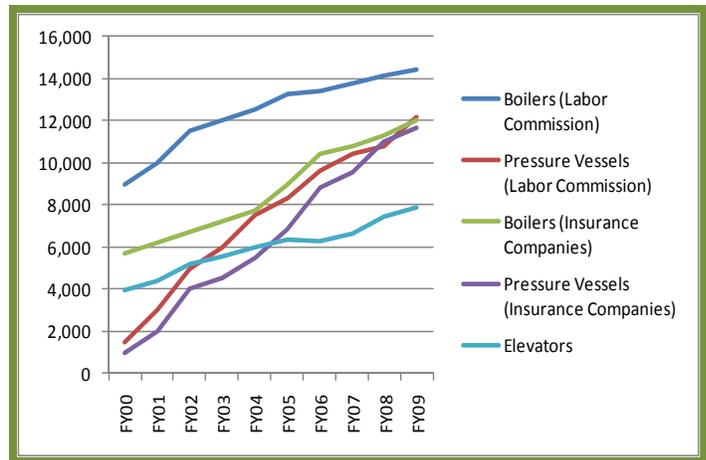
**Commission Decisions-** As the number of Utah employers and employees increases, the number of employment-related disputes presented to the Labor Commission also increases. It is important that these disputes be heard and decided with a minimum of delay.



**Wages Collected-** Basic principles of fairness are reflected in Utah's laws prohibiting discrimination and requiring full payment of wages due. Workers are entitled to an equal opportunity to use their skills in the workplace, free from invidious discrimination. They are also entitled to receive the agreed-upon wages for their work.



**Boiler and Elevator Safety Inspections-**By insuring that boilers, pressure vessels and elevators meet national codes for design, and monitoring for proper installation and maintenance, the Boiler and Elevator Safety Division minimizes the risk of serious injury, not just to employees, but also to members of the public.



**FY 2011 AGENCY BUDGET REQUESTS**

Fund the new Industrial Accidents Restricted Account created by Senate Bill 15, *Workers' Compensation Premium Assessment and Related Funding* (Mayne, K.) passed during the 2009 General Session with \$1,900,000 ongoing restricted funds. This would allow the Labor Commission to transfer all the operations of the Industrial Accidents Division and portion of the Adjudication budgets to the newly created Industrial Accidents Restricted Account. This would also enable to the department to give back approximately \$300,000 on-going in General Funds for FY 2011 which would allow the subcommittee to reallocate funds to other spending priorities.

**BUDGET DETAIL**

The Labor Commission has the primary role in maintaining a proper balance between the needs of Utah employees and the interests of Utah employers. To accomplish this work, the Commission is divided into six divisions:

- **Utah Antidiscrimination & Labor Division (UALD):** Administers fair employment, fair housing and wage laws.
- **Industrial Accidents:** Oversees Utah 's workers' compensation system.
- **Utah Occupational Safety & Health Division (UOSH):** Enforces occupational safety and health laws; provides education and assistance to employers.
- **Division of Boiler and Elevator Safety:** Inspects boilers, pressure vessels and elevators for safe design, construction and operation.
- **Adjudication:** Hears and decides disputes arising from UALD, UOSH and the workers compensation system.
- **Administration:** Establishes Commission policy, provides support to Commission staff, and decides appeals of ALJs' decisions.

The Labor Commission receives funding from the General Fund and other sources detailed below. The total budget for the Labor Commission totals approximately \$11.9 million. The Department also administers the Employers Reinsurance Funds which currently has \$48,250,000 for FY 2011 and the Uninsured Employers Fund which currently has \$1,842,000 for FY 2011.

<b>Labor Commission</b>						
<b>Sources of Finance</b>	<b>FY 2009</b>	<b>FY 2010</b>		<b>FY 2010</b>		<b>FY 2011*</b>
	<b>Actual</b>	<b>Appropriated</b>	<b>Changes</b>	<b>Revised</b>	<b>Changes</b>	<b>Base Budget</b>
General Fund	6,261,500	6,001,600	0	6,001,600	(120,000)	5,881,600
General Fund, One-time	439,700	0	0	0	0	0
Federal Funds	2,324,900	2,676,300	252,000	2,928,300	(81,000)	2,847,300
Dedicated Credits Revenue	45,100	15,000	5,000	20,000	0	20,000
GFR - Workplace Safety	1,580,300	1,570,400	0	1,570,400	(7,900)	1,562,500
Employers' Reinsurance Fund	73,000	73,000	0	73,000	0	73,000
Uninsured Employers' Fund	1,517,100	1,516,400	0	1,516,400	100	1,516,500
Lapsing Balance	(86,200)	0	0	0	0	0
<b>Total</b>	<b>\$12,155,400</b>	<b>\$11,852,700</b>	<b>\$257,000</b>	<b>\$12,109,700</b>	<b>(\$208,800)</b>	<b>\$11,900,900</b>
<b>Programs</b>						
Adjudication	1,149,600	1,127,800	26,400	1,154,200	(19,400)	1,134,800
Administration	2,219,600	1,741,500	283,600	2,025,100	(38,700)	1,986,400
Anti-Discrimination	1,637,900	1,603,700	(24,800)	1,578,900	(18,100)	1,560,800
Appeals Board	14,300	15,700	(200)	15,500	(300)	15,200
Boiler and Elevator Division	1,429,400	1,427,400	49,400	1,476,800	(49,400)	1,427,400
Building Operations and Maintenanar	151,300	151,300	0	151,300	(3,000)	148,300
Industrial Accidents	1,327,600	1,370,100	(44,800)	1,325,300	200	1,325,500
Utah Occupational Safety and Heal	3,170,600	3,325,600	(22,900)	3,302,700	(80,100)	3,222,600
Workplace Safety	1,055,100	1,089,600	(9,700)	1,079,900	0	1,079,900
<b>Total</b>	<b>\$12,155,400</b>	<b>\$11,852,700</b>	<b>\$257,000</b>	<b>\$12,109,700</b>	<b>(\$208,800)</b>	<b>\$11,900,900</b>
<b>Categories of Expenditure</b>						
Personnel Services	8,740,600	8,763,000	14,900	8,777,900	(78,700)	8,699,200
In-state Travel	28,100	37,000	1,700	38,700	0	38,700
Out-of-state Travel	60,200	88,200	(23,700)	64,500	(300)	64,200
Current Expense	1,146,900	1,133,500	12,300	1,145,800	(93,700)	1,052,100
DP Current Expense	1,007,000	786,300	268,200	1,054,500	(36,100)	1,018,400
Other Charges/Pass Thru	1,172,600	1,044,700	(16,400)	1,028,300	0	1,028,300
<b>Total</b>	<b>\$12,155,400</b>	<b>\$11,852,700</b>	<b>\$257,000</b>	<b>\$12,109,700</b>	<b>(\$208,800)</b>	<b>\$11,900,900</b>
<b>Other Data</b>						
Budgeted FTE	107.0	107.0	(5.0)	102.0	0.0	102.0

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

**LEGISLATIVE ACTION**

The Executive Appropriations Committee adopted FY 2011 General and Education Fund revenue estimates that are 98% of the original FY 2010 ongoing appropriations. The FY 2011 base budget bills (S.B. 1 and H.B. 1) reduce appropriations for all line items and programs proportionately to match revenues. However, the Executive Appropriations Committee allocated 95% of original FY 2010 ongoing appropriations to each subcommittee and directed the subcommittees to compile a list of options equal to a 5% ongoing cut. The Executive Appropriations Committee will use these options to make final adjustments to the FY 2011 budget.

This section summarizes what actions might be taken if the Legislature wishes to adopt the recommendations presented in this brief. The Analyst recommends that the Legislature consider:

1. Adopt the base budget amount of \$61,992,900 million for the Labor Commission.
2. Consider the budget issues raised in the Issue Briefs mentioned in this brief.