

UTAH LABOR COMMISSION

BUSINESS, ECONOMIC DEVELOPMENT & LABOR APPROPRIATIONS SUBCOMMITTEE
STAFF: PATRICK LEE

BUDGET BRIEF

SUMMARY

The 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 employees and employers in the State of Utah.

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:

Administration – Establishes Commission policy, provides support to Commission staff, and decides appeals of Administrative Law Judge decisions.

Utah Antidiscrimination & Labor Division (UALD) – Administers and conducts fair employment practice, fair housing and wage laws.

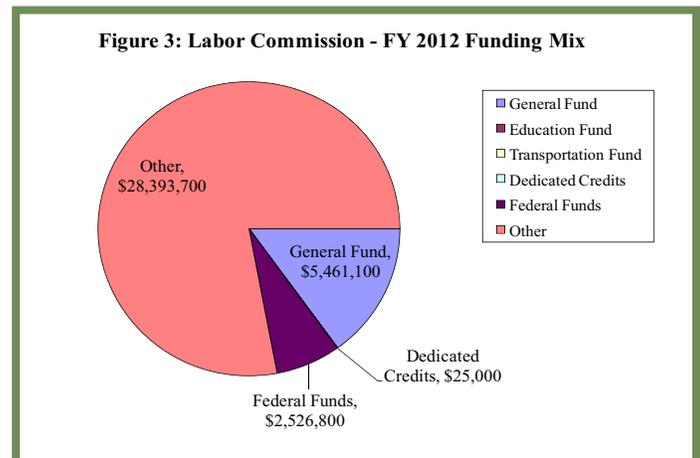
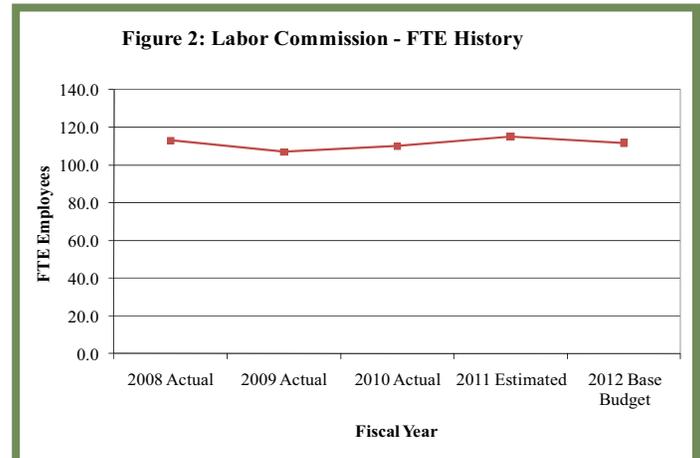
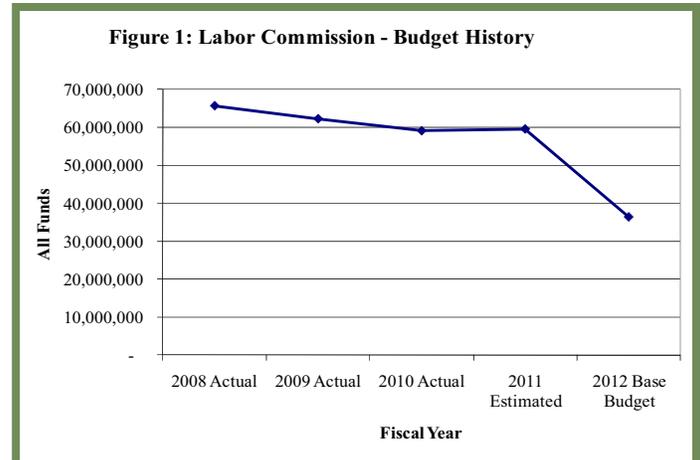
Industrial Accidents – Investigates allegations of noncompliance with State workers’ compensation laws and assesses penalties for violations.

Utah Occupational Safety & Health Division (UOSH) – Enforces occupational safety and health laws and provides education and assistance to employers.

Boiler and Elevator Safety Division – Inspects boilers, pressure vessels and elevators for safe design, construction, operation and maintenance.

Adjudication – Hears and decides disputes arising from UALD, UOSH and the workers’ compensation system.

The total FY 2011 Appropriated Budget for the Labor Commission was \$62,404,300. This reflects a 2.7% budget decrease from FY 2010 and includes reduced amounts in state funds, as well as other funding sources.



INDUSTRIAL ACCIDENTS RESTRICTED ACCOUNT

The Industrial Accidents Restricted Account was created with the passage of 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 fund was designated to allow the Labor Commission to transfer the majority of operations in the Industrial Accidents Division and a portion of the Adjudication Division budgets to the newly created Industrial Accidents Restricted Account. See Appendix A for detail regarding collections on the account for FY 2010, FY 2011 (including projections), and FY 2012 projections.

FY 2011-12 AGENCY BUDGET REQUESTS

The Labor Commission has prioritized certain budget requests for FY 2012 according to the following, if the possibility arises for new ongoing or one-time funding:

1. Electronic Data Integration – \$153,000 one-time supplemental from the Industrial Accidents Restricted Account in FY 2011. The Industrial Accidents Division is currently processing approximately 70,000 documents manually per year. The EDI would provide means to electronically receive information from insurance carriers and create efficiencies among office staff.
2. Director, Office of Coal Mine Safety – \$103,000 ongoing in FY 2012 to fund the Coal Mine Safety director position. The Office of Coal Mine Safety was created in response to the Crandall Canyon Mine Disaster and is found in Title 40 of Utah Code, Chapter 2, Coal Mine Safety Act.

BASE BUDGET ADOPTION

Adoption of the base budget enables programs to continue for the next fiscal year. Some changes in the base budgets may occur outside of formal Legislative action, namely non-state fund increases or decreases (i.e. federal funds, transfers, dedicated credits, and non-lapsing balances), and program shifts within a line item.

Federal Funds

Federal funds for Labor Commission requiring legislative approval are shown in the Issue Brief *Business, Economic Development, and Labor: Federal Funds*. Grants fund areas including: Occupational Safety and Health, Equal Employment Opportunity Commission, U.S. Housing and Urban Development state contract, and the Bureau of Labor Statistics Survey.

FEES

For the FY 2012 fee schedule for the Labor Commission, see Appendix B. The Labor Commission has maintained both quantities and charges for fees at the same level as FY 2011.

BUDGET DETAIL

The following table shows the budget history for the Utah Labor Commission. To eliminate the structural imbalance and as directed by the Executive Appropriations Committee, the *FY 2012 Base Budget* column includes 93% of FY 2011 ongoing General and Education Fund appropriations across the board. Targeted budget changes, reflecting policymaker direction, will likely replace the reductions shown here.

Labor Commission						
	FY 2010	FY 2011		FY 2011		FY 2012*
Sources of Finance	Actual	Appropriated	Changes	Revised	Changes	Base Budget
General Fund	6,001,600	5,872,100	0	5,872,100	(411,000)	5,461,100
General Fund, One-time	(178,900)	0	0	0	0	0
Federal Funds	2,883,100	2,862,500	27,300	2,889,800	(363,000)	2,526,800
Dedicated Credits Revenue	18,800	20,000	5,000	25,000	0	25,000
GFR - Industrial Accident Restricted Act	566,600	1,921,500	(960,700)	960,800	960,700	1,921,500
GFR - Workplace Safety	1,569,200	1,563,200	(98,000)	1,465,200	98,000	1,563,200
Employers' Reinsurance Fund	50,985,100	2,573,000	47,864,100	50,437,100	(32,598,100)	17,839,000
Premium Tax Collections	3,139,000	46,574,000	(43,435,000)	3,139,000	(3,139,000)	0
Uninsured Employers' Fund	1,014,300	1,018,000	15,800	1,033,800	6,036,200	7,070,000
Transfers	(6,382,900)	0	(6,301,000)	(6,301,000)	6,301,000	0
Lapsing Balance	(551,100)	0	0	0	0	0
Total	\$59,064,800	\$62,404,300	(\$2,882,500)	\$59,521,800	(\$23,115,200)	\$36,406,600
Line Items						
Labor Commission	11,241,700	12,312,300	(65,600)	12,246,700	(676,100)	11,570,600
Employers Reinsurance Fund	44,980,100	48,250,000	(3,817,900)	44,432,100	(26,666,100)	17,766,000
Uninsured Employers Fund	2,843,000	1,842,000	1,001,000	2,843,000	4,227,000	7,070,000
Total	\$59,064,800	\$62,404,300	(\$2,882,500)	\$59,521,800	(\$23,115,200)	\$36,406,600
Categories of Expenditure						
Personnel Services	8,511,500	8,690,500	243,300	8,933,800	(603,300)	8,330,500
In-state Travel	26,200	38,700	(9,900)	28,800	5,529,500	5,558,300
Out-of-state Travel	28,400	65,200	(36,200)	29,000	(900)	28,100
Current Expense	31,155,500	3,147,700	27,539,100	30,686,800	(29,310,100)	1,376,700
DP Current Expense	1,014,200	1,033,900	68,800	1,102,700	(113,400)	989,300
Other Charges/Pass Thru	18,329,000	49,428,300	(30,687,600)	18,740,700	1,310,000	20,050,700
Transfers	0	0	0	0	73,000	73,000
Total	\$59,064,800	\$62,404,300	(\$2,882,500)	\$59,521,800	(\$23,115,200)	\$36,406,600
Other Data						
Budgeted FTE	110.0	107.0	8.1	115.1	(3.5)	111.6
Actual FTE	110.3	0.0	0.0	0.0	0.0	0.0
Vehicles	33	28	5	33	(5)	28

LEGISLATIVE ACTION

The Analyst recommends the Legislature:

1. Adopt a total FY 2012 base appropriation for the Labor Commission of \$36,406,600 with adjustments as made by the subcommittee.
2. Allow the Labor Commission to accept federal funds for the respective years presented in the Issue Brief *Business, Economic Development and Labor: Federal Funds* and direct the Fiscal Analyst to include the federal funds and associated federal programs in the annual appropriations act for approval by the Legislature.
3. Approve the schedule of fees for the Labor Commission as shown in Appendix A.

APPENDIX A

The following table shows actual revenues in FY 2010 for the Industrial Accidents Restricted Account and those projected for the remainder of FY 2011, FY 2012 and FY 2013.

Industrial Accidents Restricted Account Actual Funding and Projections FY 2010-2012				
<i>Prepared and Reported by the Labor Commission</i>				
	<u>Month received</u>	<u>Amount</u>	<u>High Revenue Estimates</u>	<u>Low Revenue Estimates</u>
First distribution - based on collections in CY2010 for CY2009 premiums	May 2010	2,471,451	2,471,451	2,471,451
Transfer from Tax Comm - Jan to Mar 2010	June 2010	601,000	601,000	601,000
Accrual (April to June)	June 2010	542,426	542,426	542,426
Excess over \$500,000 transferred to UEF at year end	June 2010	(3,114,877)	(3,114,877)	(3,114,877)
FY 2010 Year End Balance	June 30, 2010	500,000	500,000	500,000
Reversal of April to June Accrual above	August 2010	(542,426)	(542,426)	(542,426)
Actual Transfer from Tax Comm - April to June 2010	September 2010	641,000	641,000	641,000
Actual Transfer from Tax Comm - July to Sept 2010	December 1, 2010	649,000	649,000	649,000
Estimated Transfer from Tax Comm - Oct to Dec 2010	May 2011	645,000	620,000	600,000
Estimated Transfer from Tax Comm - Jan to Mar 2011	June 2011	645,000	620,000	600,000
Estimated Accrual (April to June)		543,000	500,000	400,000
Estimated Accrual for 45 days after June 30		250,000	-	-
FY2011 Appropriation approved by legislature	1/4 withdrawn by State Finance each quarter	(1,921,500)	(1,921,500)	(1,921,500)
Requested appropriation for Computer Project (one-time supplemental)		(153,000)	(153,000)	(153,000)
Excess over \$500,000 transferred to UEF		(756,074)	(413,074)	(273,074)
FY 2011 Year End Balance		500,000	500,000	500,000
Reversal of April to June Accrual above	August 2011	(543,000)	(500,000)	(400,000)
Reversal of 45 day Accrual above	August 2011	(250,000)	-	-
Estimated Transfer from Tax Comm - April to June 2011	September 2011	645,000	620,000	600,000
Estimated Transfer from Tax Comm - July to Sept 2011	December 2011	645,000	620,000	600,000
Estimated Transfer from Tax Comm - Oct to Dec 2011	May 2012	645,000	620,000	600,000
Estimated Transfer from Tax Comm - Jan to Mar 2012	June 2012	645,000	620,000	600,000
Estimated Accrual (April to June)		543,000	500,000	400,000
Estimated Accrual for 45 days after June 30		250,000		
FY2012 Appropriation approved by legislature	1/4 withdrawn by State Finance each quarter	(2,332,500)	(2,332,500)	(2,332,500)
Excess over \$500,000 transferred to UEF		(247,500)	(147,500)	(67,500)
FY 2012 Projected Year End Balance		500,000	500,000	500,000

APPENDIX B

The following details the fee schedule for the Labor Commission for FY 2012. There have been no changes in fees quantities or charges from FY 2011 to FY 2012.

Fees for Administration:	Old Fee	New Fee	Change	Quantity	Revenue
Certificate to Self-Insure for Workers Compensation	1,200.00	1,200.00	0.00	0	0
Industrial Accidents Division					
Certificate to Self-insure for Workers Compensation Renewal	650.00	650.00	0.00	0	0
Certificate to Self-Insured for Renewal - Additional Entity	75.00	75.00	0.00	0	0
Safety Division					
Boiler and Pressure Vessel Inspections					
Certificate Retest-Maximum Fee Charged	50.00	50.00	0.00	0	0
Original Exam for Certificate of Competency	25.00	25.00	0.00	0	0
Renewal of Certificate of Competency	20.00	20.00	0.00	0	0
Owner-User Inspection Agency Certification	250.00	250.00	0.00	0	0
Jacketed Kettles and Hot Water Supply					
Boilers less than 250,000 BTU - Existing	30.00	30.00	0.00	0	0
Boilers less than 250,000 BTU - New	45.00	45.00	0.00	0	0
Boilers > 250,000 BTU but < 4,000,000 BTU - Existing	60.00	60.00	0.00	0	0
Boilers > 250,000 BTU but < 4,000,000 BTU - New	90.00	90.00	0.00	0	0
Boilers > 4,000,001 BTU but < 20,000,000 BTU Existing	150.00	150.00	0.00	0	0
Boilers > 4,000,001 BTU but < 20,000,000 BTU New	225.00	225.00	0.00	0	0
Boilers > 20,000,000 BTU - Existing	300.00	300.00	0.00	0	0
Boilers > 20,000,000 BTU - New	450.00	450.00	0.00	0	0
Boiler and Pressure Vessel Inspections					
Replacement Boiler Certificate	15.00	15.00	0.00	0	0
Jacketed Kettles and Hot Water Supply					
Consultation, witness special inspection (per hour)	60.00	60.00	0.00	0	0
Pressure Vessel (Existing)	30.00	30.00	0.00	0	0
Pressure Vessel (New)	45.00	45.00	0.00	0	0
Pressure Vessel Inspection by Owner-user:					
25 or less on single statement (per vessel)	5.00	5.00	0.00	0	0
26 through 100 on single statement (per statement)	100.00	100.00	0.00	0	0
101 through 500 on single statement (per statement)	200.00	200.00	0.00	0	0
over 500 on single statement (per statement)	400.00	400.00	0.00	0	0
Elevator Inspections Existing Elevators:					
Hydraulic	85.00	85.00	0.00	0	0
Electric	85.00	85.00	0.00	0	0

Handicapped	85.00	85.00	0.00	0	0
Other Elevators	85.00	85.00	0.00	0	0
Replacement Elevator Certificate	15.00	15.00	0.00	0	0
Elevator Inspections New Elevators:					
Hydraulic	300.00	300.00	0.00	0	0
Electric	700.00	700.00	0.00	0	0
Handicapped	200.00	200.00	0.00	0	0
Other Elevators	200.00	200.00	0.00	0	0
Consultation and Review (per hour)	60.00	60.00	0.00	0	0
Escalators/Moving Walks	700.00	700.00	0.00	0	0
Remodeled Electric	500.00	500.00	0.00	0	0
Roped Hydraulic	500.00	500.00	0.00	0	0
Coal Mine Certification:					
Mine Foreman	50.00	50.00	0.00	0	0
Temporary Mine Foreman	35.00	35.00	0.00	0	0
Fire Boss	50.00	50.00	0.00	0	0
Surface Foreman	50.00	50.00	0.00	0	0
Temporary Surface Foreman	35.00	35.00	0.00	0	0
Electrician underground	50.00	50.00	0.00	0	0
Electrician surface	50.00	50.00	0.00	0	0
Annual Electrical Recertification	35.00	35.00	0.00	0	0
Hoistman	50.00	50.00	0.00	0	0
Certification Retest (per section)	20.00	20.00	0.00	0	0
Certification Retest - Maximum Fee Charges	50.00	50.00	0.00	0	0
Hydrocarbon Mine Certifications:					
Gilsonite Mine Foreman	50.00	50.00	0.00	0	0
Gilsonite Mine Examiner	50.00	50.00	0.00	0	0
Temporary Gilsonite Mine Foreman	35.00	35.00	0.00	0	0
Gilsonite Shot Firer	50.00	50.00	0.00	0	0
Hoistman	50.00	50.00	0.00	0	0
Certification Retest (per section)	20.00	20.00	0.00	0	0
Certification Retest - Maximum Fee Charge	50.00	50.00	0.00	0	0
Photocopies, Search Fees, Printing					
Black and White no special handling-per page	.25	.25	0.00	0	0
Research, redacting, unstapling, restapling (under 1 hour)	15.00	15.00	0.00	0	0

More than 1 hour (per hour charge)	20.00	20.00	0.00	0	0
Color Printing- per page	.50	.50	0.00	0	0
Certified Copies- per certification plus search fees if applicable	2.00	2.00	0.00	0	0
Electronic documents CD or DVD	2.00	2.00	0.00	0	0
Fax, plus telephone costs	.50	.50	0.00	0	0
Total					\$0