

STATEMENT OF PURPOSE

RS23952

Section 1 of this bill reduces the appropriation in the Employment Security Special Administration Fund; and Section 2 appropriates an additional \$6,190,000 from the Unemployment Penalty and Interest Fund and the Employment Security Special Administration Fund to the Department of Labor for FY 2015. The additional appropriation will fund replacement of network switches and an expansion of Wagner-Peyser activities, the deployment of the iUS tax and benefit system, and an expansion of labor exchange services.

This is the FY 2016 appropriation to the Department of Labor in the amount of \$92,578,500 with full-time equivalent positions capped at 700. The bulk of this bill authorizes an appropriation for federal grants and the Workforce Development Training Fund that were previously expended through continuous appropriation authority. The federal grants include the administration of unemployment insurance, workforce investment act grants, Wagner-Peyser Act, and others. This can be seen in line item 10. Unemployment Insurance benefits will remain continuously appropriated to the Department. Section 5 of this bill authorizes the State Controller to transfer \$3 million from the Industrial Administration Fund to the Workforce Development Training Fund for Industry Sector Grants. There are two additional sections of legislative intent in this appropriation. The first directs the Department of Labor to maintain the same number of local labor offices and provide the same or similar level of service as provided on July 1, 2014, and report to the Joint Finance-Appropriations Committee (JFAC) at its fall meeting about the resources necessary to keep the offices open. The second piece of intent language directs the department to report to JFAC next session on activities of the Workforce Development Training Fund.

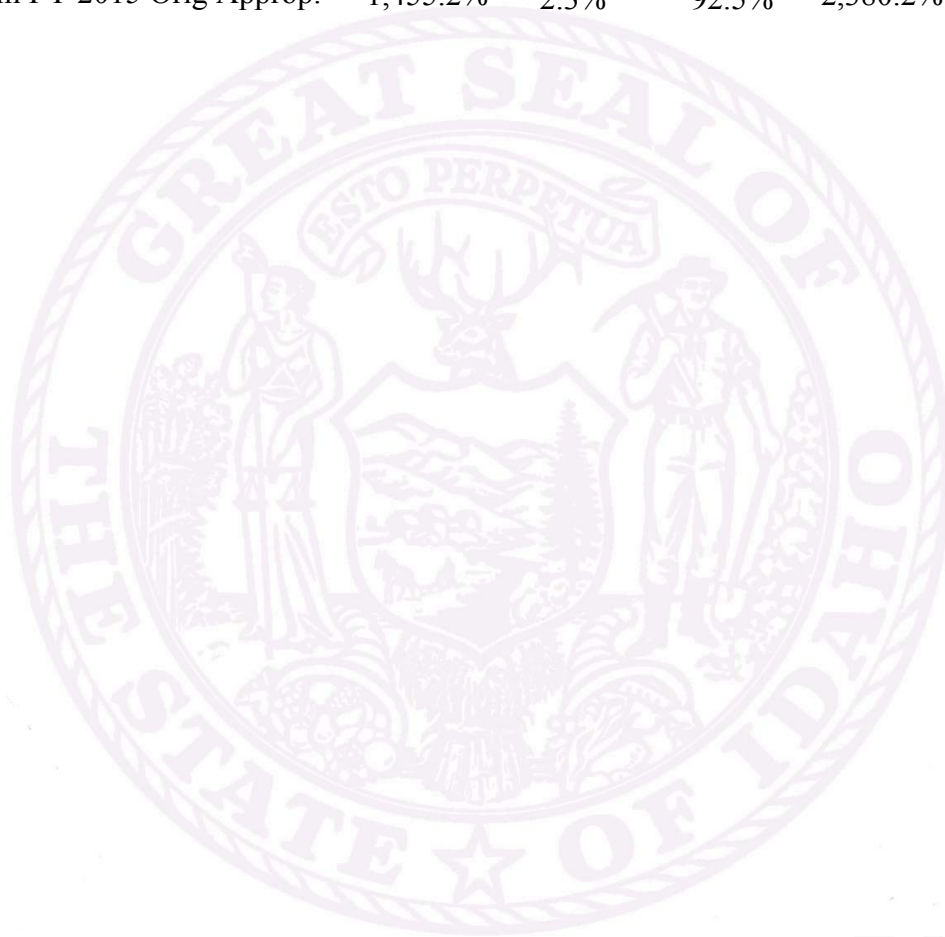
FISCAL NOTE

	FTP	Gen	Ded	Fed	Total
FY 2015 Original Appropriation	45.01	313,500	13,316,000	2,686,500	16,316,000
1. Relocation Expenses	0.00	0	0	0	0
2. Additional IT Equipment	0.00	0	190,000	0	190,000
3. iUS/Labor Exchange Shift	0.00	0	3,000,000	0	3,000,000
FY 2015 Total Appropriation	45.01	313,500	16,506,000	2,686,500	19,506,000
Removal of One-Time Expenditures	0.00	(2,000)	(1,086,000)	(1,600)	(1,089,600)
FY 2016 Base	45.01	311,500	15,420,000	2,684,900	18,416,400
Benefit Costs	0.00	2,900	22,800	2,100	27,800
Replacement Items	0.00	0	296,500	0	296,500
Statewide Cost Allocation	0.00	0	(400)	(61,800)	(62,200)
Change in Employee Compensation	0.00	6,300	79,000	6,200	91,500
FY 2016 Program Maintenance	45.01	320,700	15,817,900	2,631,400	18,770,000
1. Gen Fund for Wage & Hour	0.00	0	0	0	0
2. Admin Salary Increase	0.00	0	0	0	0
3. Expand Training Services	2.00	0	232,100	0	232,100

Statement of Purpose / Fiscal Note

S1192

	FTP	Gen	Ded	Fed	Total
4. Network Equipment	0.00	0	300,000	0	300,000
5. Building Maintenance and Repair	0.00	0	122,000	0	122,000
6. Transfer in Spending Authority	0.00	0	0	0	0
7. New IT Positions	2.00	0	276,200	0	276,200
8. Change Fund Source for Positions	16.00	0	1,578,600	0	1,578,600
9. Industry Sector Grants	0.00	0	3,000,000	0	3,000,000
10. Operations on-Budget	634.99	0	7,300,000	64,000,000	71,300,000
Cash Transfers	0.00	0	(3,000,000)	0	(3,000,000)
FY 2016 Total	700.00	320,700	25,626,800	66,631,400	92,578,900
Chg from FY 2015 Orig Approp	654.99	7,200	12,310,800	63,944,900	76,262,900
% Chg from FY 2015 Orig Approp.	1,455.2%	2.3%	92.5%	2,380.2%	467.4%



Contact:

Keith Bybee
 Budget and Policy Analysis
 (208) 334-4739