

Department of Labor and Industry

Agency Overview

October 2011

For the Economic Affairs Committee

Department Head: Keith Kelly (appointed by governor with Senate approval)

Description and Responsibilities:

- Constitutionally required (Article XII, Sec. 2)
- Oversees professional and occupational licensing boards, weights and measures, and building codes.
- Enforces wage and hour laws, including the Fair Labor Standards Act, child labor laws, and prevailing wage laws.
- Oversees apprenticeship agreements and assists on-the-job training programs.
- Operates job service offices.
- Operates incumbent worker training program.
- Maintains eligible training provider list for other workforce training and serves on review committee for workforce training grants.
- Manages unemployment insurance program.
- Regulates and administers workers' compensation programs.
- Works with the Commission for Human Rights.
- Oversees collective bargaining regulations and certain arbitration provisions.
- Operates contractor registration and independent contractor registration.
- Certifies eligibility for empowerment zone tax credits. (15-30-2356)
- Determines employer/employee status for broad range of purposes, including income tax.
- Responsible for studies/reports to governor and the legislature about employment needs/ plus problems of women and discrimination concerns. (39-7-103)
- Provides permits to fireworks wholesalers.
- Regulates fire protection equipment sales, installation and service.
- Provides safety inspections for mines other than coal and lignite mines.
- Regulates safety of cranes and hoists.
- Licenses professional employer organizations.
- Oversees regulation of liquefied petroleum products and licenses petroleum dealers.

Administratively Attached Entities:

- Board of Labor Appeals
- Board of Personnel Appeals, under 2-15-1705, MCA
- Commission for Human Rights, under 2-15-1706, MCA
- Office of Workers' Compensation Judge, under 2-15-1707, MCA
- Professional and Occupational Licensing Boards, Title 37

Agency Bills Passed During 2011 Session:

- HB 57, by Rep. Cynthia Hiner, allowing informal service of process for Board of Personnel Appeals.
- HB 80, by Rep. Elsie Arntzen, revising unemployment insurance law, including revising exclusion from wages for certain self-employed workers and owners, clarifying experience rating references, removing exemption for volunteers in certain federal programs, and interception of lottery winnings.
- HB 84, by Rep. Carlie Boland, excluding independent contractor from definition of employee and clarifying other aspects of wage laws.
- HB 94, by Rep. Elsie Arntzen, generally revising professional and occupational licensing laws
- HB 95, by Rep. Walter McNutt, generally revising the Montana Human Rights Act to provide Indian preference for jobs on Indian reservations and attorney fees.
- HB 110, by Rep. Jeff Welborn, to generally revise workers' compensation laws.

Agency Bills That Failed During 2011 Session:

- HB 72, by Rep. Galen Hollenbaugh, to require bidder workplace safety history. Tabled in House B&L.
- HB 73, by Rep. Galen Hollenbaugh, to recover costs and fees for unlicensed practice of a trade or occupation. Tabled in House B&L.

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Programs, FTE, and Funding for FY 2012-2013:

Source: Legislative Fiscal Division

Department of Labor and Industry						
2013 Biennium	FTE	General		Federal	Proprietary	Total
Program	FY 2013	Fund	State Special	Revenues		
Workforce Services Division						
Operations	246.13	\$41,624	\$17,243,880	\$30,361,623	\$0	\$47,647,127
Oversight	11.16	\$0	\$515,443	\$8,827,562	0	\$9,343,005
21st Century Workforce	15.76	(41,624)	\$2,309,635	\$542,957	0	\$2,810,968
Research & Analysis	20.91	0	\$1,265,878	\$2,748,869	\$74,330	\$4,089,077
Total Workforce Services Division	293.96	0	\$21,334,836	\$42,481,011	\$74,330	\$63,890,177
Unemployment Insurance Division						
Unemployment Insurance	153.00	0	\$7,435,051	\$19,193,189	0	\$26,628,240
Unemployment Benefits	0.00	0	0	0	\$356,729,200	\$356,729,200
Total Unemployment Insurance Division	153.00	0	\$7,435,051	\$19,193,189	\$356,729,200	\$383,357,440
Commissioner's Office						
Centralized Services Division	32.50	0	\$96,666	0	\$6,353,506	\$6,450,172
Legal Unit	19.75	\$200,232	\$849,707	\$412,573	\$2,326,088	\$3,788,600
Office of Information Technology	22.00	0	0	0	\$3,720,725	\$3,720,725
Hearings Unit	9.50	\$357,248	\$422,561	\$748,113	\$118,205	\$1,646,127
Total Commissioner's Office	83.75	\$557,480	\$1,368,934	\$1,160,686	\$12,518,524	\$15,605,624
Employment Relations Division						
Human Rights Bureau	13.60	\$2,047,111	0	\$198,421	0	\$2,245,532
Workers' Compensation Regulation Bureau	35.50	0	\$8,256,067	0	\$798,134	\$9,054,201
Labor Standards Bureau	16.00	0	\$2,844,629	0	0	\$2,844,629
Management Services Bureau	16.50	\$107,553	\$5,898,002	\$49,751	0	\$6,055,306
WC Claims Assistance Bureau	26.00	0	\$3,968,101	0	0	\$3,968,101
Safety Bureau	23.00	0	\$2,783,466	\$1,182,143	0	\$3,965,609
Total Employment Relations Division	130.60	\$2,154,664	\$23,750,265	\$1,430,315	\$798,134	\$28,133,378
Business Standards Division						
Administration	0.00	0	\$219,051	40	0	\$219,091
Health Care Licensing Bureau	37.19	0	\$9,470,595	0	0	\$9,470,595
Business & Occupational Licensing	37.12	0	\$8,091,007	0	0	\$8,091,007
Building Codes Bureau	65.36	0	\$10,369,868	0	0	\$10,369,868
Weights & Measures Bureau	11.37	0	\$2,069,647	\$25,302	0	\$2,094,949
Real Estate Recovery	0.00	0	\$9,540	0	0	\$9,540
Total Business Standards Division	151.04	0	\$30,229,708	\$25,342	0	\$30,255,050
Office of Community Services	4.00	\$247,585	\$78,803	\$5,722,168	0	\$6,048,556
Workers Compensation Court	7.00	0	\$1,344,111	0	0	\$1,344,111
Total Department of Labor and Industry	823.35	\$2,959,729	\$85,541,708	\$70,012,711	\$370,120,188	\$528,634,336

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Significant Non-Agency Bills During 2011 Session:

- SB 341, by Sen. Eric Moore, to revise unemployment insurance charges to employers for workers hired for specific, short term. Tabled in House Business and Labor.
- HB 179, by Rep. James Knox, disallowing unemployment benefits for employees terminated during a probation period. Died on Senate floor.
- HB 427, by Rep. James Knox, restricting unemployment benefit eligibility to those employed for each week or portion of a week in the base period. Tabled in House Business and Labor.

Economic Affairs Interim Committee Areas of Interest/Hot Topics of 2011 Session:

- Workers' Compensation and implementation of 2011 legislation.
- Unemployment Insurance and charges against employers, including federal regulatory requirements.
- Worker safety.
- HB 525 review of professional and occupational licensing boards.

Legislative Audits:

- Financial compliance audits odd-numbered years. The latest one is due out soon.
- Performance audit of Subsequent Injury Fund in August 2009.
- Performance audit of Unemployment Insurance Tax System in November 2007.