

STATEMENT OF PURPOSE OF AMENDMENT:

House Bill No. 1021 - Funding Summary

	Executive Budget	Final Legislative Action	Comparison To Executive Budget
Workforce Safety and Insurance			
Workforce Safety and Insurance	\$63,131,407		(\$63,131,407)
Workforce Safety and Insurance operation		60,909,457	60,909,457
Accrued leave payments		1,662,965	1,662,965
Litigation Contingency		750,000	750,000
Total all funds	\$63,131,407	\$63,322,422	\$191,015
Less estimated income	63,131,407	63,322,422	191,015
General fund	\$0	\$0	\$0
FTE	250.14	250.14	0.00
Bill Total			
Total all funds	\$63,131,407	\$63,322,422	\$191,015
Less estimated income	63,131,407	63,322,422	191,015
General fund	\$0	\$0	\$0
FTE	250.14	250.14	0.00

House Bill No. 1021 - Workforce Safety and Insurance - House Action

	Executive Budget	House Changes	House Version
Workforce Safety and Insurance	\$63,131,407	(\$63,131,407)	
Workforce Safety and Insurance operation		56,014,723	56,014,723
Accrued leave payments		1,662,965	1,662,965
Total all funds	\$63,131,407	(\$5,453,719)	\$57,677,688
Less estimated income	63,131,407	(5,453,719)	57,677,688
General fund	\$0	\$0	\$0
FTE	250.14	0.00	250.14

Department 485 - Workforce Safety and Insurance - Detail of House Changes

	Corrects Executive Compensation Package¹	Adjusts State Employee Compensation and Benefits Package²	Provides Separate Line Item for Accrued Leave Payments³	Removes Funding for Web Portal Project⁴	Removes Funding for Policy Replacement Project⁵	Removes Funding for Data Warehouse Project⁶
Workforce Safety and Insurance			(63,131,407)			
Workforce Safety and Insurance operation	68,879	(1,397,598)	61,468,442	(1,500,000)	(1,225,000)	(2,000,000)
Accrued leave payments			1,662,965			
Total all funds	\$68,879	(\$1,397,598)	\$0	(\$1,500,000)	(\$1,225,000)	(\$2,000,000)
Less estimated income	68,879	(1,397,598)	0	(1,500,000)	(1,225,000)	(2,000,000)
General fund	\$0	\$0	\$0	\$0	\$0	\$0
FTE	0.00	0.00	0.00	0.00	0.00	0.00

	Provides Funding for Business Process Analysis⁷	Provides Funding for IT Staffing Analysis⁸	Total House Changes
Workforce Safety and Insurance			(63,131,407)
Workforce Safety and Insurance operation	500,000	100,000	56,014,723
Accrued leave payments			1,662,965
Total all funds	\$500,000	\$100,000	(\$5,453,719)
Less estimated income	500,000	100,000	(5,453,719)
General fund	\$0	\$0	\$0
FTE	0.00	0.00	0.00

¹ Funding is added due to a calculation error in the executive compensation package.

² This amendment adjusts the state employee compensation and benefits package as follows:

- Reduces the performance component from 3 to 5 percent per year to 2 to 4 percent per year.
- Reduces the market equity component from 2 to 4 percent per year for employees below the midpoint of their salary range to 2 percent for employees in the first quartile of their salary range for the first year of the biennium only.
- Removes funding for additional retirement contribution increases.

³ A portion of funding for permanent employees' compensation and benefits is reallocated to an accrued leave payments line item for paying annual leave and sick leave for eligible employees.

⁴ This amendment removes funding included in the executive budget for the web portal project.

⁵ This amendment removes funding for the policy replacement project included in the executive budget.

⁶ This amendment removes funding for the data warehouse project included in the executive budget.

⁷ This amendment provides funding to hire a consultant and for the Information Technology Department to conduct a business process analysis. A section is also added to the bill regarding this analysis.

⁸ This amendment provides funding for an information technology staffing analysis, including the feasibility of transferring additional information technology staff from Workforce Safety and Insurance to the Information Technology Department. A section is also added to the bill regarding this analysis.

House Bill No. 1021 - Workforce Safety and Insurance - Senate Action

	Executive Budget	House Version	Senate Changes	Senate Version
Workforce Safety and Insurance	\$63,131,407			
Workforce Safety and Insurance operation		56,014,723	7,953,795	63,968,518
Accrued leave payments		1,662,965	(1,662,965)	
Litigation Contingency			750,000	750,000
Total all funds	\$63,131,407	\$57,677,688	\$7,040,830	\$64,718,518
Less estimated income	63,131,407	57,677,688	7,040,830	64,718,518
General fund	\$0	\$0	\$0	\$0
FTE	250.14	250.14	4.00	254.14

Department 485 - Workforce Safety and Insurance - Detail of Senate Changes

	Restores Executive Compensation Package¹	Removes Separate Line Item for Accrued Leave Payments²	Adds Funding for Contingent Litigation Fees and Costs³	Adds Funding for Information Technology Projects⁴	Removes Funding for Business Process Analysis⁵	Removes Funding for Information Technology Staffing Analysis⁶
Workforce Safety and Insurance						
Workforce Safety and Insurance operation	1,397,598	1,662,965		4,725,000	(500,000)	(100,000)
Accrued leave payments		(1,662,965)				
Litigation Contingency			750,000			
Total all funds	\$1,397,598	\$0	\$750,000	\$4,725,000	(\$500,000)	(\$100,000)
Less estimated income	1,397,598	0	750,000	4,725,000	(500,000)	(100,000)
General fund	\$0	\$0	\$0	\$0	\$0	\$0
FTE	0.00	0.00	0.00	0.00	0.00	0.00

	Restores Information Technology Staff⁷	Total Senate Changes
Workforce Safety and Insurance		
Workforce Safety and Insurance operation	768,232	7,953,795
Accrued leave payments		(1,662,965)
Litigation Contingency		750,000
Total all funds	\$768,232	\$7,040,830
Less estimated income	768,232	7,040,830
General fund	\$0	\$0
FTE	4.00	4.00

¹ Funding reductions made by the House to the state employee compensation and benefits package are restored to the Governor's recommended level.

² The accrued leave payments line item added by the House is removed and the associated funding returned to line items with salaries and wages funding.

³ This amendment provides contingent funding for litigation costs that may be necessary in order to recover expenses paid to Aon eSolutions.

⁴ This amendment adds funding for information technology projects. The agency may determine which projects are developed.

⁵ This amendment removes the funding added by the House for the business process analysis.

⁶ This amendment removes the funding added by the House for an information technology staffing analysis.

⁷ This amendment restores the 4 FTE information technology positions and the related funding transferred to the Information Technology Department in the executive budget and the House version.

House Bill No. 1021 - Workforce Safety and Insurance - Conference Committee Action

	Executive Budget	House Version	Conference Committee Changes	Conference Committee Version	Senate Version	Comparison to Senate
Workforce Safety and Insurance	\$63,131,407					
Workforce Safety and Insurance operation		56,014,723	4,894,734	60,909,457	63,968,518	(3,059,061)
Accrued leave payments		1,662,965		1,662,965		1,662,965
Litigation Contingency			750,000	750,000	750,000	
Total all funds	\$63,131,407	\$57,677,688	\$5,644,734	\$63,322,422	\$64,718,518	(\$1,396,096)
Less estimated income	63,131,407	57,677,688	5,644,734	63,322,422	64,718,518	(1,396,096)
General fund	\$0	\$0	\$0	\$0	\$0	\$0
FTE	250.14	250.14	0.00	250.14	254.14	(4.00)

Department 485 - Workforce Safety and Insurance - Detail of Conference Committee Changes

	Removes House Changes to Executive Compensation Package¹	Adjusts State Employee Compensation and Benefits Package²	Adds Funding for Contingent Litigation Fees and Costs³	Adds Funding for Information Technology Projects and Business Process Analysis⁴	Removes Funding for Business Process Analysis⁵	Removes Funding for Information Technology Staffing Analysis⁶
Workforce Safety and Insurance	1,397,598	(627,864)		4,725,000	(500,000)	(100,000)
Workforce Safety and Insurance operation						
Accrued leave payments						
Litigation Contingency			750,000			
Total all funds	\$1,397,598	(\$627,864)	\$750,000	\$4,725,000	(\$500,000)	(\$100,000)
Less estimated income	1,397,598	(627,864)	750,000	4,725,000	(500,000)	(100,000)
General fund	\$0	\$0	\$0	\$0	\$0	\$0
FTE	0.00	0.00	0.00	0.00	0.00	0.00

	Total Conference Committee Changes
Workforce Safety and Insurance	4,894,734
Workforce Safety and Insurance operation	
Accrued leave payments	
Litigation Contingency	750,000
Total all funds	\$5,644,734
Less estimated income	5,644,734
General fund	\$0
FTE	0.00

¹ Changes made by the House to the executive compensation package are removed.

² This amendment adjusts the state employee compensation and benefits package as follows:

- Reduces the performance component from 3 to 5 percent per year to 3 to 5 percent for the first year of the biennium and 2 to 4 percent for the second year of the biennium.
- Reduces the market component from 2 to 4 percent per year to 1 to 2 percent per year for employees below the midpoint of their salary range.
- Reduces funding for retirement contribution increases to provide for a 1 percent state and 1 percent employee increase beginning in January 2014 and no increase in January 2015.

- ³ This amendment provides contingent funding for litigation costs that may be necessary in order to recover expenses paid to Aon eSolutions, the same as the Senate version. The Conference Committee made available any remaining unused funds to be spent by Workforce Safety and Insurance on the development or operation of information technology projects. In the event of a successful civil action, the moneys from settlement or court awards are to be retained in the Workforce Safety and Insurance fund and reported to the 64th Legislative Assembly.
- ⁴ This amendment adds funding for information technology projects, the same as the Senate version. The agency may determine which projects are developed. The Conference Committee made available \$500,000 included of this funding to be used for a business process analysis to be conducted by Workforce Safety and Insurance, the Information Technology Department, and a private consultant. A section is also added regarding the business process analysis.
- ⁵ This amendment removes the funding added by the House for the business process analysis. The Senate also removed this funding.
- ⁶ This amendment removes the funding added by the House for an information technology staffing analysis. The Senate also removed this funding.