



Dave Heineman
Governor

STATE OF NEBRASKA

DEPARTMENT OF LABOR

Catherine D. Lang, Commissioner
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January 15, 2010

Honorable Lavon Heidemann
Chairperson, Appropriations Committee
Nebraska State Legislature
Room 1004, State Capitol
Lincoln, NE 68509

Dear Chairperson Heidemann:

As required by LB 1, Section 10 of the 101st Legislature, 2009 Special Session, I am submitting the Department of Labor's report on specific actions and plans.

REDUCTIONS IN REAPPROPRIATION

Reduction in the Department of Labor's reappropriation for Program 194 – Division of Protection of People and Safety FY 2009-10 is \$19,471. The Department had no plans to spend the reappropriated amount and therefore the reduction in appropriation will have no impact on the agency operations.

REDUCTIONS IN APPROPRIATION

Program 31 – Division of Employment Cash Fund appropriation was reduced in FY 2009-10 by \$15,125 and in FY 2010-11 by \$30,250. The reduction of cash fund appropriation is a reduction to the Employment and Security Special Contingent Fund, as defined in Neb. Rev. Stat. Section 48-621. These funds are not used for the operations of the agency programs, but are utilized to manage the Department's cash flow throughout the year. The reduction in the appropriation will reduce the ability of the Department of Labor to manage cash flow from the Contingent Fund.

Program 194 – Division of Protection of People and Safety General Fund appropriation was reduced in FY2009-2010 by \$14,176 and in FY 2010-11 by \$29,112. The Program 194 Cash Fund appropriation was reduced in FY2009-10 by \$33,450 and in FY 2010-11 by \$68,752.

Program 194 consists of five divisions: Safety Administration; Labor Law (investigating complaints regarding wage and hour, child labor farm labor contractor, contractor registration act non-English speaking employees); Boiler Inspection; Elevator and Amusement Ride Inspection; and OSHA 21D Program.

For FY2009-10, the Cash Fund appropriation reduction of \$14,176 will be accomplished by the elimination of one vacant position in the Boiler Inspection division. For FY2010-11, the \$14,176 savings will continue. The remaining \$14,493 will be saved through reduction of operational costs and the saving realized through the reorganization efforts set forth in the next paragraph.

For purposes of managing the reduction in the FY 2009-10 and FY2010-11 of General Fund appropriation and one-half of the FY2010-11 Cash Fund appropriation, the Division of the Protection of People and Property will implement a comprehensive reorganization to assure that the personnel necessary to meet the requirements of our investigation and inspection programs are retained and supported. During 2010, staff currently located in the State Office Building will be moved to the Department's administrative offices at 550 South 16th Street. This relocation will allow for a consolidation of support positions and added efficiency of staff resources within the Department of Labor. For FY2010-11 there will be reduction in staff of approximately 2 to 3 administrative positions. The reorganization is expected to result in a reduction of general fund expenditures in FY 2009-10 of \$14,176, and in FY2010-11 of \$29,112. An additional reduction of cash fund expenditures in FY 2010-11 of \$35,000.

There will be no impact on the receipt of federal funds because of the reduction to appropriations enacted during the 2009 Special Session. Additionally, no fees will be increased.

The Department of Labor will assure that all funds available for the operations of this agency are expended in an efficient and effective manner and that all services provided meet the duties and obligations delegated to this agency.

Sincerely,

Catherine D. Lang
Commissioner of Labor

Cc: Gerry Oligmueller, Director, DAS-Budget Division
Members, Appropriations Committee, Nebraska Legislature
Doug Gibbs, Legislative Fiscal Office Analyst