

Department of Labor & Industry
Business Standards Division
Proposed Solutions for Board Financial Issues

The following is a summary of the two possible options that the Department is proposing as a resolution to the concerns that were previously discussed with this Committee.

Option A

- Amends the current statute to add a definition of the term “fees commensurate with costs”. This definition will meet the following objectives:
 - Protect licensees from excessive or inflated fees
 - Allow the Board to collect and maintain a reasonable amount of cash as a contingency reserve in case of unexpected expenses or lower than anticipated revenues.
 - Takes into account the varying operating cycles of the Boards
- Amends the current statute to allow for Board financial activity to be recorded in the Enterprise fund type, rather than the State Special Revenue fund type.
 - Brings Board accounting records into compliance with Generally Accepted Accounting Principles (GAAP).
 - Removes the Department from the position of making policy decisions that arise when appropriation must be transferred amongst the various Boards and programs.
 - Allows the Boards to create budgets based solely on their cash balances and anticipated revenues, without needing to worry about the appropriation needs of other Boards.

Option B

- Just like Option A, this option amends the current statute to add a definition of the term “fees commensurate with costs”.
- Under Option B, the Department would, through a Decision Package, request a restricted appropriation each biennium that could be utilized by the Boards in case of unexpected Legal, Compliance, or Investigation related expenses.