

DEPARTMENT OF LABOR AND INDUSTRIAL RELATIONS

FINANCIAL SUMMARY

	FY 2006 EXPENDITURE	FY 2007 APPROPRIATION	FY 2008 REQUEST	GOVERNOR RECOMMENDS FY 2008
Department Administration	\$ 11,290,171	\$ 12,871,435	\$ 11,655,776	\$ 11,800,537
Information Technology Consolidation	1,357,864	0	0	0
Labor and Industrial Relations Commission	768,683	986,238	986,238	1,011,399
Division of Labor Standards	1,645,058	2,823,853	3,066,383	3,135,658
Division of Workers' Compensation	78,794,501	79,606,643	79,174,075	79,304,374
Division of Employment Security	45,614,064	55,474,470	47,504,063	48,268,822
State Board of Mediation	52,544	0	0	0
Commission on Human Rights	1,635,467	1,659,938	1,659,938	1,704,683
DEPARTMENTAL TOTAL	\$ 141,158,352	\$ 153,422,577	\$ 144,046,473	\$ 145,225,473
General Revenue Fund	2,404,167	2,462,141	2,482,728	2,514,130
Federal Funds	42,974,397	55,793,665	51,985,891	52,941,570
Tort Victims' Compensation Fund	100,001	105,000	105,000	105,000
Workers' Compensation Fund	10,522,799	11,496,639	11,336,702	11,504,540
Second Injury Fund	62,384,654	60,506,625	60,506,625	60,506,625
Crime Victims' Compensation Fund	5,468,704	7,441,934	7,448,251	7,458,065
War on Terror Unemployment Compensation Fund	0	0	1,354,764	1,354,764
Child Labor Enforcement Fund	40,411	185,000	185,000	185,000
Special Employment Security Bond				
Proceeds Fund	0	1	1	1
Special Employment Security Fund	17,263,219	15,431,572	8,641,511	8,655,778
Full-time equivalent employees	987.49	1,049.91	964.41	958.41

DEPARTMENT SUMMARY

Governor Blunt's Fiscal Year 2008 budget provides \$145.2 million for the Department of Labor and Industrial Relations. The department provides services that promote economic security and safe and healthy workplaces, and protect wage earners and individuals against discrimination. The core functions provided by the Department of Labor and Industrial Relations include:

- Processing and awarding payment of compensation to those who are unemployed, injured at work, or victims of crime.
- Assuring safe and healthy workplaces for Missouri employees through on-site inspections that identify hazards to be corrected in the workplace.
- Protecting wage earners and individuals against discrimination by improving workplace conditions and enforcing labor and anti-discrimination laws.

DEPARTMENT OF LABOR AND INDUSTRIAL RELATIONS

DEPARTMENT ADMINISTRATION

The Director's Office provides leadership and supervision in the areas of policy, operation, and interagency coordination/cooperation. Functions centralized within the Director's Office include: administrative services, financial management, human resources, legislative and public relations, research and analysis, and legal services.

Fiscal Year 2008 Governor's Recommendations

- \$144,761 increased transfer to the Department of Labor and Industrial Relations Administrative Fund for pay plan, including \$9,598 general revenue.
- \$3,561,686 reallocated for realignment of the federal cost allocation plan, including \$236,140 general revenue.
- (\$3,561,686) reallocated for realignment of the federal cost allocation plan, including (\$245,091) general revenue.
- (\$1,215,659) federal and other funds and (two) staff core reduction from the Fiscal Year 2007 appropriation level.
- (Six) staff core reduction for mailroom consolidation from the Fiscal Year 2007 appropriation level.

LABOR AND INDUSTRIAL RELATIONS COMMISSION

The three-member Labor and Industrial Relations Commission reviews all appeals from all decisions and awards in workers' compensation, unemployment compensation, prevailing wage, victims of crime compensation, and tort victims' compensation cases at the highest administrative level. The commission conducts hearings and renders written opinions. The commission's opinions are subject to review by the judiciary. The commission has the responsibility of determining an appropriate bargaining unit of public employees, based on their community of interests and conducts secret ballot elections to determine majority status. The commission is also charged with the statutory authority to approve or disapprove all rules and regulations promulgated by the divisions within the department.

Fiscal Year 2008 Governor's Recommendations

- \$25,161 for pay plan, including \$1,905 general revenue.
- \$121,081 reallocated for realignment of the federal cost allocation plan, including \$6,368 general revenue.
- (\$121,081) reallocated for realignment of the federal cost allocation plan, including (\$5,877) general revenue.

DIVISION OF LABOR STANDARDS

State statutes require the Division of Labor Standards to assure the safety and health of Missouri workers. To reduce deaths and disabling injuries, staff conduct regular and special on-site inspections of businesses, industries, and commercial mines and caves. To ensure compliance with statutory provisions governing wage rates for public works projects, the division surveys prevailing wage rates for laborers, mechanics, and other workers employed in the construction industry. The division conducts on-site inspections to assure compliance with Missouri's Child Labor Law. Also, the division provides safety and health training classes for mine operators and miners. All miners, whether surface or underground, are required by federal law to complete a minimum number of hours in training before beginning work and annually thereafter. The division provides on-site safety and health consultations to businesses and industrial facilities by qualified professional consultants to identify serious hazards and recommend means for eliminating them. Private employers are not charged for this service. The division performs these consultations upon employer requests.

Fiscal Year 2008 Governor's Recommendations

- \$69,275 for pay plan, including \$29,512 general revenue.
- \$292,728 Workers' Compensation Fund and six staff reallocated from the Division of Workers' Compensation for the Workers' Safety Program pursuant to Missouri State Government Review Commission recommendation.
- (\$50,198) federal funds and (one) staff core reduction from the Fiscal Year 2007 appropriation level.

**DEPARTMENT OF LABOR AND INDUSTRIAL RELATIONS
DIVISION OF WORKERS' COMPENSATION**

FINANCIAL SUMMARY

	FY 2006 EXPENDITURE	FY 2007 APPROPRIATION	GOVERNOR RECOMMENDS FY 2008
Administration	\$ 8,192,825	\$ 9,383,957	\$ 9,073,148
Second Injury Benefits	62,384,654	60,506,625	60,506,625
Crime Victims' Administration	272,689	416,061	424,601
Crime Victims' Compensation Benefits	7,844,333	9,200,000	9,200,000
Tort Victims' Compensation Payments	100,000	100,000	100,000
TOTAL	\$ 78,794,501	\$ 79,606,643	\$ 79,304,374
Federal Funds	2,726,796	2,262,671	2,262,671
Tort Victims' Compensation Fund	100,001	105,000	105,000
Workers' Compensation Fund	8,192,824	9,356,493	9,046,548
Second Injury Fund	62,384,654	60,506,625	60,506,625
Crime Victims' Compensation Fund	5,390,226	7,375,854	7,383,530
Full-time equivalent employees	160.80	177.25	171.25

DIVISION OF WORKERS' COMPENSATION - ADMINISTRATION

The Division of Workers' Compensation processes all reports of job-related injuries and formal claims for compensation filed with the division under the "Missouri Workers' Compensation Law." The division also resolves disputed issues between an employee and employer/insurer through mediation and/or evidentiary hearings conducted by its administrative law judges. The division administers the rehabilitation of seriously injured workers, resolves disputes concerning the reasonableness of medical fees and charges, reviews and approves applications by employers or group trusts for self-insurance authority, and investigates allegations of workers' compensation fraud and noncompliance.

Fiscal Year 2008 Governor's Recommendations

- \$121,759 other funds for pay plan.
- (\$292,728) other funds and (six) staff reallocated to realign core budget.
- (\$139,840) other funds core reduction from the Fiscal Year 2007 appropriation level.

SECOND INJURY FUND

The Second Injury Fund is designed to compensate an injured employee when a current work-related injury combines with any prior injury that creates an increased combined disability. For example, if an injured employee has a 15 percent disability from the current work-related injury and a 15 percent disability from the prior injury, and the combined disability is 40 percent, the fund pays for the increased disability. The fund is also responsible for payment of medical bills for injured employees when the employer fails to insure its workers' compensation liability. In addition, if the employee is killed, burial expenses and death benefits in the form of weekly payments to the surviving spouse or dependents of the employee are paid from the fund. The fund also provides benefits to injured employees undergoing physical rehabilitation. For injuries taking place after August 28, 1998, the fund also provides second job lost wage benefits.

Fiscal Year 2008 Governor's Recommendations

Continue funding at the current level.

CRIME VICTIMS' ADMINISTRATION

The Crime Victims' Administration Unit was established to investigate all claims by victims of crime which are filed with the division in order to determine eligibility under the statute and the amount of losses incurred. The unit fulfills these responsibilities by processing and investigating claims and awarding or denying compensation.

Fiscal Year 2008 Governor's Recommendations

- \$8,540 Crime Victims' Compensation Fund for pay plan.

DEPARTMENT OF LABOR AND INDUSTRIAL RELATIONS

DIVISION OF WORKERS' COMPENSATION (Continued)

CRIME VICTIMS' COMPENSATION BENEFITS

The Crime Victims' Compensation Program processes and awards benefits to eligible victims of violent crimes. Crime Victims' Compensation benefits are available to individuals who, through no fault of their own, find themselves victimized by violent crimes. Since benefits are only paid to recover expenditures made or wages lost as a result of their victimization, benefit recipients do not profit from the criminal violation. State funding to pay benefits is derived from a combination of court fees assessed in criminal cases and fines levied against individuals convicted of criminal activity. Federal grant dollars are also awarded based on the state's prior year expenditure for benefits.

Fiscal Year 2008 Governor's Recommendations

Continue funding at the current level.

TORT VICTIMS' COMPENSATION PAYMENTS

The Tort Victims' Compensation Fund provides benefits to individuals who have received a final monetary judgment in a civil case but who have been unable to collect all, or part of, the judgment entered against the defendant. Funding is provided from the Tort Victims' Compensation Fund. The fund's exclusive revenue source is 50 percent of all punitive damage awards entered in civil cases in Missouri. Of this amount, 74 percent is used to pay victims.

Fiscal Year 2008 Governor's Recommendations

Continue funding at the current level.

**DEPARTMENT OF LABOR AND INDUSTRIAL RELATIONS
DIVISION OF EMPLOYMENT SECURITY**

FINANCIAL SUMMARY

	FY 2006 EXPENDITURE	FY 2007 APPROPRIATION	GOVERNOR RECOMMENDS FY 2008
Administration	\$ 23,541,564	\$ 33,332,958	\$ 31,458,279
Special Employment Security Fund	16,873,158	15,141,511	8,455,778
War on Terror Unemployment Compensation Program	0	0	1,354,764
Employment and Training Payments	5,199,342	7,000,000	7,000,000
Board of Unemployment Fund Financing Bond Proceeds	0	1	1
TOTAL	\$ 45,614,064	\$ 55,474,470	\$ 48,268,822
Federal Funds	28,740,906	40,332,958	38,458,279
War on Terror Unemployment Compensation Program	0	0	1,354,764
Special Employment Security Bond Proceeds Fund	0	1	1
Special Employment Security Fund	16,873,158	15,141,511	8,455,778
Full-time equivalent employees	607.63	698.71	616.21

DIVISION OF EMPLOYMENT SECURITY - ADMINISTRATION

The Division of Employment Security is responsible for determining employer liability, collecting unemployment compensation taxes from Missouri liable employers, paying unemployment benefits to eligible claimants, maintaining wage records of Missouri workers, and investigating cases involving possible fraud and benefit overpayments.

Fiscal Year 2008 Governor's Recommendations

- \$750,492 federal funds for pay plan.
- (\$2,625,171) federal funds and (84) staff core reduction from the Fiscal Year 2007 appropriation level.

SPECIAL EMPLOYMENT SECURITY FUND

The Special Employment Security Fund is derived from interest and penalties collected under the provisions of the Missouri Employment Security Law. Expenditures from this fund are made in accordance with Section 288.310, RSMo, which includes refunds of overcollected interest and penalties and administrative expenses of the division not covered by the federal grant. The fund may also be used to acquire suitable office space for the division. Section 288.128, RSMo, provides for federal interest assessments on Title XII advances to the Unemployment Trust Fund to be deposited into this fund until payment to the federal government is made.

Fiscal Year 2008 Governor's Recommendations

- \$14,267 Special Employment Security Fund for pay plan.
- (\$6,700,000) Special Employment Security Fund core reduction from the Fiscal Year 2007 appropriation level.

WAR ON TERROR UNEMPLOYMENT COMPENSATION PROGRAM

The War on Terror Unemployment Compensation Program provides enhanced unemployment benefits to veterans of the War on Terror who have been dismissed or demoted as a result of being deployed. Benefits are paid out of the War on Terror Unemployment Compensation Fund, which consists of administrative penalties paid by employers found in violation of the statutory provisions.

Fiscal Year 2008 Governor's Recommendations

- \$1,354,764 War on Terror Unemployment Compensation Fund and 1.5 staff to provide unemployment benefits to veterans of the War on Terror.

DEPARTMENT OF LABOR AND INDUSTRIAL RELATIONS

DIVISION OF EMPLOYMENT SECURITY (Continued)

EMPLOYMENT AND TRAINING PAYMENTS

The Division of Employment Security operates employment and training programs authorized and funded by the U.S. Department of Labor as authorized by the North American Free Trade Agreement (NAFTA) and the Trade Adjustment Assistance (TAA) programs. The division contracts with the Division of Workforce Development and others to provide a full range of services. Services include referral to employer job openings, job readiness skills training, referral to classroom or employer training, as well as payment of support services such as transportation, subsistence, and relocation allowances.

Fiscal Year 2008 Governor's Recommendations

Continue funding at the current level.

BOARD OF UNEMPLOYMENT FUND FINANCING

The Board of Unemployment Fund Financing has authority to borrow up to \$450 million in credit instruments or financial agreements to fund the Unemployment Compensation Trust Fund in accordance with Sections 288.310, 288.330, and 288.128, RSMo.

Fiscal Year 2008 Governor's Recommendations

Continue funding at the current level.

MISSOURI COMMISSION ON HUMAN RIGHTS

The statutory mandate of the Missouri Commission on Human Rights (MCHR) is to prevent and eliminate discrimination as prohibited by the Missouri Human Rights Act. The act requires the MCHR to receive, investigate, and resolve complaints of alleged discrimination in the areas of housing, employment, and public accommodations due to race, color, religion, national origin, ancestry, sex, disability, or age (in employment only) and familial status (in housing only). Through its education and outreach program, the MCHR reduces intergroup conflict and discourages illegal discrimination.

Fiscal Year 2008 Governor's Recommendations

- \$44,745 for pay plan, including \$19,434 general revenue.