

# DEPARTMENT OF LABOR AND INDUSTRIAL RELATIONS

## FINANCIAL SUMMARY

	FY 2015 EXPENDITURE	FY 2016 APPROPRIATION	FY 2017 REQUEST	GOVERNOR RECOMMENDS FY 2017
Department Administration	\$ 9,087,695	\$ 13,296,328	\$ 13,296,328	\$ 13,453,344
Labor and Industrial Relations Commission	869,277	988,422	988,422	1,007,001
Division of Labor Standards	1,789,048	2,497,441	2,634,603	2,671,412
Division of Workers' Compensation	97,310,893	117,747,794	128,847,341	109,737,027
Division of Employment Security	37,940,198	54,638,043	50,638,042	51,133,725
State Board of Mediation	113,835	120,530	120,530	122,761
Missouri Commission on Human Rights	1,434,903	1,700,801	1,700,801	1,729,726
<b>DEPARTMENTAL TOTAL</b>	<b>\$ 148,545,849</b>	<b>\$ 190,989,359 *</b>	<b>\$ 198,226,067</b>	<b>\$ 179,854,996</b>
General Revenue Fund	1,826,436	2,248,549	2,370,711	2,403,729
Federal Funds	37,348,986	56,438,358	56,418,589	57,061,523
Martin Luther King, Jr. State Celebration Commission Fund	0	5,000	5,000	5,000
Tort Victims' Compensation Fund	366,060	1,004,836	1,004,836	1,004,836
Workers' Compensation Fund	10,422,907	21,864,015	13,569,174	13,810,505
Second Injury Fund	88,855,585	97,015,000	116,429,157	97,015,001
War on Terror Unemployment Compensation Fund	0	90,000	90,000	90,000
Child Labor Enforcement Fund	8,068	179,450	179,450	179,450
Workers Memorial Fund	0	0	0	100,000
Special Employment Security Fund	9,105,777	11,382,405	7,382,404	7,393,442
Unemployment Automation Fund	567,606	707,785	707,785	721,618
State Mine Inspection Fund	44,424	53,961	68,961	69,892
<b>Total Full-time Equivalent Employees</b>	<b>779.93</b>	<b>820.96</b>	<b>828.06</b>	<b>828.06</b>
General Revenue Fund	27.40	25.81	28.91	28.91
Federal Funds	576.65	602.31	602.31	602.31
Other Funds	175.88	192.84	196.84	196.84

\* Does not include \$22,916,230 recommended in the Fiscal Year 2016 Supplemental Appropriations. See the Supplemental section of the Missouri Budget for details regarding the Department of Labor and Industrial Relations supplemental appropriations.

## DEPARTMENT SUMMARY

The Fiscal Year 2017 budget provides \$179.9 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 or injured at work.
- Ensuring 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**

**FINANCIAL SUMMARY**

	FY 2015 EXPENDITURE	FY 2016 APPROPRIATION	GOVERNOR RECOMMENDS FY 2017
Director and Staff	\$ 156,965	\$ 1,450,000	\$ 1,450,000
Administrative Services	8,930,730	11,846,328	12,003,344
<b>TOTAL</b>	<b>\$ 9,087,695</b>	<b>\$ 13,296,328</b>	<b>\$ 13,453,344</b>
<b>EXPENSE AND EQUIPMENT</b>			
Federal Funds	156,965	1,450,000	1,450,000
<b>PROGRAM SPECIFIC DISTRIBUTION</b>			
General Revenue Fund	449,409	463,308	467,823
Federal Funds	6,536,900	9,165,279	9,293,185
Other Funds	1,944,421	2,217,741	2,242,336
<b>TOTAL</b>			
General Revenue Fund	449,409	463,308	467,823
Federal Funds	6,693,865	10,615,279	10,743,185
Other Funds	1,944,421	2,217,741	2,242,336
<b>Total Full-time Equivalent Employees</b>	<b>45.92</b>	<b>49.90</b>	<b>49.90</b>
General Revenue Fund	0.00	0.00	0.00
Federal Funds	45.92	49.90	49.90
Other Funds	0.00	0.00	0.00

The Director's Office provides leadership and supervision in the areas of policy, operation, and interagency coordination. Functions centralized within the Director's Office include: administrative services, financial management, human resources, legislative and public relations, research and analysis, and legal services. (Although spending authority is appropriated to Department Administration, for purposes of the Executive Budget, certain funds appear in other divisions of the department to more clearly reflect where dollars are spent.)

**Fiscal Year 2017 Governor's Recommendations**

- \$157,016 for increased transfer to the Department of Labor and Industrial Relations Administrative Fund for pay plan and related fringe increases, including \$6,131 general revenue.
- \$21,059 other funds reallocated for realignment of the federal cost allocation plan.
- (\$21,059) reallocated for realignment of the federal cost allocation plan, including (\$1,616) general revenue.

**DEPARTMENT OF LABOR AND INDUSTRIAL RELATIONS  
LABOR AND INDUSTRIAL RELATIONS COMMISSION**

**FINANCIAL SUMMARY**

	FY 2015 EXPENDITURE	FY 2016 APPROPRIATION	GOVERNOR RECOMMENDS FY 2017
Labor and Industrial Relations Commission			
TOTAL	\$ 869,277	\$ 988,422	\$ 1,007,001
<b>PERSONAL SERVICE</b>			
General Revenue Fund	8,343	9,354	11,086
Federal Funds	406,438	489,240	478,528
Other Funds	403,319	430,406	457,965
<b>EXPENSE AND EQUIPMENT</b>			
General Revenue Fund	1,057	594	695
Federal Funds	21,225	31,298	30,008
Other Funds	28,895	27,530	28,719
TOTAL			
General Revenue Fund	9,400	9,948	11,781
Federal Funds	427,663	520,538	508,536
Other Funds	432,214	457,936	486,684
Total Full-time Equivalent Employees	12.50	14.00	14.00
General Revenue Fund	0.21	0.41	0.41
Federal Funds	6.04	7.23	7.23
Other Funds	6.25	6.36	6.36

The three-member Labor and Industrial Relations Commission reviews appeals at the highest administrative level in workers' compensation, unemployment compensation, victims of crime compensation, tort victims' compensation, and prevailing wage cases. The commission conducts hearings and renders written opinions, which are subject to review by the judiciary. 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 2017 Governor's Recommendations**

- \$18,579 for pay plan, including \$217 general revenue.
- \$21,385 reallocated for realignment of the federal cost allocation plan, including \$1,616 general revenue.
- (\$21,385) federal funds reallocated for realignment of the federal cost allocation plan.

**DEPARTMENT OF LABOR AND INDUSTRIAL RELATIONS  
DIVISION OF LABOR STANDARDS**

**FINANCIAL SUMMARY**

	FY 2015 EXPENDITURE	FY 2016 APPROPRIATION	GOVERNOR RECOMMENDS FY 2017
Administration	\$ 717,285	\$ 911,112	\$ 1,063,379
On-Site Safety and Health Program	913,858	1,152,750	1,169,327
Mine Safety and Health Training Program	157,905	433,579	438,706
<b>TOTAL</b>	<b>\$ 1,789,048</b>	<b>\$ 2,497,441</b>	<b>\$ 2,671,412</b>
<b>PERSONAL SERVICE</b>			
General Revenue Fund	623,801	586,537	722,873
Federal Funds	658,358	889,444	907,233
Other Funds	234,716	242,311	247,157
<b>EXPENSE AND EQUIPMENT</b>			
General Revenue Fund	40,992	58,494	58,494
Federal Funds	176,060	488,644	488,644
Other Funds	55,121	232,011	247,011
<b>TOTAL</b>			
General Revenue Fund	664,793	645,031	781,367
Federal Funds	834,418	1,378,088	1,395,877
Other Funds	289,837	474,322	494,168
<b>Total Full-time Equivalent Employees</b>			
General Revenue Fund	35.24	35.90	39.00
Federal Funds	14.85	12.40	15.50
Other Funds	15.38	18.27	18.27
Other Funds	5.01	5.23	5.23

The Division of Labor Standards exists to assure the safety and health of Missouri workers. Staff conducts regular and special on-site inspections of businesses, industries, and commercial mines and caves. The division also provides free on-site safety and health consultations at the request of employers. 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 also conducts on-site inspections to assure compliance with Missouri's Child Labor Law.

**Fiscal Year 2017 Governor's Recommendations**

- \$122,162 and 3.1 staff for the Wage and Hour program.
- \$15,000 State Mine Inspection Fund for vehicle replacement.
- \$36,809 for pay plan, including \$14,174 general revenue.

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

**FINANCIAL SUMMARY**

	FY 2015 EXPENDITURE	FY 2016 APPROPRIATION	GOVERNOR RECOMMENDS FY 2017
Administration	\$ 8,089,308	\$ 19,732,794	\$ 11,722,026
Second Injury Fund Benefits	88,855,585	97,015,000	97,015,001
Tort Victims' Compensation Payments	366,000	1,000,000	1,000,000
<b>TOTAL</b>	<b>\$ 97,310,893</b>	<b>\$ 117,747,794</b>	<b>\$ 109,737,027</b>
<b>PERSONAL SERVICE</b>			
Other Funds	7,303,129	8,854,310	9,665,079
<b>EXPENSE AND EQUIPMENT</b>			
Other Funds	714,543	10,385,864	1,571,437
<b>PROGRAM SPECIFIC DISTRIBUTION</b>			
General Revenue Fund	49,994	450,000	450,000
Other Funds	89,243,227	98,057,620	98,050,511
<b>TOTAL</b>			
General Revenue Fund	49,994	450,000	450,000
Other Funds	97,260,899	117,297,794	109,287,027
<b>Total Full-time Equivalent Employees</b>	<b>138.32</b>	<b>152.25</b>	<b>156.25</b>
Other Funds	138.32	152.25	156.25

**ADMINISTRATION**

The Division of Workers' Compensation processes all reports of job-related injuries and formal claims for compensation filed with the division under Missouri Workers' Compensation Law. The division also resolves disputes between an employee and employer/insurer through mediation and/or evidentiary hearings, which are conducted by the division's 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 2017 Governor's Recommendations**

- \$1,220,530 Workers' Compensation Fund and ten staff pursuant to Section 287.610, RSMo.
- \$118,120 Workers' Compensation Fund to implement the recommendations of the Missouri Citizens' Commission on Compensation for Elected Officials.
- \$100,000 Workers Memorial Fund for the design and construction of a workers' memorial.
- \$85,722 Workers' Compensation Fund for pay plan.
- (\$6,535,140) Workers' Compensation Administration Fund and (six) staff core reduction from the Fiscal Year 2016 appropriation level.
- (\$3,000,000) Workers' Compensation Administration Fund transferred to the Office of the Administration – Information Technology Services Division for the maintenance of the Workers' Compensation computer system.

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

**SECOND INJURY FUND BENEFITS**

The Second Injury Fund is designed to compensate an injured employee when a current work-related injury combines with a prior injury to create an increased combined disability. For example, if an employee suffers a 15 percent disability from a current work-related injury and is already considered 15 percent disabled from a prior injury, the fund pays 10 percent for the resulting compound disability for a total of 40 percent impairment. 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 an employee is killed, burial expenses and death benefits in the form of weekly payments to the surviving spouse or dependents are paid from the fund. The fund also provides benefits to injured employees undergoing physical rehabilitation. For injuries taking place after August 28, 1998, but no later than December 31, 2013, the fund provides second job lost wage benefits. SB 1, signed into law on July 10, 2013, authorized a supplemental surcharge to provide funding to begin paying backlogged claims which have been held due to insufficient resources in the Second Injury Fund.

**Fiscal Year 2017 Governor's Recommendations**

- \$1 Second Injury Fund on an open-ended basis for second injury payments pursuant to Section 287.220, RSMo.

**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. 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, and the remaining 26 percent is transferred to the Basic Civil Legal Services Fund.

**Fiscal Year 2017 Governor's Recommendations**

Continue funding at the current level.

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

**FINANCIAL SUMMARY**

	FY 2015 EXPENDITURE	FY 2016 APPROPRIATION	GOVERNOR RECOMMENDS FY 2017
Administration	\$ 19,406,441	\$ 32,496,169	\$ 32,980,814
Special Employment Security Fund	8,875,450	11,051,874	7,062,911
War on Terror Unemployment Compensation Program	0	90,000	90,000
Employment and Training Payments	9,658,307	11,000,000	11,000,000
<b>TOTAL</b>	<b>\$ 37,940,198</b>	<b>\$ 54,638,043</b>	<b>\$ 51,133,725</b>
<b>PERSONAL SERVICE</b>			
Federal Funds	17,713,751	23,540,513	24,011,325
Other Funds	1,057,871	1,243,515	1,268,386
<b>EXPENSE AND EQUIPMENT</b>			
Federal Funds	717,010	8,246,701	7,823,696
Other Funds	3,690,239	5,939,642	5,949,823
<b>PROGRAM SPECIFIC DISTRIBUTION</b>			
Federal Funds	10,066,381	11,001,170	11,424,175
Other Funds	4,694,946	4,666,502	656,320
<b>TOTAL</b>			
Federal Funds	28,497,142	42,788,384	43,259,196
Other Funds	9,443,056	11,849,659	7,874,529
<b>Total Full-time Equivalent Employees</b>			
Federal Funds	516.28	534.21	534.21
Other Funds	489.98	505.21	505.21
Other Funds	26.30	29.00	29.00

**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 2017 Governor's Recommendations**

- \$484,645 federal and other funds for pay plan.

**SPECIAL EMPLOYMENT SECURITY FUND**

The Special Employment Security Fund receives interest and penalties collected under the provisions of the Missouri Employment Security Law. Expenditures from this fund include refunds of overcollected interest and penalties and administrative expenses of the division not covered by federal monies. Federal interest assessments on Title XII advances to the Unemployment Compensation Trust Fund are also deposited into this fund until payment to the federal government is made.

**Fiscal Year 2017 Governor's Recommendations**

- \$11,038 Special Employment Security Fund for pay plan.
- (\$4,000,001) Special Employment Security Fund core reduction from the Fiscal Year 2016 appropriation level.

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

**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 relevant statutory provisions.

**Fiscal Year 2017 Governor's Recommendations**

Continue funding at the current level.

**EMPLOYMENT AND TRAINING PAYMENTS**

The Division of Employment Security operates employment and training programs established and funded by the U.S. Department of Labor as authorized by the Disaster Unemployment Assistance and the Trade Adjustment Assistance programs. The division contracts with the Division of Workforce Development and others to provide a full range of services, which include referral to employer job openings, job readiness skills training, referral to classroom or employer training, and payment of support services such as transportation, subsistence, and relocation allowances.

**Fiscal Year 2017 Governor's Recommendations**

Continue funding at the current level.



**DEPARTMENT OF LABOR AND INDUSTRIAL RELATIONS  
STATE BOARD OF MEDIATION**

**FINANCIAL SUMMARY**

	FY 2015 EXPENDITURE	FY 2016 APPROPRIATION	GOVERNOR RECOMMENDS FY 2017
State Board of Mediation TOTAL	\$ 113,835	\$ 120,530	\$ 122,761
PERSONAL SERVICE	105,154	111,554	113,785
EXPENSE AND EQUIPMENT	8,681	8,976	8,976
TOTAL			
General Revenue Fund	113,835	120,530	122,761
Total Full-time Equivalent Employees	2.09	2.00	2.00
General Revenue Fund	2.09	2.00	2.00

The State Board of Mediation is a quasi-judicial board that is statutorily charged with determining appropriate bargaining units of public employees that request the establishment of such units and for conducting elections to determine the exclusive bargaining representative for those units.

**Fiscal Year 2017 Governor's Recommendations**

- \$2,231 for pay plan.

**DEPARTMENT OF LABOR AND INDUSTRIAL RELATIONS  
MISSOURI COMMISSION ON HUMAN RIGHTS**

**FINANCIAL SUMMARY**

	FY 2015 EXPENDITURE	FY 2016 APPROPRIATION	GOVERNOR RECOMMENDS FY 2017
Missouri Commission on Human Rights	\$ 1,405,720	\$ 1,665,715	\$ 1,694,640
Martin Luther King Jr. State Celebration Commission	29,183	35,086	35,086
<b>TOTAL</b>	<b>\$ 1,434,903</b>	<b>\$ 1,700,801</b>	<b>\$ 1,729,726</b>
<b>PERSONAL SERVICE</b>			
General Revenue Fund	493,974	513,308	523,573
Federal Funds	753,017	933,085	951,745
<b>EXPENSE AND EQUIPMENT</b>			
General Revenue Fund	18,674	22,424	20,067
Federal Funds	130,371	162,984	183,583
Other Funds	0	5,000	4,990
<b>PROGRAM SPECIFIC DISTRIBUTION</b>			
General Revenue Fund	26,357	24,000	26,357
Federal Funds	12,510	40,000	19,401
Other Funds	0	0	10
<b>TOTAL</b>			
General Revenue Fund	539,005	559,732	569,997
Federal Funds	895,898	1,136,069	1,154,729
Other Funds	0	5,000	5,000
<b>Total Full-time Equivalent Employees</b>			
General Revenue Fund	29.58	32.70	32.70
Federal Funds	10.25	11.00	11.00
Federal Funds	19.33	21.70	21.70

**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 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 2017 Governor's Recommendations**

- \$28,925 for pay plan, including \$10,265 general revenue.

**MARTIN LUTHER KING JR. STATE CELEBRATION COMMISSION**

The Martin Luther King Jr. State Celebration Commission considers and recommends to individuals and organizations appropriate activities for the recognition and celebration of Martin Luther King Day in Missouri.

**Fiscal Year 2017 Governor's Recommendations**

Continue funding at the current level.