

DEPARTMENT OF LABOR AND INDUSTRIAL RELATIONS

FINANCIAL SUMMARY

	FY 2013 EXPENDITURE	FY 2014 APPROPRIATION	FY 2015 REQUEST	GOVERNOR RECOMMENDS FY 2015
Department Administration	\$ 10,828,727	\$ 13,142,464	\$ 12,827,764	\$ 13,296,328
Labor and Industrial Relations Commission	770,598	976,221	979,723	991,691
Division of Labor Standards	2,039,415	2,788,756	2,770,687	2,626,533
Division of Workers' Compensation	51,441,485	58,187,057	103,278,466	103,389,810
Division of Employment Security	60,932,321	79,226,079	60,397,459	60,728,267
State Board of Mediation	54,323	118,948	119,448	120,968
Missouri Commission on Human Rights	1,422,749	1,630,408	1,773,193	1,706,273
DEPARTMENTAL TOTAL	\$ 127,489,618	\$ 156,069,933 *	\$ 182,146,740	\$ 182,859,870
General Revenue Fund	1,953,797	2,204,419	2,341,177	2,375,922
Federal Funds	46,728,551	67,280,858	55,867,198	56,503,466
Martin Luther King, Jr. State Celebration Commission Fund	0	5,000	5,000	5,000
Tort Victims' Compensation Fund	495,022	1,004,836	1,004,836	1,004,836
Workers' Compensation Fund	10,612,142	12,095,437	17,425,362	17,554,054
Second Injury Fund	42,517,278	47,359,511	87,000,000	87,000,000
War on Terror Unemployment Compensation Fund	0	90,000	90,000	90,000
Child Labor Enforcement Fund	11,150	179,450	179,450	179,450
Special Employment Security Fund	25,080,166	25,593,117	17,361,676	17,384,455
Unemployment Automation Fund	62,147	204,055	705,735	708,553
Mine Inspection Fund	29,365	53,250	166,306	54,134
Total Full-time Equivalent Employees	915.23	823.06	847.28	826.06
General Revenue Fund	28.69	28.91	28.91	28.91
Federal Funds	724.79	615.61	615.38	602.88
Other Funds	161.75	178.54	202.99	194.27

* Does not include \$10,363,246 recommended in the Fiscal Year 2014 Supplemental Appropriations. See the Supplemental section of the Missouri Budget for details regarding Department of Labor and Industrial Relations supplemental appropriations.

DEPARTMENT SUMMARY

The Fiscal Year 2015 budget provides \$182.9 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 2013 EXPENDITURE	FY 2014 APPROPRIATION	GOVERNOR RECOMMENDS FY 2015
Director and Staff	\$ 952,999	\$ 1,764,700	\$ 1,450,000
Administrative Services	<u>9,875,728</u>	<u>11,377,764</u>	<u>11,846,328</u>
TOTAL	\$ 10,828,727	\$ 13,142,464	\$ 13,296,328
EXPENSE AND EQUIPMENT			
Federal Funds	952,999	1,764,700	1,450,000
PROGRAM SPECIFIC DISTRIBUTION			
General Revenue Fund	304,306	316,140	463,308
Federal Funds	7,618,687	9,098,090	9,165,279
Other Funds	1,952,735	1,963,534	2,217,741
TOTAL			
General Revenue Fund	304,306	316,140	463,308
Federal Funds	8,571,686	10,862,790	10,615,279
Other Funds	1,952,735	1,963,534	2,217,741
Total Full-time Equivalent Employees	46.14	49.90	49.90
Federal Funds	46.14	49.90	49.90

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 2015 Governor's Recommendations

- \$813,359 for increased transfer to the Department of Labor and Industrial Relations Administrative Fund for pay plan and related fringe increases, including \$145,999 general revenue.
- \$1,169 reallocated for realignment of the federal cost allocation plan.
- (\$344,795) federal and other funds core reduction from the Fiscal Year 2014 appropriation level.
- (\$314,700) federal funds reallocated to the Division of Employment Security for supply purchases.
- (\$1,169) Workers' Compensation Fund reallocated for realignment of the federal cost allocation plan.

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

FINANCIAL SUMMARY

	FY 2013 EXPENDITURE	FY 2014 APPROPRIATION	GOVERNOR RECOMMENDS FY 2015
Labor and Industrial Relations Commission TOTAL	\$ 770,598	\$ 976,221	\$ 991,691
PERSONAL SERVICE			
General Revenue Fund	8,156	9,516	8,892
Federal Funds	415,808	480,452	437,306
Other Funds	303,756	376,827	436,067
EXPENSE AND EQUIPMENT			
General Revenue Fund	1,527	1,415	1,094
Federal Funds	18,606	60,588	54,166
Other Funds	22,745	47,423	54,166
TOTAL			
General Revenue Fund	9,683	10,931	9,986
Federal Funds	434,414	541,040	491,472
Other Funds	326,501	424,250	490,233
Total Full-time Equivalent Employees	11.96	14.00	14.00
General Revenue Fund	0.21	0.41	0.41
Federal Funds	6.50	9.24	7.80
Other Funds	5.25	4.35	5.79

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 2015 Governor's Recommendations

- \$11,968 for pay plan, including \$121 general revenue.
- \$3,502 for the remaining pay periods of the Fiscal Year 2014 approved pay plan, including \$103 general revenue.
- \$58,979 Workers' Compensation Fund reallocated for the realignment of the federal cost allocation plan.
- (\$58,979) reallocated for realignment of the federal cost allocation plan, including (\$1,169) general revenue.

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

FINANCIAL SUMMARY

	FY 2013 EXPENDITURE	FY 2014 APPROPRIATION	GOVERNOR RECOMMENDS FY 2015
Administration	\$ 873,743	\$ 1,218,799	\$ 1,036,175
On-Site Safety and Health Program	976,384	1,140,293	1,155,829
Mine Safety and Health Training Program	189,288	429,664	434,529
TOTAL	\$ 2,039,415	\$ 2,788,756	\$ 2,626,533
PERSONAL SERVICE			
General Revenue Fund	665,928	697,777	711,299
Federal Funds	636,397	876,070	892,747
Other Funds	303,312	336,606	243,210
EXPENSE AND EQUIPMENT			
General Revenue Fund	50,051	58,622	58,622
Federal Funds	317,828	488,644	488,644
Other Funds	65,899	331,037	232,011
TOTAL			
General Revenue Fund	715,979	756,399	769,921
Federal Funds	954,225	1,364,714	1,381,391
Other Funds	369,211	667,643	475,221
Total Full-time Equivalent Employees			
General Revenue Fund	38.07	41.00	39.00
Federal Funds	16.06	15.50	15.50
Other Funds	15.19	18.27	18.27
	6.82	7.23	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 2015 Governor's Recommendations

- \$25,056 for pay plan, including \$9,647 general revenue.
- \$9,751 for the remaining pay periods of the Fiscal Year 2014 approved pay plan, including \$3,875 general revenue.
- (\$197,030) Workers' Compensation Fund and (two) staff reallocated to move the Workers' Safety Unit to the Division of Workers' Compensation.

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

FINANCIAL SUMMARY

	FY 2013 EXPENDITURE	FY 2014 APPROPRIATION	GOVERNOR RECOMMENDS FY 2015
Administration	\$ 8,429,207	\$ 9,827,546	\$ 15,389,810
Second Injury Fund Benefits	42,517,278	47,359,511	87,000,000
Tort Victims' Compensation Payments	<u>495,000</u>	<u>1,000,000</u>	<u>1,000,000</u>
TOTAL	\$ 51,441,485	\$ 58,187,057	\$ 103,389,810
PERSONAL SERVICE			
Other Funds	7,278,557	7,971,380	8,622,615
EXPENSE AND EQUIPMENT			
Other Funds	790,672	1,365,166	6,276,194
PROGRAM SPECIFIC DISTRIBUTION			
General Revenue Fund	324,975	450,000	450,000
Other Funds	43,047,281	48,400,511	88,041,001
TOTAL			
General Revenue Fund	324,975	450,000	450,000
Other Funds	51,116,510	57,737,057	102,939,810
Total Full-time Equivalent Employees	142.42	149.25	154.25
Other Funds	142.42	149.25	154.25

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 2015 Governor's Recommendations

- \$5,114,012 Workers' Compensation Fund and three staff for system design and development of a Workers' Compensation computer system modernization project.
- \$111,315 Workers' Compensation Fund for the implementation of SB 1 (2013).
- \$111,344 Workers' Compensation Fund for pay plan.
- \$28,563 Workers' Compensation Fund for the remaining pay periods of the Fiscal Year 2014 approved pay plan.
- \$197,030 Workers' Compensation Fund and two staff reallocated to move the Workers' Safety Unit from the Division of Labor Standards.

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, 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 2015 Governor's Recommendations

- \$39,640,489 Second Injury Fund for additional payments of second injury payments due to SB 1 (2013).

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

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 2015 Governor's Recommendations

Continue funding at the current level.

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

FINANCIAL SUMMARY

	FY 2013 EXPENDITURE	FY 2014 APPROPRIATION	GOVERNOR RECOMMENDS FY 2015
Administration	\$ 26,872,982	\$ 42,642,962	\$ 32,584,343
Special Employment Security Fund	24,980,166	25,493,117	17,053,924
War on Terror Unemployment Compensation Program	0	90,000	90,000
Employment and Training Payments	<u>9,079,173</u>	<u>11,000,000</u>	<u>11,000,000</u>
TOTAL	\$ 60,932,321	\$ 79,226,079	\$ 60,728,267
PERSONAL SERVICE			
Federal Funds	22,043,918	23,178,515	23,627,919
Other Funds	278,726	722,206	1,246,333
EXPENSE AND EQUIPMENT			
Federal Funds	3,007,501	19,259,192	8,246,671
Other Funds	2,444,907	5,407,255	5,948,433
PROGRAM SPECIFIC DISTRIBUTION			
Federal Funds	10,838,589	11,001,200	11,001,200
Other Funds	22,318,680	19,657,711	10,657,711
TOTAL			
Federal Funds	35,890,008	53,438,907	42,875,790
Other Funds	25,042,313	25,787,172	17,852,477
Total Full-time Equivalent Employees			
Federal Funds	645.40	534.21	534.21
Other Funds	638.14	516.50	505.21
Other Funds	7.26	17.71	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 2015 Governor's Recommendations

- \$500,805 Unemployment Automation Fund to ensure the new unemployment insurance computer system meets the programmatic needs of the Division of Employment Security.
- \$323,295 federal and other funds for pay plan.
- \$129,802 federal and other funds for the remaining pay periods of the Fiscal Year 2014 approved pay plan.
- \$314,700 federal funds reallocated from Department Administration for supply purchases.
- (\$9,241,265) federal funds core reduction from the Fiscal Year 2014 appropriation level.
- (\$2,085,956) federal funds core reduction for one-time expenditures.
- (.79) staff reallocated to Special Employment Security Fund.

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 2015 Governor's Recommendations

- \$7,513 Special Employment Security Fund for pay plan.
- \$3,751 Special Employment Security Fund for the remaining pay periods of the Fiscal Year 2014 approved pay plan.
- (\$8,450,457) Special Employment Security Fund core reduction from the Fiscal Year 2014 appropriation level.
- .79 staff reallocated from Division of Employment Security Administration.

**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 2015 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 2015 Governor's Recommendations

Continue funding at the current level.

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

FINANCIAL SUMMARY

	FY 2013 EXPENDITURE	FY 2014 APPROPRIATION	GOVERNOR RECOMMENDS FY 2015
State Board of Mediation TOTAL	\$ 54,323	\$ 118,948	\$ 120,968
PERSONAL SERVICE	51,894	109,948	111,968
EXPENSE AND EQUIPMENT	2,429	9,000	9,000
TOTAL			
General Revenue Fund	54,323	118,948	120,968
Total Full-time Equivalent Employees	1.19	2.00	2.00
General Revenue Fund	1.19	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 2015 Governor's Recommendations

- \$1,520 for pay plan.
- \$500 for the remaining pay periods of the Fiscal Year 2014 approved pay plan.

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

FINANCIAL SUMMARY

	FY 2013 EXPENDITURE	FY 2014 APPROPRIATION	GOVERNOR RECOMMENDS FY 2015
Missouri Commission on Human Rights	\$ 1,396,633	\$ 1,595,280	\$ 1,671,145
Martin Luther King Jr. State Celebration Commission	26,116	35,128	35,128
TOTAL	\$ 1,422,749	\$ 1,630,408	\$ 1,706,273
PERSONAL SERVICE			
General Revenue Fund	502,339	505,475	515,213
Federal Funds	740,983	918,423	936,550
EXPENSE AND EQUIPMENT			
General Revenue Fund	18,974	46,526	22,526
Federal Funds	101,343	134,984	162,984
Other Funds	0	5,000	5,000
PROGRAM SPECIFIC DISTRIBUTION			
General Revenue Fund	23,218	0	24,000
Federal Funds	35,892	20,000	40,000
TOTAL			
General Revenue Fund	544,531	552,001	561,739
Federal Funds	878,218	1,073,407	1,139,534
Other Funds	0	5,000	5,000
Total Full-time Equivalent Employees			
General Revenue Fund	30.05	32.70	32.70
Federal Funds	11.23	11.00	11.00
Other Funds	18.82	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 2015 Governor's Recommendations

- \$48,000 federal funds for expanded education and outreach on the Fair Housing Law.
- \$19,690 for pay plan, including \$6,988 general revenue.
- \$8,175 for the remaining pay periods of the Fiscal Year 2014 approved pay plan, including \$2,750 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 2015 Governor's Recommendations

Continue funding at the current level.