

# DEPARTMENT OF LABOR AND INDUSTRIAL RELATIONS

## FINANCIAL SUMMARY

	FY 2014 EXPENDITURE	FY 2015 APPROPRIATION	FY 2016 REQUEST	GOVERNOR RECOMMENDS FY 2016
Department Administration	\$ 9,472,491	\$ 13,296,328	\$ 13,296,328	\$ 13,296,328
Labor and Industrial Relations Commission	876,758	983,708	988,422	988,422
Division of Labor Standards	1,742,767	2,609,700	2,619,570	2,619,570
Division of Workers' Compensation	59,598,982	106,429,574	117,756,285	111,477,560
Division of Employment Security	59,700,655	60,507,727	54,638,043	54,638,043
State Board of Mediation	53,549	119,931	120,530	120,530
Missouri Commission on Human Rights	1,367,472	1,693,045	1,700,801	1,700,801
<b>DEPARTMENTAL TOTAL</b>	<b>\$ 132,812,674</b>	<b>\$ 185,640,013</b>	<b>\$ 191,119,979</b>	<b>\$ 184,841,254</b>
General Revenue Fund	1,750,889	2,363,480	2,370,678	2,370,678
Federal Funds	50,060,289	56,269,319	56,438,358	56,438,358
Martin Luther King, Jr. State Celebration Commission Fund	0	5,000	5,000	5,000
Tort Victims' Compensation Fund	35	1,004,836	1,004,836	1,004,836
Workers' Compensation Fund	10,754,958	17,456,097	21,872,506	22,476,780
Second Injury Fund	50,863,033	90,132,000	97,015,000	90,132,001
War on Terror Unemployment Compensation Fund	0	90,000	90,000	90,000
Child Labor Enforcement Fund	8,090	179,450	179,450	179,450
Special Employment Security Fund	19,123,191	17,379,446	11,382,405	11,382,405
Unemployment Automation Fund	203,282	706,674	707,785	707,785
State Mine Inspection Fund	48,907	53,711	53,961	53,961
<b>Total Full-time Equivalent Employees</b>	<b>831.31</b>	<b>826.06</b>	<b>829.06</b>	<b>829.06</b>
General Revenue Fund	26.45	28.91	28.91	28.91
Federal Funds	634.22	602.88	602.31	602.31
Other Funds	170.64	194.27	197.84	197.84

## DEPARTMENT SUMMARY

The Fiscal Year 2016 budget provides \$184.8 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 2014 EXPENDITURE	FY 2015 APPROPRIATION	GOVERNOR RECOMMENDS FY 2016
Director and Staff	\$ 204,561	\$ 1,450,000	\$ 1,450,000
Administrative Services	9,267,930	11,846,328	11,846,328
<b>TOTAL</b>	<b>\$ 9,472,491</b>	<b>\$ 13,296,328</b>	<b>\$ 13,296,328</b>
<b>EXPENSE AND EQUIPMENT</b>			
Federal Funds	204,561	1,450,000	1,450,000
<b>PROGRAM SPECIFIC DISTRIBUTION</b>			
General Revenue Fund	306,656	463,308	463,308
Federal Funds	7,303,624	9,165,279	9,165,279
Other Funds	1,657,650	2,217,741	2,217,741
<b>TOTAL</b>			
General Revenue Fund	306,656	463,308	463,308
Federal Funds	7,508,185	10,615,279	10,615,279
Other Funds	1,657,650	2,217,741	2,217,741
<b>Total Full-time Equivalent Employees</b>	<b>44.58</b>	<b>49.90</b>	<b>49.90</b>
General Revenue Fund	0.00	0.00	0.00
Federal Funds	44.58	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 2016 Governor's Recommendations**

Continue funding at the current level.

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

**FINANCIAL SUMMARY**

	FY 2014 EXPENDITURE	FY 2015 APPROPRIATION	GOVERNOR RECOMMENDS FY 2016
Labor and Industrial Relations Commission TOTAL	\$ 876,758	\$ 983,708	\$ 988,422
<b>PERSONAL SERVICE</b>			
General Revenue Fund	9,231	8,811	9,354
Federal Funds	461,280	433,352	489,240
Other Funds	357,630	432,123	430,406
<b>EXPENSE AND EQUIPMENT</b>			
General Revenue Fund	1,373	1,090	594
Federal Funds	11,183	54,166	31,298
Other Funds	36,061	54,166	27,530
<b>TOTAL</b>			
General Revenue Fund	10,604	9,901	9,948
Federal Funds	472,463	487,518	520,538
Other Funds	393,691	486,289	457,936
<b>Total Full-time Equivalent Employees</b>	<b>12.97</b>	<b>14.00</b>	<b>14.00</b>
General Revenue Fund	0.22	0.41	0.41
Federal Funds	7.28	7.80	7.23
Other Funds	5.47	5.79	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 2016 Governor's Recommendations**

- \$4,714 for the remaining pay periods of the Fiscal Year 2015 approved pay plan, including \$47 general revenue.
- \$30,537 federal funds reallocated for the realignment of the federal cost allocation plan.
- (\$30,537) Workers' Compensation Fund reallocated for realignment of the federal cost allocation plan.

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

**FINANCIAL SUMMARY**

	FY 2014 EXPENDITURE	FY 2015 APPROPRIATION	GOVERNOR RECOMMENDS FY 2016
Administration	\$ 736,817	\$ 1,029,192	\$ 1,033,241
On-Site Safety and Health Program	843,243	1,148,305	1,152,750
Mine Safety and Health Training Program	162,707	432,203	433,579
<b>TOTAL</b>	<b>\$ 1,742,767</b>	<b>\$ 2,609,700</b>	<b>\$ 2,619,570</b>
<b>PERSONAL SERVICE</b>			
General Revenue Fund	561,519	704,867	708,666
Federal Funds	633,604	884,674	889,444
Other Funds	302,627	241,010	242,311
<b>EXPENSE AND EQUIPMENT</b>			
General Revenue Fund	38,062	58,494	58,494
Federal Funds	134,896	488,644	488,644
Other Funds	72,059	232,011	232,011
<b>TOTAL</b>			
General Revenue Fund	599,581	763,361	767,160
Federal Funds	768,500	1,373,318	1,378,088
Other Funds	374,686	473,021	474,322
<b>Total Full-time Equivalent Employees</b>			
General Revenue Fund	35.50	39.00	39.00
Federal Funds	13.61	15.50	15.50
Other Funds	15.15	18.27	18.27
Other Funds	6.74	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 2016 Governor's Recommendations**

- \$9,870 for the remaining pay periods of the Fiscal Year 2015 approved pay plan, including \$3,799 general revenue.

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

**FINANCIAL SUMMARY**

	FY 2014 EXPENDITURE	FY 2015 APPROPRIATION	GOVERNOR RECOMMENDS FY 2016
Administration	\$ 8,735,949	\$ 15,297,574	\$ 20,345,559
Second Injury Fund Benefits	50,863,033	90,132,000	90,132,001
Tort Victims' Compensation Payments	0	1,000,000	1,000,000
<b>TOTAL</b>	<b>\$ 59,598,982</b>	<b>\$ 106,429,574</b>	<b>\$ 111,477,560</b>
<b>PERSONAL SERVICE</b>			
Other Funds	7,315,818	8,530,379	9,467,075
<b>EXPENSE AND EQUIPMENT</b>			
Other Funds	1,139,448	6,276,194	10,385,864
<b>PROGRAM SPECIFIC DISTRIBUTION</b>			
General Revenue Fund	249,986	450,000	450,000
Other Funds	50,893,730	91,173,001	91,174,621
<b>TOTAL</b>			
General Revenue Fund	249,986	450,000	450,000
Other Funds	59,348,996	105,979,574	111,027,560
<b>Total Full-time Equivalent Employees</b>	<b>139.32</b>	<b>154.25</b>	<b>157.25</b>
Other Funds	139.32	154.25	157.25

**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 2016 Governor's Recommendations**

- \$4,421,128 Workers' Compensation Fund and three staff for system design and development of a Workers' Compensation computer system modernization project.
- \$604,274 Workers' Compensation Fund to implement the recommendations of the Missouri Citizens' Commission on Compensation for Elected Officials.
- \$22,583 Workers' Compensation Fund for the remaining pay periods of the Fiscal Year 2015 approved pay plan.

**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 2016 Governor's Recommendations**

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

**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 2016 Governor's Recommendations**

Continue funding at the current level.

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

**FINANCIAL SUMMARY**

	FY 2014 EXPENDITURE	FY 2015 APPROPRIATION	GOVERNOR RECOMMENDS FY 2016
Administration	\$ 30,937,021	\$ 32,368,812	\$ 32,496,169
Special Employment Security Fund	19,023,191	17,048,915	11,051,874
War on Terror Unemployment Compensation Program	0	90,000	90,000
Employment and Training Payments	9,740,443	11,000,000	11,000,000
<b>TOTAL</b>	<b>\$ 59,700,655</b>	<b>\$ 60,507,727</b>	<b>\$ 54,638,043</b>
<b>PERSONAL SERVICE</b>			
Federal Funds	19,434,384	23,414,267	23,540,513
Other Funds	720,944	1,239,445	1,243,515
<b>EXPENSE AND EQUIPMENT</b>			
Federal Funds	9,642,968	8,246,671	8,246,701
Other Funds	4,840,289	5,948,433	5,939,642
<b>PROGRAM SPECIFIC DISTRIBUTION</b>			
Federal Funds	11,396,830	11,001,200	11,001,170
Other Funds	13,665,240	10,657,711	4,666,502
<b>TOTAL</b>			
Federal Funds	40,474,182	42,662,138	42,788,384
Other Funds	19,226,473	17,845,589	11,849,659
<b>Total Full-time Equivalent Employees</b>			
Federal Funds	568.24	534.21	534.21
Other Funds	549.13	505.21	505.21
Other Funds	19.11	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 2016 Governor's Recommendations**

- \$127,357 federal and other funds for the remaining pay periods of the Fiscal Year 2015 approved 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 2016 Governor's Recommendations**

- \$2,959 Special Employment Security Fund for the remaining pay periods of the Fiscal Year 2015 approved pay plan.
- (\$6,000,000) Special Employment Security Fund core reduction from the Fiscal Year 2015 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 2016 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 2016 Governor's Recommendations**

Continue funding at the current level.

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

**FINANCIAL SUMMARY**

	FY 2014 EXPENDITURE	FY 2015 APPROPRIATION	GOVERNOR RECOMMENDS FY 2016
State Board of Mediation TOTAL	\$ 53,549	\$ 119,931	\$ 120,530
PERSONAL SERVICE	51,483	110,955	111,554
EXPENSE AND EQUIPMENT	2,066	8,976	8,976
TOTAL			
General Revenue Fund	53,549	119,931	120,530
Total Full-time Equivalent Employees	1.16	2.00	2.00
General Revenue Fund	1.16	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 2016 Governor's Recommendations**

- \$599 for the remaining pay periods of the Fiscal Year 2015 approved pay plan.

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

**FINANCIAL SUMMARY**

	FY 2014 EXPENDITURE	FY 2015 APPROPRIATION	GOVERNOR RECOMMENDS FY 2016
Missouri Commission on Human Rights	\$ 1,338,433	\$ 1,657,959	\$ 1,665,715
Martin Luther King Jr. State Celebration Commission	29,039	35,086	35,086
<b>TOTAL</b>	<b>\$ 1,367,472</b>	<b>\$ 1,693,045</b>	<b>\$ 1,700,801</b>
<b>PERSONAL SERVICE</b>			
General Revenue Fund	485,568	510,555	513,308
Federal Funds	739,883	928,082	933,085
<b>EXPENSE AND EQUIPMENT</b>			
General Revenue Fund	19,191	22,424	22,424
Federal Funds	90,326	162,984	162,984
Other Funds	0	5,000	5,000
<b>PROGRAM SPECIFIC DISTRIBUTION</b>			
General Revenue Fund	25,754	24,000	24,000
Federal Funds	6,750	40,000	40,000
<b>TOTAL</b>			
General Revenue Fund	530,513	556,979	559,732
Federal Funds	836,959	1,131,066	1,136,069
Other Funds	0	5,000	5,000
<b>Total Full-time Equivalent Employees</b>			
General Revenue Fund	29.54	32.70	32.70
Federal Funds	11.46	11.00	11.00
Other Funds	18.08	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 2016 Governor's Recommendations**

- \$7,756 for the remaining pay periods of the Fiscal Year 2015 approved pay plan, including \$2,753 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 2016 Governor's Recommendations**

Continue funding at the current level.