

# DEPARTMENT OF LABOR AND INDUSTRIAL RELATIONS

## FINANCIAL SUMMARY

	FY 2016 EXPENDITURE	FY 2017 APPROPRIATION	FY 2018 REQUEST	GOVERNOR RECOMMENDS FY 2018
Department Administration	\$ 9,345,890	\$ 13,453,344	\$ 13,453,344	\$ 13,453,344
Labor and Industrial Relations Commission	853,721	1,007,001	1,007,001	1,007,001
Division of Labor Standards	1,809,028	2,627,160	2,612,160	2,612,160
Division of Workers' Compensation	112,319,461	146,427,746	146,427,746	152,246,746
Division of Employment Security	31,393,680	51,133,725	51,133,725	51,433,941
State Board of Mediation	112,982	122,761	122,761	122,761
Missouri Commission on Human Rights	1,429,874	1,754,726	1,754,726	1,754,726
<b>DEPARTMENTAL TOTAL</b>	<b>\$ 157,264,636</b>	<b>\$ 216,526,463 *</b>	<b>\$ 216,511,463</b>	<b>\$ 222,630,679</b>
General Revenue Fund	1,839,266	2,384,477	2,384,477	2,384,477
Federal Funds	35,330,931	57,061,523	57,347,838	57,648,054
Martin Luther King, Jr. State Celebration				
Commission Fund	0	5,000	5,000	5,000
Tort Victims' Compensation Fund	13	1,004,836	1,004,836	1,004,836
Workers' Compensation Fund	10,922,741	13,305,392	13,305,392	19,124,392
Second Injury Fund	103,544,278	134,060,833	134,060,833	134,060,833
War on Terror Unemployment				
Compensation Fund	0	90,000	90,000	90,000
Child Labor Enforcement Fund	5,801	179,450	179,450	179,450
Workers Memorial Fund	0	250,000	250,000	250,000
Special Employment Security Fund	4,868,608	7,393,442	7,393,442	7,393,442
Unemployment Automation Fund	707,364	721,618	435,303	435,303
State Mine Inspection Fund	45,634	69,892	54,892	54,892
<b>Total Full-time Equivalent Employees</b>	<b>747.07</b>	<b>822.96</b>	<b>822.96</b>	<b>827.96</b>
General Revenue Fund	25.89	27.81	27.81	27.81
Federal Funds	547.27	602.31	609.99	614.99
Other Funds	173.91	192.84	185.16	185.16

\* Does not include \$15,613 recommended in the Fiscal Year 2017 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 2018 budget provides \$222.6 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 2016 EXPENDITURE	FY 2017 APPROPRIATION	GOVERNOR RECOMMENDS FY 2018
Director and Staff	\$ 311,709	\$ 1,450,000	\$ 1,450,000
Administrative Services	9,034,181	12,003,344	12,003,344
<b>TOTAL</b>	<b>\$ 9,345,890</b>	<b>\$ 13,453,344</b>	<b>\$ 13,453,344</b>
<b>EXPENSE AND EQUIPMENT</b>			
Federal Funds	311,709	1,450,000	1,450,000
<b>PROGRAM SPECIFIC DISTRIBUTION</b>			
General Revenue Fund	449,409	467,823	469,534
Federal Funds	6,580,015	9,293,185	9,221,789
Other Funds	2,004,757	2,242,336	2,312,021
<b>TOTAL</b>			
General Revenue Fund	449,409	467,823	469,534
Federal Funds	6,891,724	10,743,185	10,671,789
Other Funds	2,004,757	2,242,336	2,312,021
<b>Total Full-time Equivalent Employees</b>	<b>45.42</b>	<b>49.90</b>	<b>49.90</b>
General Revenue Fund	0.00	0.00	0.00
Federal Funds	45.42	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 2018 Governor's Recommendations**

- \$71,396 reallocated for realignment of the federal cost allocation plan, including \$1,711 general revenue.
- (\$71,396) federal funds reallocated for realignment of the federal cost allocation plan.

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

**FINANCIAL SUMMARY**

	FY 2016 EXPENDITURE	FY 2017 APPROPRIATION	GOVERNOR RECOMMENDS FY 2018
Labor and Industrial Relations Commission TOTAL	\$ 853,721	\$ 1,007,001	\$ 1,007,001
<b>PERSONAL SERVICE</b>			
General Revenue Fund	9,073	11,086	9,476
Federal Funds	440,814	478,528	545,711
Other Funds	366,493	457,965	392,392
<b>EXPENSE AND EQUIPMENT</b>			
General Revenue Fund	576	695	594
Federal Funds	17,492	30,008	34,221
Other Funds	19,273	28,719	24,607
<b>TOTAL</b>			
General Revenue Fund	9,649	11,781	10,070
Federal Funds	458,306	508,536	579,932
Other Funds	385,766	486,684	416,999
<b>Total Full-time Equivalent Employees</b>	<b>12.48</b>	<b>14.00</b>	<b>14.00</b>
General Revenue Fund	0.23	0.41	0.41
Federal Funds	6.57	7.23	7.91
Other Funds	5.68	6.36	5.68

The three-member Labor and Industrial Relations Commission reviews appeals at the highest administrative level in workers' compensation, unemployment 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 2018 Governor's Recommendations**

- \$71,396 federal funds reallocated for realignment of the federal cost allocation plan.
- (\$71,396) reallocated for realignment of the federal cost allocation plan, including (\$1,711) general revenue.

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

**FINANCIAL SUMMARY**

	FY 2016 EXPENDITURE	FY 2017 APPROPRIATION	GOVERNOR RECOMMENDS FY 2018
Administration	\$ 650,762	\$ 1,019,127	\$ 1,004,127
On-Site Safety and Health Program	898,427	1,169,327	1,169,327
Mine Safety and Health Training Program	259,839	438,706	438,706
<b>TOTAL</b>	<b>\$ 1,809,028</b>	<b>\$ 2,627,160</b>	<b>\$ 2,612,160</b>
<b>PERSONAL SERVICE</b>			
General Revenue Fund	552,967	678,621	678,621
Federal Funds	704,210	907,233	907,233
Other Funds	213,696	247,157	247,157
<b>EXPENSE AND EQUIPMENT</b>			
General Revenue Fund	46,360	58,494	58,494
Federal Funds	241,477	488,634	488,544
Other Funds	50,318	247,011	232,011
<b>PROGRAM SPECIFIC DISTRIBUTION</b>			
Federal Funds	0	10	100
<b>TOTAL</b>			
General Revenue Fund	599,327	737,115	737,115
Federal Funds	945,687	1,395,877	1,395,877
Other Funds	264,014	494,168	479,168
<b>Total Full-time Equivalent Employees</b>			
General Revenue Fund	33.03	37.90	37.90
Federal Funds	12.80	14.40	14.40
Other Funds	15.71	18.27	18.27
Other Funds	4.52	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 2018 Governor's Recommendations**

- (\$15,000) State Mine Inspection Fund core reduction from the Fiscal Year 2017 appropriation level.

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

**FINANCIAL SUMMARY**

	FY 2016 EXPENDITURE	FY 2017 APPROPRIATION	GOVERNOR RECOMMENDS FY 2018
Administration	\$ 8,775,183	\$ 11,366,913	\$ 17,185,913
Second Injury Fund Benefits	103,544,278	134,060,833	134,060,833
Tort Victims' Compensation Payments	0	1,000,000	1,000,000
<b>TOTAL</b>	<b>\$ 112,319,461</b>	<b>\$ 146,427,746</b>	<b>\$ 152,246,746</b>
<b>PERSONAL SERVICE</b>			
Other Funds	7,390,506	9,159,966	9,159,966
<b>EXPENSE AND EQUIPMENT</b>			
Other Funds	1,237,372	1,721,437	7,553,945
<b>PROGRAM SPECIFIC DISTRIBUTION</b>			
General Revenue Fund	125,000	450,000	450,000
Other Funds	103,566,583	135,096,343	135,082,835
<b>TOTAL</b>			
General Revenue Fund	125,000	450,000	450,000
Other Funds	112,194,461	145,977,746	151,796,746
<b>Total Full-time Equivalent Employees</b>	<b>131.45</b>	<b>152.25</b>	<b>152.25</b>
Other Funds	131.45	152.25	152.25

**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 2018 Governor's Recommendations**

- \$5,900,000 Workers' Compensation Fund for the Workers' Compensation Modernization Project.
- (\$81,000) Workers' Compensation Fund transferred to the Office of Administration for leased space.

**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 2018 Governor's Recommendations**

Continue funding at the current level.

**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 2018 Governor's Recommendations**

Continue funding at the current level.

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

**FINANCIAL SUMMARY**

	FY 2016 EXPENDITURE	FY 2017 APPROPRIATION	GOVERNOR RECOMMENDS FY 2018
Administration	\$ 20,566,190	\$ 32,980,814	\$ 33,281,030
Special Employment Security Fund	4,538,077	7,062,911	7,062,911
War on Terror Unemployment Compensation Program	0	90,000	90,000
Employment and Training Payments	6,289,413	11,000,000	11,000,000
<b>TOTAL</b>	<b>\$ 31,393,680</b>	<b>\$ 51,133,725</b>	<b>\$ 51,433,941</b>
<b>PERSONAL SERVICE</b>			
Federal Funds	16,644,590	24,011,325	24,597,856
Other Funds	1,240,525	1,268,386	982,071
<b>EXPENSE AND EQUIPMENT</b>			
Federal Funds	2,605,005	7,823,696	7,547,827
Other Funds	4,004,916	5,949,823	6,561,123
<b>PROGRAM SPECIFIC DISTRIBUTION</b>			
Federal Funds	6,898,644	11,424,175	11,700,044
Other Funds	0	656,320	45,020
<b>TOTAL</b>			
Federal Funds	26,148,239	43,259,196	43,845,727
Other Funds	5,245,441	7,874,529	7,588,214
<b>Total Full-time Equivalent Employees</b>			
Federal Funds	492.98	534.21	539.21
Other Funds	460.72	505.21	517.21
Other Funds	32.26	29.00	22.00

**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 2018 Governor's Recommendations**

- \$300,216 Unemployment Compensation Administration Fund and five staff transferred from the Office of the Administration for the Unemployment Insurance Modernization Project.
- \$286,315 federal funds and seven staff reallocated for realignment of the federal cost allocation plan.
- (\$286,315) Unemployment Automation Fund and (seven) staff reallocated for realignment of the federal cost allocation 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 2018 Governor's Recommendations**

Continue funding at the current 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 2018 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 2018 Governor's Recommendations**

Continue funding at the current level.

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

**FINANCIAL SUMMARY**

	FY 2016 EXPENDITURE	FY 2017 APPROPRIATION	GOVERNOR RECOMMENDS FY 2018
State Board of Mediation TOTAL	\$ 112,982	\$ 122,761	\$ 122,761
PERSONAL SERVICE	105,707	113,785	113,785
EXPENSE AND EQUIPMENT	7,275	8,976	8,976
TOTAL			
General Revenue Fund	112,982	122,761	122,761
Total Full-time Equivalent Employees	2.04	2.00	2.00
General Revenue Fund	2.04	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 2018 Governor's Recommendations**

Continue funding at the current level.

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

**FINANCIAL SUMMARY**

	FY 2016 EXPENDITURE	FY 2017 APPROPRIATION	GOVERNOR RECOMMENDS FY 2018
Missouri Commission on Human Rights	\$ 1,400,691	\$ 1,694,640	\$ 1,694,640
Martin Luther King Jr. State Celebration Commission	29,183	60,086	60,086
<b>TOTAL</b>	<b>\$ 1,429,874</b>	<b>\$ 1,754,726</b>	<b>\$ 1,754,726</b>
<b>PERSONAL SERVICE</b>			
General Revenue Fund	497,868	523,573	523,573
Federal Funds	757,048	951,745	951,745
<b>EXPENSE AND EQUIPMENT</b>			
General Revenue Fund	16,154	20,067	19,026
Federal Funds	129,927	183,583	202,884
Other Funds	0	4,990	600
<b>PROGRAM SPECIFIC DISTRIBUTION</b>			
General Revenue Fund	28,877	51,357	52,398
Federal Funds	0	19,401	100
Other Funds	0	10	4,400
<b>TOTAL</b>			
General Revenue Fund	542,899	594,997	594,997
Federal Funds	886,975	1,154,729	1,154,729
Other Funds	0	5,000	5,000
<b>Total Full-time Equivalent Employees</b>			
General Revenue Fund	29.67	32.70	32.70
Federal Funds	10.82	11.00	11.00
Other Funds	18.85	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 2018 Governor's Recommendations**

Continue funding at the current level.

**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 2018 Governor's Recommendations**

Continue funding at the current level.