

DEPARTMENT OF LABOR AND INDUSTRIAL RELATIONS

FINANCIAL SUMMARY

	FY 2017 EXPENDITURE	FY 2018 APPROPRIATION	FY 2019 REQUEST	GOVERNOR RECOMMENDS FY 2019
Department Administration	\$ 8,440,569	\$ 13,453,345	\$ 13,271,512	\$ 13,271,512
Labor and Industrial Relations Commission	863,547	1,007,001	1,007,001	1,000,019
Division of Labor Standards	1,767,297	2,353,142	2,283,757	2,168,538
Division of Workers' Compensation	108,471,104	145,364,650	136,346,746	136,527,386
Division of Employment Security	28,789,313	47,160,616	57,110,616	47,422,103
State Board of Mediation	114,067	122,761	122,761	123,411
Missouri Commission on Human Rights	1,440,265	1,754,726	1,754,726	1,772,926
DEPARTMENTAL TOTAL	\$ 149,886,162	\$ 211,216,241	\$ 211,897,119	\$ 202,285,895
General Revenue Fund	1,908,836	2,125,460	2,152,639	2,024,620
Federal Funds	35,075,627	53,376,729	63,276,624	53,601,048
Martin Luther King, Jr. State Celebration Commission Fund	0	5,000	5,000	5,000
Tort Victims' Compensation Fund	361,761	1,004,836	1,004,836	1,004,836
Workers' Compensation Fund	10,942,804	12,242,296	13,224,392	13,407,848
Second Injury Fund	99,195,901	134,060,833	124,060,833	124,060,833
War on Terror Unemployment Compensation Fund	0	90,000	40,000	40,000
Child Labor Enforcement Fund	5,667	179,450	82,885	79,450
Workers Memorial Fund	0	250,000	250,000	250,000
Special Employment Security Fund	2,150,725	7,391,442	7,309,715	7,319,465
Unemployment Automation Fund	194,089	435,303	435,303	437,903
State Mine Inspection Fund	50,752	54,892	54,892	54,892
Total Full-time Equivalent Employees	700.34	813.52	822.02	818.62
General Revenue Fund	24.39	22.12	23.12	19.72
Federal Funds	512.02	614.24	613.54	613.54
Other Funds	163.93	177.16	185.36	185.36

DEPARTMENT SUMMARY

The Fiscal Year 2019 budget provides \$202.3 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 2017 EXPENDITURE	FY 2018 APPROPRIATION	GOVERNOR RECOMMENDS FY 2019
Director and Staff	\$ 534,457	\$ 1,450,000	\$ 1,450,000
Administrative Services	<u>7,906,112</u>	<u>12,003,345</u>	<u>11,821,512</u>
TOTAL	\$ 8,440,569	\$ 13,453,345	\$ 13,271,512
EXPENSE AND EQUIPMENT			
Federal Funds	534,457	1,450,000	1,450,000
PROGRAM SPECIFIC DISTRIBUTION			
General Revenue Fund	453,788	469,535	469,534
Federal Funds	5,682,205	9,221,789	9,147,060
Other Funds	1,770,119	2,312,021	2,204,918
TOTAL			
General Revenue Fund	453,788	469,535	469,534
Federal Funds	6,216,662	10,671,789	10,597,060
Other Funds	1,770,119	2,312,021	2,204,918
Total Full-time Equivalent Employees	43.38	49.15	48.65
General Revenue Fund			
Federal Funds	43.38	49.15	48.65
Other Funds			

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 2019 Governor's Recommendations

- \$25,376 federal funds reallocated for realignment of the federal cost allocation plan.
- (\$181,833) core reduction from the Fiscal Year 2018 appropriation level, including (\$1) general revenue.
- (\$25,376) Workers' Compensation Fund reallocated for realignment of the federal cost allocation plan.
- (.5) staff transferred to the Office of the Governor.

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

FINANCIAL SUMMARY

	FY 2017 EXPENDITURE	FY 2018 APPROPRIATION	GOVERNOR RECOMMENDS FY 2019
Labor and Industrial Relations Commission TOTAL	\$ 863,547	\$ 1,007,001	\$ 1,000,019
PERSONAL SERVICE			
General Revenue Fund	10,753	9,476	0
Federal Funds	427,233	545,711	523,945
Other Funds	390,587	392,392	417,246
EXPENSE AND EQUIPMENT			
General Revenue Fund	674	594	0
Federal Funds	16,562	34,221	32,724
Other Funds	17,738	24,607	26,104
TOTAL			
General Revenue Fund	11,427	10,070	0
Federal Funds	443,795	579,932	556,669
Other Funds	408,325	416,999	443,350
Total Full-time Equivalent Employees	12.54	14.00	13.59
General Revenue Fund	0.25	0.41	0.00
Federal Funds	5.80	7.91	7.71
Other Funds	6.49	5.68	5.88

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 2019 Governor's Recommendations

- \$3,088 federal and other funds for pay plan.
- \$25,376 Workers' Compensation Fund and .2 staff reallocated for realignment of the federal cost allocation plan.
- (\$25,376) federal funds and (.2) staff reallocated for realignment of the federal cost allocation plan.
- (\$10,070) and (.41) staff core reduction from the Fiscal Year 2018 appropriation level.

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

FINANCIAL SUMMARY

	FY 2017 EXPENDITURE	FY 2018 APPROPRIATION	GOVERNOR RECOMMENDS FY 2019
Administration	\$ 677,622	\$ 745,109	\$ 419,814
On-Site Safety and Health Program	864,104	1,169,327	1,178,417
Mine Safety and Health Training Program	225,571	438,706	570,307
TOTAL	\$ 1,767,297	\$ 2,353,142	\$ 2,168,538
PERSONAL SERVICE			
General Revenue Fund	579,584	429,037	338,129
Federal Funds	725,178	907,233	917,732
Other Funds	226,233	247,157	248,998
EXPENSE AND EQUIPMENT			
General Revenue Fund	41,619	49,060	43,024
Federal Funds	148,332	488,544	488,544
Other Funds	46,351	232,011	132,011
PROGRAM SPECIFIC DISTRIBUTION			
Federal Funds	0	100	100
TOTAL			
General Revenue Fund	621,203	478,097	381,153
Federal Funds	873,510	1,395,877	1,406,376
Other Funds	272,584	479,168	381,009
Total Full-time Equivalent Employees			
General Revenue Fund	34.09	32.21	30.22
Federal Funds	13.48	8.71	6.72
Other Funds	16.01	18.27	18.27
Other Funds	4.60	5.23	5.23

The Division of Labor Standards exists to ensure the proper payment, 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; ensures compliance with statutory provisions governing wage rates for public works projects; and conducts on-site inspections to assure compliance with Missouri's Child Labor Law.

Fiscal Year 2019 Governor's Recommendations

- \$15,404 for pay plan, including \$3,064 general revenue.
- (\$200,008) and (1.99) staff core reduction from the Fiscal Year 2018 appropriation level, including (\$100,008) general revenue.

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

FINANCIAL SUMMARY

	FY 2017 EXPENDITURE	FY 2018 APPROPRIATION	GOVERNOR RECOMMENDS FY 2019
Administration	\$ 8,913,467	\$ 10,303,817	\$ 11,466,553
Second Injury Fund Benefits	99,195,901	134,060,833	124,060,833
Tort Victims' Compensation Payments	361,736	1,000,000	1,000,000
TOTAL	\$ 108,471,104	\$ 145,364,650	\$ 136,527,386
PERSONAL SERVICE			
Other Funds	7,854,638	8,177,870	9,340,606
EXPENSE AND EQUIPMENT			
Other Funds	893,750	1,653,945	1,655,945
PROGRAM SPECIFIC DISTRIBUTION			
General Revenue Fund	149,981	450,000	450,000
Other Funds	99,572,735	135,082,835	125,080,835
TOTAL			
General Revenue Fund	149,981	450,000	450,000
Other Funds	108,321,123	144,914,650	136,077,386
Total Full-time Equivalent Employees	132.97	144.25	152.25
Other Funds	132.97	144.25	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 2019 Governor's Recommendations

- \$982,096 Workers' Compensation Fund and eight staff for additional administrative law judges.
- \$112,227 Workers' Compensation Fund to implement the recommendations of the Missouri Citizens' Commission on Compensation for Elected Officials.
- \$68,413 Workers' Compensation Fund for 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. 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 pay backlogged claims that have been held due to insufficient resources in the Second Injury Fund.

Fiscal Year 2019 Governor's Recommendations

- (\$10,000,000) Workers' Compensation – Second Injury Fund core reduction from the Fiscal Year 2018 appropriation 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 tort victims, and the remaining 26 percent is transferred to the Basic Civil Legal Services Fund.

Fiscal Year 2019 Governor's Recommendations

Continue funding at the current level.

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

FINANCIAL SUMMARY

	FY 2017 EXPENDITURE	FY 2018 APPROPRIATION	GOVERNOR RECOMMENDS FY 2019
Administration	\$ 19,257,016	\$ 29,009,705	\$ 29,311,442
Special Employment Security Fund	1,935,459	7,060,911	7,070,661
War on Terror Unemployment Compensation Program	0	90,000	40,000
Employment and Training Payments	7,596,838	11,000,000	11,000,000
TOTAL	\$ 28,789,313	\$ 47,160,616	\$ 47,422,103
PERSONAL SERVICE			
Federal Funds	15,932,563	22,787,832	23,086,969
Other Funds	747,339	982,071	994,421
EXPENSE AND EQUIPMENT			
Federal Funds	2,798,449	5,086,526	5,086,526
Other Funds	1,380,408	6,559,123	6,519,123
PROGRAM SPECIFIC DISTRIBUTION			
Federal Funds	7,928,753	11,700,044	11,700,044
Other Funds	1,801	45,020	35,020
TOTAL			
Federal Funds	26,659,765	39,574,402	39,873,539
Other Funds	2,129,548	7,586,214	7,548,564
Total Full-time Equivalent Employees	448.22	539.21	539.21
Federal Funds	428.35	517.21	517.21
Other Funds	19.87	22.00	22.00

ADMINISTRATION

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

Fiscal Year 2019 Governor's Recommendations

- \$301,737 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 2019 Governor's Recommendations

- \$9,750 Special Employment Security Fund for pay plan.

**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 2019 Governor's Recommendations

- (\$50,000) War on Terror Unemployment Compensation Fund core reduction from the FY 2018 appropriation 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 2019 Governor's Recommendations

Continue funding at the current level.

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

FINANCIAL SUMMARY

	FY 2017 EXPENDITURE	FY 2018 APPROPRIATION	GOVERNOR RECOMMENDS FY 2019
State Board of Mediation TOTAL	\$ 114,067	\$ 122,761	\$ 123,411
PERSONAL SERVICE	107,519	113,785	114,435
EXPENSE AND EQUIPMENT	6,548	8,976	8,976
TOTAL			
General Revenue Fund	114,067	122,761	123,411
Total Full-time Equivalent Employees	1.27	2.00	2.00
General Revenue Fund	1.27	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 conducting elections to determine the exclusive bargaining representative for those units.

Fiscal Year 2019 Governor's Recommendations

- \$650 for pay plan.

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

FINANCIAL SUMMARY

	FY 2017 EXPENDITURE	FY 2018 APPROPRIATION	GOVERNOR RECOMMENDS FY 2019
Missouri Commission on Human Rights	\$ 1,387,374	\$ 1,694,640	\$ 1,712,840
Martin Luther King Jr. State Celebration Commission	52,891	60,086	60,086
TOTAL	\$ 1,440,265	\$ 1,754,726	\$ 1,772,926
PERSONAL SERVICE			
General Revenue Fund	489,631	523,573	529,098
Federal Funds	747,397	951,745	964,420
EXPENSE AND EQUIPMENT			
General Revenue Fund	16,135	19,026	19,026
Federal Funds	134,471	202,884	202,884
Other Funds	0	600	600
PROGRAM SPECIFIC DISTRIBUTION			
General Revenue Fund	52,604	52,398	52,398
Federal Funds	27	100	100
Other Funds	0	4,400	4,400
TOTAL			
General Revenue Fund	558,370	594,997	600,522
Federal Funds	881,895	1,154,729	1,167,404
Other Funds	0	5,000	5,000
Total Full-time Equivalent Employees			
General Revenue Fund	27.87	32.70	32.70
Federal Funds	9.39	11.00	11.00
Other Funds	18.48	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 2019 Governor's Recommendations

- \$18,200 for pay plan, including \$5,525 general revenue.

MARTIN LUTHER KING JR. STATE CELEBRATION COMMISSION

The Martin Luther King Jr. State Celebration Commission reviews proposals and recommends funding for distribution to organizations and communities across the state for appropriate activities in recognition and celebration of Martin Luther King Day in Missouri.

Fiscal Year 2019 Governor's Recommendations

Continue funding at the current level.