

PROGRAM DESCRIPTION

Department of Labor and Industrial Relations

HB Section(s): 7.815

Higher Authority Review

Program is found in the following core budget(s): Labor and Industrial Relations Commission

1a. What strategic priority does this program address?

Growth: Foster a business environment to support economic development.
Provide fair and consistent review of appeals and approve department regulations.

1b. What does this program do?

- Reviews appeals of decisions and awards in workers' compensation, unemployment insurance compensation, and tort victims' compensation programs, and prevailing wage objections in compliance with Chapters 286, 287, 288, 290, 537, RSMo, to ensure fair and consistent application of the law.
- Renders impartial written opinions that can impact workers and employers, which can be appealed through the Missouri court system.
- Reviews and approves department regulations to ensure compliance with state and federal laws and equal protection for workers and employers.

2a. Provide an activity measure(s) for the program.

	FY 2020		FY 2021		FY 2022		FY 2023	FY 2024	FY 2025
	Projected	Actual	Projected	Actual ⁴	Projected	Actual ⁴	Projected	Projected ³	Projected ³
Employment Security									
Appeals Filed ¹	2,103	1,667	6,000	1,640	2,000	2,553	1,869	1,747	1,953
Decisions Issued ²	2,348	1,676	7,000	1,797	2,300	3,171	2,132	1,884	2,215
Oral Arguments Heard	0	1	0	0	0	0	0	0	0
Appeals to Court	253	245	750	128	280	366	235	217	246
Workers' Compensation									
Appeals Filed	295	204	270	122	270	135	270	193	154
Decisions Issued	389	255	360	250	360	172	360	270	226
Oral Arguments Heard	40	32	33	4	33	0	33	20	20
Appeals to Court	43	67	46	52	46	33	46	57	51
Prevailing Wage¹									
Objections Filed	44	10	19	11	19	6	19	32	9
Decisions Issued	9	11	5	3	5	3	5	6	6
Hearings Held	0	0	0	0	0	0	0	0	0
Appeals to Court	0	1	0	0	0	0	0	0	0

¹ The increase in the estimated number of appeals for FY 2021 is based on the unprecedented number of unemployment claims filed during the COVID-19 pandemic. Employment Security appeals filed and decisions issued in FY 2022 is over the projected amount due to high volume of UI claims filed during COVID reaching LIRC/2nd level of appeal.

² The number of decisions issued is often higher than the number of appeals filed due to the fact that multiple decisions may be issued per appeal.

³ Projections are difficult to predict since the decision to appeal depends solely on an individual's choice. Projections are based on averages of the previous five years' data.

⁴ The Commission reduced the number of pending workers' compensation cases by approximately 46.5% during FY 2021 ahead of an expected increase in unemployment appeals related to the pandemic. Unemployment appeals to the Commission increased approximately 76% in FY 2022 as compared to FY 2021. The reduced number of workers' compensation decisions issued in FY 2022 reflects: 1) the FY 2021 reduction in pending workers' compensation cases; 2) significantly fewer hearings held by the Division of Workers' Compensation in FY 2021 and FY 2022, resulting in a corresponding reduction in the number of appeals filed with the Commission; and 3) key staff transitions during FY 2022 including a new commissioner, chief counsel, and secretary. An increase in workers' compensation appeals is expected as the number of hearings held by the Division of Workers' Compensation returns to pre-pandemic levels.

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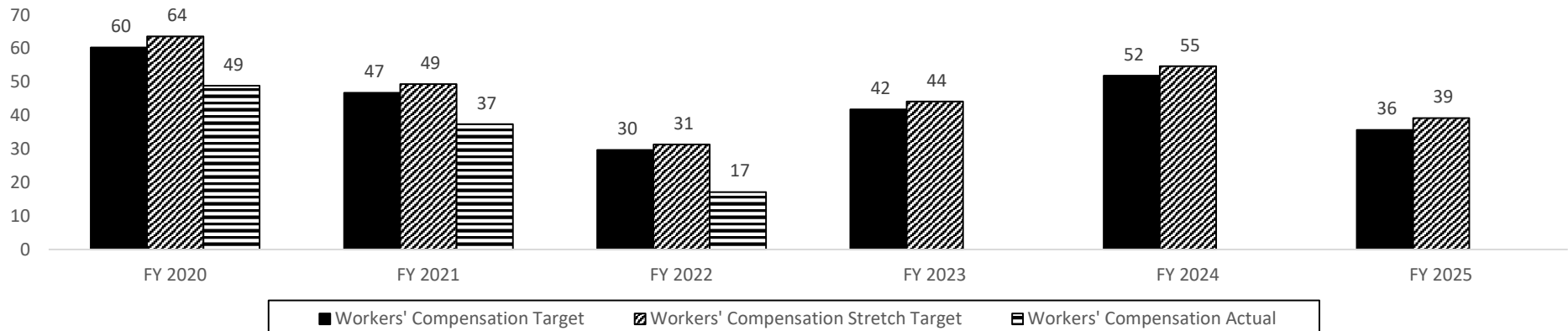
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Higher Authority Review

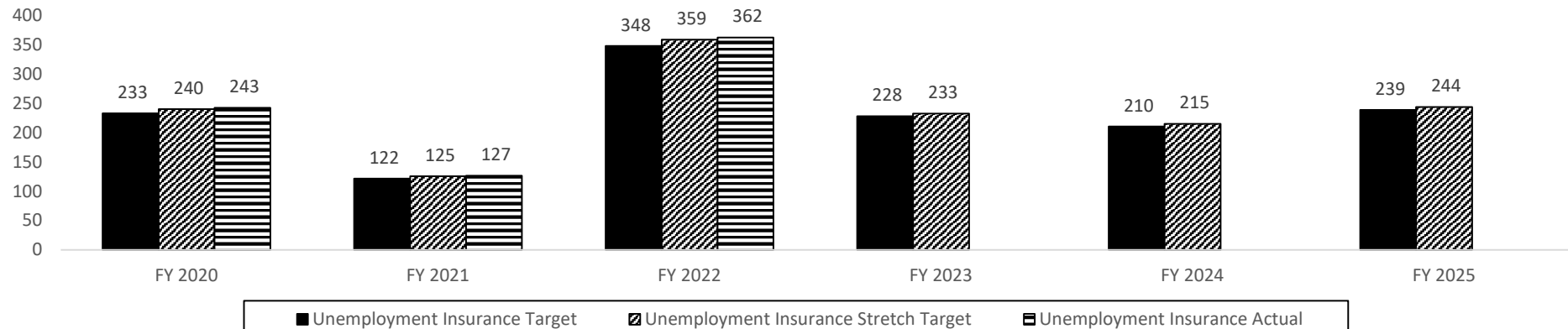
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2b. Provide a measure(s) of the program's quality.

LIRC Worker's Compensation Appeals Decisions Affirmed by the Court⁵



LIRC Unemployment Insurance Appeals Decisions Affirmed by the Court⁵



⁵ Because affirmations by courts are highly dependent on the location, nature, and time of the appeal, it is difficult to predict the affirmation rate. The FY 2020 Unemployment Insurance Target data has been updated in the FY 2024 budget, due to a previous error in reporting. Data tables were reformatted in FY 2024 budget for clarity.

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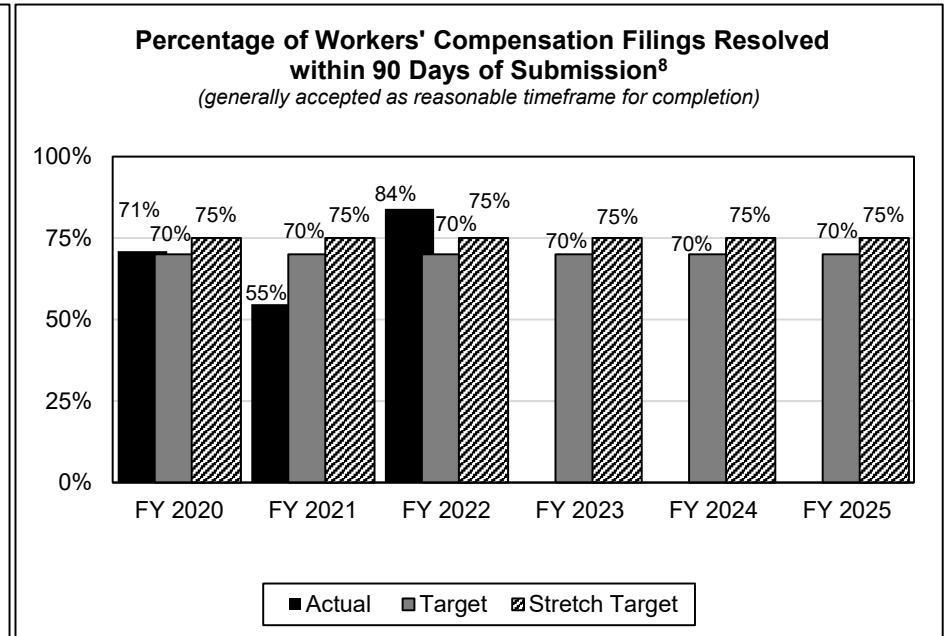
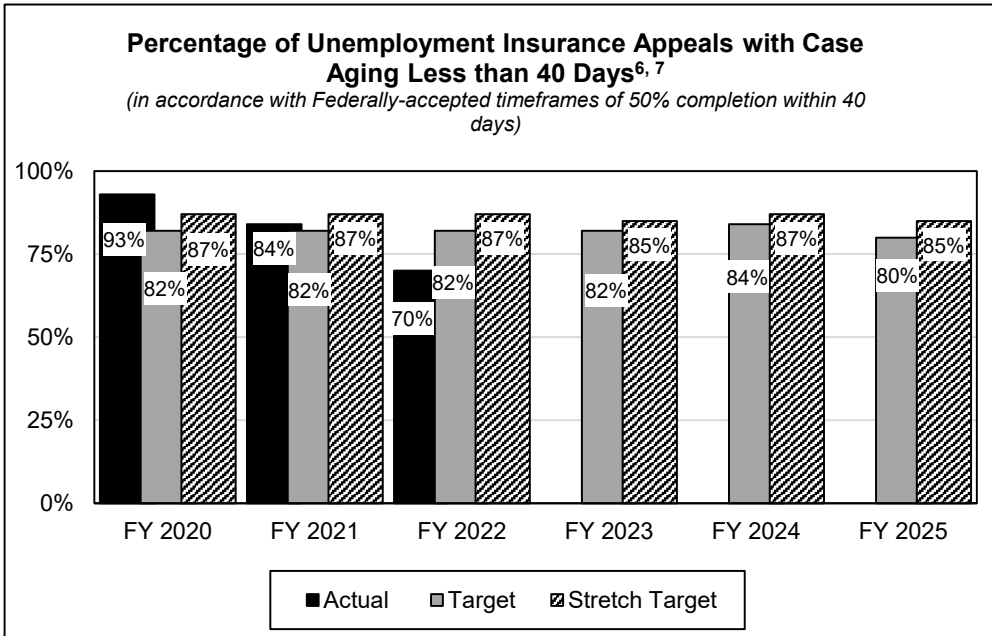
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2c. Provide a measure(s) of the program's impact.

Since the Labor and Industrial Relations Commission is an appellate body, the impact of decisions are reflected in the affirmation of decisions by the courts.

2d. Provide a measure(s) of the program's efficiency.



⁶From July to November 2018, the LIRC has improved the percentage of unemployment insurance appeals with a case age of less than 40 days to 92.5%. Targets and Stretch were readjusted for FY 2023 to FY 2025 based on FY 2021 and FY 2022 actuals.

⁷The FY 2021 targets were established prior to the COVID-19 pandemic. Actuals for the year are estimated to still be completed within the targeted goal; however, a larger than normal volume of cases are also estimated. Increase in appeals filed in addition to staff turnover in FY 2022 caused some delay in processing.

⁸The new measure runs from the date a case is submitted to the LIRC for review, and includes every workers' compensation matter disposed by the LIRC within the fiscal year, whereas the prior 180-day measure ran from the date of an application for review and only included appeals from an ALJ award. See footnote 4 under Section 2a regarding significant differences from actuals in FY 2021 and FY 2022.

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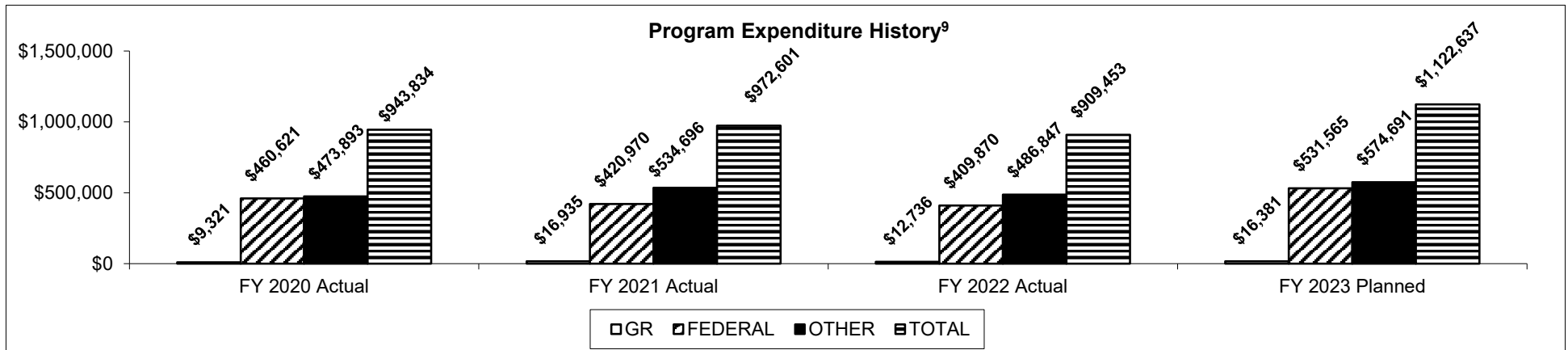
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3. Provide actual expenditures for the prior three fiscal years and planned expenditures for the current fiscal year. (Note: Amounts do not include fringe benefit costs.)



⁹ FY 2023 planned expenditures are shown all full appropriation authority less restricted or reverted amounts.

4. What are the sources of the "Other" funds?

Workers' Compensation Administration

5. What is the authorization for this program, i.e., federal or state statute, etc.? (Include the federal program number, if applicable.)

The duties and responsibilities of the Labor and Industrial Relations Commission (LIRC) are set out in Chapter 286, RSMo. Appeal rights for the various cases are authorized as follows: Workers' Compensation, Chapter 287, RSMo; Unemployment Insurance, Chapter 288, RSMo; Tort Victims' Compensation, Chapter 537, RSMo; and Prevailing Wage Objections, Chapter 290, RSMo.

6. Are there federal matching requirements? If yes, please explain.

The LIRC does not have Federal matching requirements; however, the LIRC receives Federal funds for review of unemployment insurance cases.

7. Is this a federally mandated program? If yes, please explain.

No