

DEPARTMENT OF LABOR AND INDUSTRIAL RELATIONS

FINANCIAL SUMMARY

	FY 2010 EXPENDITURE	FY 2011 APPROPRIATION	FY 2012 REQUEST	GOVERNOR RECOMMENDS FY 2012
Department Administration	\$ 11,405,661	\$ 12,530,825	\$ 12,530,825	\$ 12,530,825
Labor and Industrial Relations Commission	840,828	988,062	988,044	988,037
Division of Labor Standards	1,890,839	2,854,891	2,825,106	2,824,721
Division of Workers' Compensation	50,645,292	56,540,875	56,540,875	56,540,875
Division of Employment Security	28,695,706	37,783,120	37,783,120	37,783,120
State Board of Mediation	120,663	119,976	118,792	117,833
Missouri Commission on Human Rights	1,428,980	1,623,797	1,567,047	1,567,014
DEPARTMENTAL TOTAL	\$ 95,027,969	\$ 112,441,546	\$ 112,353,809	\$ 112,352,425
General Revenue Fund	2,038,100	1,982,423	1,894,686	1,893,302
Federal Funds	39,188,333	47,950,558	48,189,442	48,189,442
Tort Victims Compensation Fund	2,450,136	105,000	105,000	105,000
Workers' Compensation Fund	11,385,345	12,079,185	11,840,301	11,840,301
Second Injury Fund	39,431,841	47,359,511	47,359,511	47,359,511
War on Terror Unemployment Compensation Fund	0	90,000	90,000	90,000
Child Labor Enforcement Fund	8,204	185,000	185,000	185,000
Special Employment Security Bond Proceeds Fund	0	1	1	1
Special Employment Security Fund	526,010	2,489,868	2,489,868	2,489,868
Unemployment Automation Fund	0	200,000	200,000	200,000
Total Full-time Equivalent Employees	828.77	827.86	826.06	826.06
General Revenue Fund	34.58	33.71	31.91	31.91
Federal Funds	636.74	615.85	617.14	617.14
Other Funds	157.45	178.30	177.01	177.01

DEPARTMENT SUMMARY

Governor Nixon's proposed budget for the Department of Labor and Industrial Relations provides funding to ensure that the department will be able to protect workers' rights, as well as their health and safety, and for those who lose their jobs. The department is committed to distributing unemployment benefits and other assistance in a timely manner.

The Fiscal Year 2012 budget provides \$112.4 million for the Department of Labor and Industrial Relations. The department provides services that promote economic security and safe and healthy workplaces, and protects 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 2010 EXPENDITURE	FY 2011 APPROPRIATION	GOVERNOR RECOMMENDS FY 2012
Director and Staff	\$ 1,988,944	\$ 1,764,701	\$ 1,764,701
Administrative Services	9,416,717	10,766,124	10,766,124
TOTAL	\$ 11,405,661	\$ 12,530,825	\$ 12,530,825
PERSONAL SERVICE			
Federal Funds	0	1	1
EXPENSE AND EQUIPMENT			
Federal Funds	1,988,944	1,764,700	1,764,700
PROGRAM SPECIFIC DISTRIBUTION			
General Revenue Fund	401,480	391,443	393,745
Federal Funds	6,971,632	8,218,855	8,390,980
Other Funds	2,043,605	2,155,826	1,981,399
TOTAL			
General Revenue Fund	401,480	391,443	393,745
Federal Funds	8,960,576	9,983,556	10,155,681
Other Funds	2,043,605	2,155,826	1,981,399
Total Full-time Equivalent Employees	44.25	49.90	49.90
Federal Funds	44.25	49.90	49.90

The Director's Office provides leadership and supervision in the areas of policy, operation, and interagency coordination/cooperation. 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 funds are spent.)

Fiscal Year 2012 Governor's Recommendations

- \$193,830 reallocated for realignment of the federal cost allocation plan, including \$21,609 general revenue.
- (\$193,830) reallocated for realignment of the federal cost allocation plan, including (\$19,307) general revenue.

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

FINANCIAL SUMMARY

	FY 2010 EXPENDITURE	FY 2011 APPROPRIATION	GOVERNOR RECOMMENDS FY 2012
Industrial Commission TOTAL	\$ 840,828	\$ 988,062	\$ 988,037
PERSONAL SERVICE			
General Revenue Fund	7,996	10,680	8,524
Federal Funds	332,619	374,326	457,120
Other Funds	459,049	469,423	388,785
EXPENSE AND EQUIPMENT			
General Revenue Fund	1,073	1,500	1,329
Federal Funds	12,965	58,620	71,484
Other Funds	27,126	73,513	60,795
TOTAL			
General Revenue Fund	9,069	12,180	9,853
Federal Funds	345,584	432,946	528,604
Other Funds	486,175	542,936	449,580
Total Full-time Equivalent Employees	13.20	14.00	14.00
General Revenue Fund	0.21	0.41	0.41
Federal Funds	4.98	5.75	7.04
Other Funds	8.01	7.84	6.55

The three-member Labor and Industrial Relations Commission reviews appeals from all decisions and awards in workers' compensation, unemployment compensation, prevailing wage, victims of crime compensation, and tort victims compensation cases at the highest administrative level. The commission conducts hearings and renders written opinions. The commission's opinions 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 2012 Governor's Recommendations

- \$95,658 federal funds reallocated for realignment of the federal cost allocation plan.
- (\$95,658) reallocated for realignment of the federal cost allocation plan, including (\$2,302) general revenue.
- (\$25) core reduction from the Fiscal Year 2011 appropriation level.

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

FINANCIAL SUMMARY

	FY 2010 EXPENDITURE	FY 2011 APPROPRIATION	GOVERNOR RECOMMENDS FY 2012
Administration	\$ 985,260	\$ 1,390,726	\$ 1,389,455
On-Site Safety and Health Program	733,396	1,039,000	1,039,000
Mine Safety and Health Training Program	172,183	425,165	396,266
TOTAL	\$ 1,890,839	\$ 2,854,891	\$ 2,824,721
PERSONAL SERVICE			
General Revenue Fund	856,364	830,749	801,850
Federal Funds	592,627	885,198	856,299
Other Funds	72,270	254,942	283,841
EXPENSE AND EQUIPMENT			
General Revenue Fund	98,778	61,240	59,969
Federal Funds	193,644	488,644	488,644
Other Funds	77,156	334,118	334,118
TOTAL			
General Revenue Fund	955,142	891,989	861,819
Federal Funds	786,271	1,373,842	1,344,943
Other Funds	149,426	589,060	617,959
Total Full-time Equivalent Employees			
General Revenue Fund	36.34	43.00	43.00
Federal Funds	19.87	19.00	18.50
Other Funds	14.93	21.00	21.00
Other Funds	1.54	3.00	3.50

The Division of Labor Standards exists to assure the safety and health of Missouri workers. To reduce deaths and disabling injuries, 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. During these on-site visits, professional consultants identify serious hazards and recommend means for elimination. Additionally, the division provides safety and health training classes for mine operators and miners. All miners, whether surface or underground, are required by federal law to complete a minimum number of hours in training before beginning work and annually thereafter. 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 2012 Governor's Recommendations

- (\$30,170) and (.5) staff core reduction from the Fiscal Year 2011 appropriation level.
- .5 staff reallocated from the Division of Employment Security.

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

FINANCIAL SUMMARY

	FY 2010 EXPENDITURE	FY 2011 APPROPRIATION	GOVERNOR RECOMMENDS FY 2012
Administration	\$ 8,763,451	\$ 9,081,364	\$ 9,081,364
Second Injury Fund Benefits	39,431,841	47,359,511	47,359,511
Tort Victims Compensation Payments	<u>2,450,000</u>	<u>100,000</u>	<u>100,000</u>
TOTAL	\$ 50,645,292	\$ 56,540,875	\$ 56,540,875
PERSONAL SERVICE			
Other Funds	7,702,464	7,615,848	7,615,848
EXPENSE AND EQUIPMENT			
Other Funds	1,026,599	1,414,515	1,414,515
PROGRAM SPECIFIC DISTRIBUTION			
General Revenue Fund	0	1	1
Other Funds	41,916,229	47,510,511	47,510,511
TOTAL			
General Revenue Fund	0	1	1
Other Funds	50,645,292	56,540,874	56,540,874
Total Full-time Equivalent Employees			
Other Funds	146.54	149.25	149.25
Other Funds	146.54	149.25	149.25

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 disputed issues between an employee and employer/insurer through mediation and/or evidentiary hearings 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 2012 Governor's Recommendations

Continue funding at the current level.

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 injured employee has a 15 percent disability from a current work-related injury and a 15 percent disability from a prior injury, and the combined disability is 40 percent, the fund pays for the increased disability (10 percent). 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.

Fiscal Year 2012 Governor's Recommendations

Continue funding at the current level.

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. Funding is provided from the Tort Victims Compensation Fund. 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 Civic Legal Services Fund.

Fiscal Year 2012 Governor's Recommendations

Continue funding at the current level.

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

FINANCIAL SUMMARY

	FY 2010 EXPENDITURE	FY 2011 APPROPRIATION	GOVERNOR RECOMMENDS FY 2012
Administration	\$ 26,842,796	\$ 28,303,251	\$ 28,303,251
Special Employment Security Fund	477,038	2,389,868	2,389,868
War on Terror Unemployment Compensation Program	0	90,000	90,000
Employment and Training Payments	1,375,872	7,000,000	7,000,000
Board of Unemployment Fund Financing	0	1	1
TOTAL	\$ 28,695,706	\$ 37,783,120	\$ 37,783,120
PERSONAL SERVICE			
Federal Funds	18,854,109	22,761,140	22,761,140
Other Funds	45,982	704,509	704,509
EXPENSE AND EQUIPMENT			
Federal Funds	7,988,153	5,341,993	5,341,654
Other Funds	303,259	1,900,358	1,854,358
PROGRAM SPECIFIC DISTRIBUTION			
Federal Funds	1,376,406	7,000,118	7,000,457
Other Funds	127,797	75,002	121,002
TOTAL			
Federal Funds	28,218,668	35,103,251	35,103,251
Other Funds	477,038	2,679,869	2,679,869
Total Full-time Equivalent Employees			
Federal Funds	552.95	535.71	535.21
Other Funds	551.59	517.50	517.50
Other Funds	1.36	18.21	17.71

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 2012 Governor's Recommendations

Continue funding at the current level.

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 are made in accordance with Section 288.310, RSMo, including refunds of overcollected interest and penalties and administrative expenses of the division not covered by federal monies. Section 288.128, RSMo, provides for federal interest assessments on Title XII advances to the Unemployment Compensation Trust Fund to be deposited into this fund until payment to the federal government is made.

Fiscal Year 2012 Governor's Recommendations

- (.5) staff reallocated to the Division of Labor Standards.

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 statutory provisions.

Fiscal Year 2012 Governor's Recommendations

Continue funding at the current level.

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

EMPLOYMENT AND TRAINING PAYMENTS

The Division of Employment Security operates employment and training programs authorized and funded by the U.S. Department of Labor as authorized by the Disaster Unemployment Assistance (DUA) and the Trade Adjustment Assistance (TAA) 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 2012 Governor's Recommendations

Continue funding at the current level.

BOARD OF UNEMPLOYMENT FUND FINANCING

The Board of Unemployment Fund Financing has authority to issue, sell, and deliver credit instruments to fund the Unemployment Compensation Trust Fund in accordance with Sections 288.310, 288.330, and 288.128, RSMo.

Fiscal Year 2012 Governor's Recommendations

Continue funding at the current level.

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

FINANCIAL SUMMARY

	FY 2010 EXPENDITURE	FY 2011 APPROPRIATION	GOVERNOR RECOMMENDS FY 2012
State Board of Mediation TOTAL	\$ 120,663	\$ 119,976	\$ 117,833
PERSONAL SERVICE	86,212	107,303	107,303
EXPENSE AND EQUIPMENT	34,451	12,673	10,530
TOTAL			
General Revenue Fund	120,663	119,976	117,833
Total Full-time Equivalent Employees	1.89	2.00	2.00
General Revenue Fund	1.89	2.00	2.00

The State Board of Mediation is a quasi-judicial board that is statutorily charged with the responsibility for 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 2012 Governor's Recommendations

- (\$2,143) core reduction from the Fiscal Year 2011 appropriation level.

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

FINANCIAL SUMMARY

	FY 2010 EXPENDITURE	FY 2011 APPROPRIATION	GOVERNOR RECOMMENDS FY 2012
Missouri Commission on Human Rights TOTAL	\$ 1,428,980	\$ 1,623,797	\$ 1,567,014
PERSONAL SERVICE			
General Revenue Fund	534,893	550,127	493,444
Federal Funds	793,616	895,097	895,097
EXPENSE AND EQUIPMENT			
General Revenue Fund	16,853	16,707	16,607
Federal Funds	83,618	157,353	157,353
PROGRAM SPECIFIC DISTRIBUTION			
Federal Funds	0	4,513	4,513
TOTAL			
General Revenue Fund	551,746	566,834	510,051
Federal Funds	877,234	1,056,963	1,056,963
Total Full-time Equivalent Employees	33.60	34.00	32.70
General Revenue Fund	12.61	12.30	11.00
Federal Funds	20.99	21.70	21.70

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 receive, 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 2012 Governor's Recommendations

- (\$56,783) and (1.3) staff core reduction from the Fiscal Year 2011 appropriation level.