

DEPARTMENT OF LABOR AND INDUSTRIAL RELATIONS

FINANCIAL SUMMARY

	FY 2011 EXPENDITURE	FY 2012 APPROPRIATION	FY 2013 REQUEST	GOVERNOR RECOMMENDS FY 2013
Department Administration	\$ 10,995,719	\$ 12,530,825	\$ 12,443,288	\$ 12,516,831
Labor and Industrial Relations Commission	852,024	988,037	988,064	993,232
Division of Labor Standards	1,958,065	2,753,755	2,803,755	2,811,980
Division of Workers' Compensation	46,383,773	56,540,875	56,789,624	56,794,879
Division of Employment Security	27,800,106	37,783,120	37,783,120	37,995,382
State Board of Mediation	103,291	117,833	117,833	118,470
Missouri Commission on Human Rights	1,376,070	1,567,014	1,567,014	1,579,707
DEPARTMENTAL TOTAL	\$ 89,469,048	\$ 112,281,459	\$ 112,492,698	\$ 112,810,481
General Revenue Fund	1,916,010	1,822,336	1,734,826	1,749,360
Federal Funds	38,170,014	48,189,442	48,271,803	48,557,107
Tort Victims Compensation Fund	345,312	105,000	105,000	104,836
Workers' Compensation Fund	10,936,975	11,840,301	12,006,689	12,026,730
Second Injury Fund	37,392,915	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	8,824	185,000	185,000	179,450
Special Employment Security Bond Proceeds Fund	0	1	1	1
Special Employment Security Fund	698,998	2,489,868	2,489,868	2,491,652
Unemployment Automation Fund	0	200,000	200,000	201,834
Mine Inspection Fund	0	0	50,000	50,000
Total Full-time Equivalent Employees	866.38	824.06	825.06	825.06
General Revenue Fund	30.44	29.91	29.75	29.91
Federal Funds	675.87	617.14	616.77	616.61
Other Funds	160.07	177.01	178.54	178.54

DEPARTMENT SUMMARY

The Fiscal Year 2013 budget provides \$112.8 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 2011 EXPENDITURE	FY 2012 APPROPRIATION	GOVERNOR RECOMMENDS FY 2013
Director and Staff	\$ 1,649,934	\$ 1,764,701	\$ 1,764,701
Administrative Services	<u>9,345,785</u>	<u>10,766,124</u>	<u>10,752,130</u>
TOTAL	\$ 10,995,719	\$ 12,530,825	\$ 12,516,831
PERSONAL SERVICE			
Federal Funds	0	1	1
EXPENSE AND EQUIPMENT			
Federal Funds	1,649,934	1,764,700	1,764,700
PROGRAM SPECIFIC DISTRIBUTION			
General Revenue Fund	379,700	393,745	310,346
Federal Funds	7,221,805	8,390,980	8,499,906
Other Funds	1,744,280	1,981,399	1,941,878
TOTAL			
General Revenue Fund	379,700	393,745	310,346
Federal Funds	8,871,739	10,155,681	10,264,607
Other Funds	1,744,280	1,981,399	1,941,878
Total Full-time Equivalent Employees	46.43	49.90	49.90
Federal Funds	46.43	49.90	49.90

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 2013 Governor's Recommendations

- \$73,543 for increased transfer to the Department of Labor and Industrial Relations Administrative Fund for pay plan, including \$4,138 general revenue.
- (\$87,510) core reduction from the Fiscal Year 2012 appropriation level.
- (\$27) reallocated for realignment of the federal cost allocation plan.

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

FINANCIAL SUMMARY

	FY 2011 EXPENDITURE	FY 2012 APPROPRIATION	GOVERNOR RECOMMENDS FY 2013
Labor and Industrial Relations Commission			
TOTAL	\$ 852,024	\$ 988,037	\$ 993,232
PERSONAL SERVICE			
General Revenue Fund	10,417	8,524	8,622
Federal Funds	360,142	457,120	487,158
Other Funds	434,287	388,785	366,501
EXPENSE AND EQUIPMENT			
General Revenue Fund	1,363	1,329	1,275
Federal Funds	29,115	71,484	75,487
Other Funds	16,700	60,795	54,189
TOTAL			
General Revenue Fund	11,780	9,853	9,897
Federal Funds	389,257	528,604	562,645
Other Funds	450,987	449,580	420,690
Total Full-time Equivalent Employees	13.07	14.00	14.00
General Revenue Fund	0.21	0.41	0.41
Federal Funds	5.78	7.04	9.24
Other Funds	7.08	6.55	4.35

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 2013 Governor's Recommendations

- \$7,832 for pay plan, including \$78 general revenue.
- \$27 reallocated for realignment of the federal cost allocation plan.
- (\$2,664) core reduction from the Fiscal Year 2012 appropriation level, including (\$61) general revenue.

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

FINANCIAL SUMMARY

	FY 2011 EXPENDITURE	FY 2012 APPROPRIATION	GOVERNOR RECOMMENDS FY 2013
Administration	\$ 1,021,871	\$ 1,318,489	\$ 1,281,722
On-Site Safety and Health Program	731,816	1,039,000	1,103,950
Mine Safety and Health Training Program	<u>204,378</u>	<u>396,266</u>	<u>426,308</u>
TOTAL	\$ 1,958,065	\$ 2,753,755	\$ 2,811,980
PERSONAL SERVICE			
General Revenue Fund	740,752	730,884	737,585
Federal Funds	609,923	856,299	864,148
Other Funds	246,609	283,841	329,044
EXPENSE AND EQUIPMENT			
General Revenue Fund	72,675	59,969	58,522
Federal Funds	204,729	488,644	488,644
Other Funds	83,377	334,118	334,037
TOTAL			
General Revenue Fund	813,427	790,853	796,107
Federal Funds	814,652	1,344,943	1,352,792
Other Funds	329,986	617,959	663,081
Total Full-time Equivalent Employees			
General Revenue Fund	38.17	41.00	42.00
Federal Funds	17.22	16.50	16.50
Other Funds	15.15	21.00	18.27
Other Funds	5.80	3.50	7.23

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. Additionally, the division provides safety and health training classes for mine operators and miners. 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 2013 Governor's Recommendations

- \$50,000 Mine Inspection Fund and one staff for administration of the Mine and Cave Safety Program.
- \$17,153 for pay plan, including \$6,701 general revenue.
- (\$8,928) core reduction from the Fiscal Year 2012 appropriation level, including (\$1,447) general revenue.

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

FINANCIAL SUMMARY

	FY 2011 EXPENDITURE	FY 2012 APPROPRIATION	GOVERNOR RECOMMENDS FY 2013
Administration	\$ 8,645,583	\$ 9,081,364	\$ 9,335,368
Second Injury Fund Benefits	37,392,915	47,359,511	47,359,511
Tort Victims Compensation Payments	<u>345,275</u>	<u>100,000</u>	<u>100,000</u>
TOTAL	\$ 46,383,773	\$ 56,540,875	\$ 56,794,879
PERSONAL SERVICE			
Other Funds	7,595,219	7,615,848	7,900,678
EXPENSE AND EQUIPMENT			
Other Funds	892,371	1,414,515	1,393,689
PROGRAM SPECIFIC DISTRIBUTION			
General Revenue Fund	125,000	1	1
Other Funds	37,771,183	47,510,511	47,500,511
TOTAL			
General Revenue Fund	125,000	1	1
Other Funds	46,258,773	56,540,874	56,794,879
Total Full-time Equivalent Employees			
Other Funds	145.52	149.25	149.25
Other Funds	145.52	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 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 2013 Governor's Recommendations

- \$248,749 Workers' Compensation Fund for salary increases pursuant to Section 287.615, RSMo.
- \$36,081 Workers' Compensation Fund for pay plan.
- (\$30,826) Workers' Compensation Fund core reduction from the Fiscal Year 2012 appropriation 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 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, the fund provides second job lost wage benefits.

Fiscal Year 2013 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. 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 2013 Governor's Recommendations

Continue funding at the current level.

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

FINANCIAL SUMMARY

	FY 2011 EXPENDITURE	FY 2012 APPROPRIATION	GOVERNOR RECOMMENDS FY 2013
Administration	\$ 24,763,239	\$ 28,303,251	\$ 28,513,729
Special Employment Security Fund	598,998	2,389,868	2,391,652
War on Terror Unemployment Compensation Program	0	90,000	90,000
Employment and Training Payments	2,437,869	7,000,000	7,000,000
Board of Unemployment Fund Financing	0	1	1
TOTAL	\$ 27,800,106	\$ 37,783,120	\$ 37,995,382
PERSONAL SERVICE			
Federal Funds	19,793,118	22,761,140	22,969,784
Other Funds	67,489	704,509	710,967
EXPENSE AND EQUIPMENT			
Federal Funds	4,969,905	5,341,654	5,340,911
Other Funds	465,992	1,854,358	1,726,118
PROGRAM SPECIFIC DISTRIBUTION			
Federal Funds	2,438,085	7,000,457	7,001,200
Other Funds	65,517	121,002	246,402
TOTAL			
Federal Funds	27,201,108	35,103,251	35,311,895
Other Funds	598,998	2,679,869	2,683,487
Total Full-time Equivalent Employees	590.58	535.21	535.21
Federal Funds	588.91	517.50	517.50
Other Funds	1.67	17.71	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 2013 Governor's Recommendations

- \$210,478 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 2013 Governor's Recommendations

- \$4,624 Special Employment Security Fund for pay plan.
- (\$2,840) Special Employment Security Fund core reduction from the Fiscal Year 2012 appropriation level.

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 2013 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 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 2013 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 statute.

Fiscal Year 2013 Governor's Recommendations

Continue funding at the current level.

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

FINANCIAL SUMMARY

	FY 2011 EXPENDITURE	FY 2012 APPROPRIATION	GOVERNOR RECOMMENDS FY 2013
State Board of Mediation TOTAL	\$ 103,291	\$ 117,833	\$ 118,470
PERSONAL SERVICE	97,467	107,303	108,286
EXPENSE AND EQUIPMENT	5,824	10,530	10,184
TOTAL			
General Revenue Fund	103,291	117,833	118,470
Total Full-time Equivalent Employees	1.92	2.00	2.00
General Revenue Fund	1.92	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 2013 Governor's Recommendations

- \$983 for pay plan.
- (\$346) core reduction from the Fiscal Year 2012 appropriation level.

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

FINANCIAL SUMMARY

	FY 2011 EXPENDITURE	FY 2012 APPROPRIATION	GOVERNOR RECOMMENDS FY 2013
Missouri Commission on Human Rights TOTAL	\$ 1,376,070	\$ 1,567,014	\$ 1,579,707
PERSONAL SERVICE			
General Revenue Fund	466,702	493,444	497,967
Federal Funds	777,281	895,097	903,302
EXPENSE AND EQUIPMENT			
General Revenue Fund	16,110	16,607	16,572
Federal Funds	90,777	157,353	136,866
PROGRAM SPECIFIC DISTRIBUTION			
Federal Funds	25,200	4,513	25,000
TOTAL			
General Revenue Fund	482,812	510,051	514,539
Federal Funds	893,258	1,056,963	1,065,168
Total Full-time Equivalent Employees	30.69	32.70	32.70
General Revenue Fund	11.09	11.00	11.00
Federal Funds	19.60	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 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 2013 Governor's Recommendations

- \$12,728 for pay plan, including \$4,523 general revenue.
- (\$35) core reduction from the Fiscal Year 2012 appropriation level.