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↻ Designates that this item is a change item



January 27, 2009

The 2009 Minnesota Legislature:

Thank you for your continued leadership and service to Minnesota. On behalf of Governor Pawlenty, I submit the Department of Labor and Industry's (DLI) budget recommendation for the FY 2010-2011 biennial budget. This budget consists of \$1.760 million from the state's general fund, \$191.386 million from the workers' compensation fund, \$65.329 million from the construction code fund and \$12.124 million from other funds.

This budget recommendation represents at 10% reduction in the general fund from our FY 2008-09 funding without affecting the precise core mission of the agency—workplace safety of all Minnesotans.

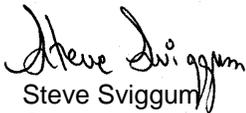
More than half of the budget is for payments of workers' compensation benefits. The remaining budget is administered through four program areas: workers' compensation, safety codes and services, labor standards and apprenticeship, and general support.

We are facing challenging unprecedented budget times and it's at these times, we must look at our services and agency's performance including efficiency and effectiveness. If reforms will make for better change then we must act accordingly.

I trust with this budget recommendation, DLI will not waver from our core mission and commitment to ensure Minnesota's work and living environments are equitable, healthy and safe.

Please call upon me if I can be of any assistance to you and I certainly look forward to working with you in the coming months.

Sincerely,

  
Steve Sviggum  
Commissioner

## Agency Purpose

The mission of the Department of Labor and Industry (DLI) is to ensure Minnesota's work and living environments are equitable, healthy, and safe. Its vision is to be a trusted resource and an impartial regulator for employers, employees, and property owners.

Agency activities are designed to assure

- ◆ workplaces are free from injury and illness;
- ◆ buildings are safe and healthy for those who occupy them;
- ◆ workers injured on the job are provided treatment and benefits required by law;
- ◆ workers from all communities have the opportunity to receive critical skills through apprenticeship training;
- ◆ workers who construct and inspect buildings are qualified to perform the work;
- ◆ workers, potential workers, and employers have a clear understanding of their rights and responsibilities in the workplace; and
- ◆ customers have ready access to reliable resources that assist them in complying with the laws and regulations the agency is responsible for administering and enforcing.

## At A Glance

- ◆ Administer laws affecting Minnesota's 2.6 million employees and 159,000 employers
- ◆ Oversee workers' compensation claims and benefit payments for 141,000 injuries and 53 workplace fatalities annually
- ◆ Conduct more than 200,000 inspections per year
- ◆ Issue approximately 140,000 licenses and certifications per year
- ◆ Monitor more than 8,000 registered apprentices

## Core Functions

DLI administers laws related to employment, apprenticeship, workplace safety, workers' compensation, and construction of buildings through its core functions:

- ◆ provide training, outreach, and other resources to agency customers;
- ◆ promulgate construction codes;
- ◆ conduct plan-reviews, inspections, audits, and investigations;
- ◆ review workers' compensation claims and oversee the provision of benefits;
- ◆ provide informal dispute-resolution services;
- ◆ provide vocational rehabilitation services;
- ◆ issue penalties for violations of the law;
- ◆ issue professional licenses and certifications; and
- ◆ register apprenticeship programs.

## Operations

DLI's primary customers are Minnesota workers, employers, and building owners. Other stakeholders include builders, contractors, building officials, manufacturers of building products, insurers, attorneys, rehabilitation and health care providers, employment agencies, building owners, and boat owners. Services are provided through four DLI divisions.

The **Safety and Workers' Compensation Division** provides leadership, support, and a framework for operations relating to the safety and compensation of employees and employers through the following five activities.

- ◆ **Claims Services and Investigations** verifies that employers carry workers' compensation insurance and enforces sanctions for those who do not, administers claims for injured workers of uninsured and bankrupt self-insured employers, and administers asbestosis claims. It also reimburses second-injury and supplementary benefits to insurers and self-insured employers.

- ◆ **Benefit Management and Resolution** provides assistance and information about workers' compensation laws and processes to injured workers, employers, and other stakeholders. The unit ensures employers and insurers provide timely and accurate benefits through compliance, penalties, and education. Services extend to alternative dispute-resolution services, including mediations, conferences, telephone information, walk-in assistance, and dispute certification. The unit audits workers' compensation claim files for adherence to the law. In addition, the unit provides both formal and informal training sessions to workers' compensation stakeholders.
- ◆ **Vocational Rehabilitation** provides vocational services to injured workers whose claims have been denied or whose claims are in dispute and are awaiting resolution in court.
- ◆ **Minnesota Occupational Safety and Health Act (MNOSHA) Compliance** conducts safety and health inspections of workplaces and issues citations for failure to comply with standards. It provides technical assistance, outreach, and education about safety and health issues. MNOSHA Compliance also develops partnerships with organizations and investigates allegations of adverse employment actions against employees who make safety and health complaints.
- ◆ **Workplace Safety Consultation** provides safety and health inspections, alliances, training and outreach sessions, and technical assistance to public and private-sector employers, primarily targeting small high-hazard industries. It also administers safety programs such as safety grants, labor-management safety committees, workplace violence prevention, ergonomics, and logger education.

The **Construction Codes and Services Division** assures construction standards, construction codes, and construction-related licensing complies with legal requirements through the following three activities.

- ◆ **Administrative Services** promulgates construction codes for building, accessibility, elevator, energy, manufactured structures, and boilers. It also provides support for three authoritative boards relating to the electrical, plumbing, and high pressure piping codes. It also licenses all of the above industries and provides technical assistance and training programs for continued education.
- ◆ **Inspection Services** provides code compliance inspections for electrical, plumbing, boiler, elevator, high pressure piping and boats for hire.
- ◆ **Plan Review and Regional Services** provides code compliance plan reviews and inspections for state owned buildings, school district buildings, and state licensed facilities for various provisions of the state building code, particularly those contributing to life-safety and accessibility. Also reviews plumbing plans for most commercial buildings for compliance with various health and sanitation provisions of the Minnesota Plumbing Code. The section also provides regional services to municipalities by assisting them with administration of the codes and auditing their performance to ensure consistent application of all codes.

The **Labor Standards and Apprenticeship Division** enforces employment laws governing child labor, minimum wage, overtime, prevailing wage, and parental leave. It regulates, supervises, and promotes apprenticeship programs that meet state standards. It also provides outreach and education to employers and employees, and issues licenses to fee employment agencies.

The **General Support Division** supports agency operations through communications, legislative relations, financial management, human resources, information technology, assures the quality of documents and data used across the agency, research and statistics, legal advice, rulemaking, and litigation.

## Budget

DLI's budget comes from two primary sources: the workers' compensation fund, which is financed primarily by an assessment collected from workers' compensation insurers and self-insured employers; and the special revenue fund, which is financed by the stakeholders of the construction industry through permit, licensing, and inspection fees. The remainder of DLI's budget is financed by the general, workforce development, and federal funds. More than 55% of agency expenditures are for workers' compensation benefit payments to injured workers. The DLI staff includes 459 full-time-equivalent employees working in locations throughout the state.

**Contact**

For more information, contact DLI Communications at (651) 284-5313.

More than 1,000 visitors stop by the DLI website ([www.doli.state.mn.us](http://www.doli.state.mn.us)) each day to learn more about Minnesota's employment laws, safety and health standards, work-related injuries, and worker training programs.

For information about department goals and results, visit the Minnesota Department Results website at [www.departmentresults.state.mn.us/doli](http://www.departmentresults.state.mn.us/doli).

Dollars in Thousands

	Current		Governor Recomm.		Biennium 2010-11
	FY2008	FY2009	FY2010	FY2011	
<b><u>Direct Appropriations by Fund</u></b>					
<b>General</b>					
Current Appropriation	1,069	981	981	981	1,962
<b>Recommended</b>	<b>1,069</b>	<b>981</b>	<b>880</b>	<b>880</b>	<b>1,760</b>
Change		0	(101)	(101)	(202)
% Biennial Change from 2008-09					-14.1%
<b>State Government Spec Revenue</b>					
Current Appropriation	869	0	0	0	0
<b>Recommended</b>	<b>869</b>	<b>0</b>	<b>0</b>	<b>0</b>	<b>0</b>
Change		0	0	0	0
% Biennial Change from 2008-09					-100%
<b>Workforce Development</b>					
Current Appropriation	764	779	779	779	1,558
<b>Recommended</b>	<b>764</b>	<b>779</b>	<b>1,029</b>	<b>1,279</b>	<b>2,308</b>
Change		0	250	500	750
% Biennial Change from 2008-09					49.6%
<b>Workers Compensation</b>					
Current Appropriation	21,076	20,871	20,871	20,871	41,742
<b>Recommended</b>	<b>21,076</b>	<b>20,871</b>	<b>20,871</b>	<b>20,871</b>	<b>41,742</b>
Change		0	0	0	0
% Biennial Change from 2008-09					-0.5%
<b><u>Expenditures by Fund</u></b>					
<b>Direct Appropriations</b>					
General	845	1,203	880	880	1,760
Workforce Development	609	879	1,029	1,279	2,308
Workers Compensation	19,915	22,025	20,871	20,871	41,742
<b>Open Appropriations</b>					
Workers Compensation	69,328	71,688	71,688	71,688	143,376
<b>Statutory Appropriations</b>					
State Government Spec Revenue	23,201	28,537	27,949	28,455	56,404
Miscellaneous Special Revenue	5,415	5,817	5,273	5,273	10,546
Federal	5,225	5,023	5,013	5,013	10,026
Workers Compensation	2,687	6,272	3,134	3,134	6,268
Miscellaneous Agency	10	11	10	10	20
<b>Total</b>	<b>127,235</b>	<b>141,455</b>	<b>135,847</b>	<b>136,603</b>	<b>272,450</b>
<b><u>Expenditures by Category</u></b>					
Total Compensation	33,285	38,054	39,433	40,214	79,647
Other Operating Expenses	22,339	26,419	23,992	23,717	47,709
Payments To Individuals	69,152	71,471	71,471	71,471	142,942
Local Assistance	2,459	5,511	2,466	2,716	5,182
Transfers	0	0	(1,515)	(1,515)	(3,030)
<b>Total</b>	<b>127,235</b>	<b>141,455</b>	<b>135,847</b>	<b>136,603</b>	<b>272,450</b>
<b><u>Expenditures by Program</u></b>					
Safety & Workers Comp Division	88,516	95,440	91,576	91,522	183,098
Construction Codes & Services	26,225	31,406	30,754	31,260	62,014
General Support Division	10,999	12,475	11,557	11,611	23,168
Labor Standards & Apprenticesp	1,495	2,134	1,960	2,210	4,170
<b>Total</b>	<b>127,235</b>	<b>141,455</b>	<b>135,847</b>	<b>136,603</b>	<b>272,450</b>
<b>Full-Time Equivalentents (FTE)</b>	<b>442.4</b>	<b>485.6</b>	<b>493.4</b>	<b>488.8</b>	

<i>Dollars in Thousands</i>				
	FY2009	Governor's Recomm.		Biennium
		FY2010	FY2011	2010-11
<b>Fund: GENERAL</b>				
FY 2009 Appropriations	981	981	981	1,962
<b>Technical Adjustments</b>				
Pt Contract Base Reduction		(1)	(1)	(2)
<b>Subtotal - Forecast Base</b>	981	980	980	1,960
<b>Change Items</b>				
Operating Budget Reduction	0	(100)	(100)	(200)
<b>Total Governor's Recommendations</b>	981	880	880	1,760
<b>Fund: STATE GOVERNMENT SPEC REVENUE</b>				
FY 2009 Appropriations	0	0	0	0
<b>Subtotal - Forecast Base</b>	0	0	0	0
<b>Total Governor's Recommendations</b>	0	0	0	0
<b>Fund: WORKFORCE DEVELOPMENT</b>				
FY 2009 Appropriations	779	779	779	1,558
<b>Subtotal - Forecast Base</b>	779	779	779	1,558
<b>Change Items</b>				
Apprenticeship Program Expansion	0	250	500	750
<b>Total Governor's Recommendations</b>	779	1,029	1,279	2,308
<b>Fund: WORKERS COMPENSATION</b>				
FY 2009 Appropriations	20,871	20,871	20,871	41,742
<b>Subtotal - Forecast Base</b>	20,871	20,871	20,871	41,742
<b>Total Governor's Recommendations</b>	20,871	20,871	20,871	41,742
<b>Fund: WORKERS COMPENSATION</b>				
Planned Open Spending	71,688	71,688	71,688	143,376
<b>Total Governor's Recommendations</b>	71,688	71,688	71,688	143,376

<i>Dollars in Thousands</i>				
	FY2009	Governor's Recomm.		Biennium
		FY2010	FY2011	2010-11
<b>Fund: STATE GOVERNMENT SPEC REVENUE</b>				
Planned Statutory Spending	28,537	29,464	30,255	59,719
<b>Change Items</b>				
Eliminate Construction Codes Transfer	0	(1,515)	(1,515)	(3,030)
Biennial License Renewals and Scheduling	0	0	(285)	(285)
<b>Total Governor's Recommendations</b>	<b>28,537</b>	<b>27,949</b>	<b>28,455</b>	<b>56,404</b>
<b>Fund: MISCELLANEOUS SPECIAL REVENUE</b>				
Planned Statutory Spending	5,817	5,273	5,273	10,546
<b>Total Governor's Recommendations</b>	<b>5,817</b>	<b>5,273</b>	<b>5,273</b>	<b>10,546</b>
<b>Fund: FEDERAL</b>				
Planned Statutory Spending	5,023	5,013	5,013	10,026
<b>Total Governor's Recommendations</b>	<b>5,023</b>	<b>5,013</b>	<b>5,013</b>	<b>10,026</b>
<b>Fund: WORKERS COMPENSATION</b>				
Planned Statutory Spending	6,272	3,134	3,134	6,268
<b>Total Governor's Recommendations</b>	<b>6,272</b>	<b>3,134</b>	<b>3,134</b>	<b>6,268</b>
<b>Fund: MISCELLANEOUS AGENCY</b>				
Planned Statutory Spending	11	10	10	20
<b>Total Governor's Recommendations</b>	<b>11</b>	<b>10</b>	<b>10</b>	<b>20</b>
<b><u>Revenue Change Items</u></b>				
<b>Fund: STATE GOVERNMENT SPEC REVENUE</b>				
<b>Change Items</b>				
Biennial License Renewals and Scheduling	0	1,474	0	1,474
Building Permit & Plan Review Fee Adjust	0	900	900	1,800
<b>Fund: MISCELLANEOUS SPECIAL REVENUE</b>				
<b>Change Items</b>				
Biennial License Renewals and Scheduling	0	1,244	0	1,244

## LABOR AND INDUSTRY DEPT

Program: CONSTRUCTION CODES & SERVICES

Change Item: Biennial License Renewals and Scheduling

Fiscal Impact (\$000s)	FY 2010	FY 2011	FY 2012	FY 2013
Other Fund (SGSR – Dedicated)				
Expenditures	\$0	\$(285)	\$(285)	\$(285)
Revenues	2,718	0	0	0
Net Fiscal Impact	\$2,718	\$(285)	\$(285)	\$(285)

### Recommendation

The Governor recommends adjustments in the Construction Codes & Services Division for 1) biennial licensing and registration for Boiler Operators, Plumbers, Water and Residential Contractors; 2) staggering the licensing scheduling cycle; and 3) eliminating fee charges for replacement copies of licenses.

### Background

The Construction Codes & Services Division issues approximately 105,000 licenses of which some are currently renewed annually, some are currently renewed biennially (Electrical, Manufactured Structures and Building Contractor) and a few such as the Building Official that are triennial renewals. Triennial renewals will remain unchanged.

Part of the proposed change is to implement a biennial licensure schedule for the boiler operator, plumber, and residential contractor license renewal schedules. These licensure categories currently renew their license every year. The requirement would be to pay two year renewal amounts every other year. The objective is to reduce processing workload costs and improve service and ensure licensure processing delays are not a consideration for licenses to obtain work and bidding on construction projects.

In addition, some months experience over 20,000 renewals while other months have fewer than 3,000. Some license categories have a fixed (same day of the year) renewal date for all licensees in the group. For example, renewal dates for all residential building contractors is on March 31<sup>st</sup> of each year. These will be split between the two year biennium with half renewing their license on alternate years. This initiative will also reduce the high volume peak months to more manageable levels to improve processing turn around time and customer service. The bond fees collection time frames will also be adjusted to match the two year period where allowed to match licensure. These transitions are expected to remove the need for processing over 31,000 license transactions per year and provide a more balanced licensure renewal work load.

DLI will take into consideration the construction season, scheduling of continuing education and training schedules and will meet with industry representatives to stagger the licensure cycles over a two year period and jointly establish the new renewal cycles. DLI will strive to level license renewals to less than 15,000 monthly to reduce costs and processing turnaround and better response to customer requests in a timely basis.

The various licensees will move from an annual cycle to biennial which ensures licensure delays are not a consideration for licensees to obtaining work and bidding on construction projects.

Some license fee structures contain a charge for a replacement licensure card such as boilers (\$20), electrical (\$15) and manufactured structures (\$10). Others do not. DLI is recommending elimination of this fee. As DLI continues our work to make on-line renewal payments possible, a feature for licensees to print their own license will be added.

### Relationship to Base Budget

Moving to biennial licensure and registration process and splitting the fixed date renewal cycles across both years of the biennium will result in a permanent reduction in the CCLD operating budget beginning in FY 2011. Everyone in the affected renewal categories will renew in FY 2010, but half will renew for two years while the other half renew for one year. The half renewing for one year in FY 2010 will renew for two years in FY 2011. This transition will result in the shifting of \$1.474 million in total licensure fee receipts from 2011 to 2010 as the

## LABOR AND INDUSTRY DEPT

Program: CONSTRUCTION CODES & SERVICES

Change Item: Biennial License Renewals and Scheduling

licensees renewing for two years in FY 2010 will also be paying FY 2011 fees in FY10. In 2011 a corresponding reduction will occur because those registering for two years in FY 2010 will not be renewing again until FY 2012.

As Residential Contractor licenses will be renewed biennially, the contractor recovery fee collected with those renewals will also be shifted for the 2 year period as part of the renewal.

### Summary:

Biannual Licensure	\$1.474 million
Biannual Contractor Recovery	\$1.244 million
Total for 2010	\$2.718 million

Note: The additional \$2.718 million in revenue generated from the two-year licensure renewal cycle is due to pulling revenue forward, not an increase in the fee rates charged to licensees. For example, a two-year license previously charged at \$15.00 per year will collect \$30.00 when billed for a two-year period.

### Cost reductions include:

- ◆ Reduction in the number of mailings (postage for one mailing at 42 cents is \$59,000, plus envelopes, paper and printing) and moving to post card notifications will result in approximately \$105 thousand in annual savings starting in FY 2011.
- ◆ Reduction in temporary staff to process applications and deposit checks is approximately \$120,000 in savings starting in FY 2011.

### Key Goals and Measures

The key goal is to reduce the turn around time and costs for the processing of licenses and registrations and balance the on-going operations of DLI's Safety Codes & Services Division.

- ◆ License renewals and registrations will be processed within 30 days from receipt excluding those applications where more or supplemental information is required.

### Alternatives Considered

DLI has examined the option of continuing to supplement staff to address prompt processing during peak license and renewal periods. However, DLI does not want to increase the licensure fees without reviewing the process as a first step. This will allow DLI to level off the work load and then review the process for additional improvements. Once DLI has had an opportunity to work through the new process, a determination can be made regarding the future licensure fee structure that incorporates processing cost reductions and improvements that have been made.

**Statutory Change:** Boiler Operator Licenses - 326B.986, Electrical License Replacement Fee - 326B.33, Manufactured Home Installer Replacement License Fees Rule 1350.83, Plumbing License and Replacement Fees - 326B.46, 326B.49, Water Conditioning Installers - 326B.58, Residential Building Contractor - 326B.815, Residential Building Contractor / Recovery - 326B.89.

**LABOR AND INDUSTRY DEPT**

**Program: CONSTRUCTION CODES & SERVICES**

**Change Item: Building Permit & Plan Review Fee Adjust**

<b>Fiscal Impact (\$000s)</b>	<b>FY 2010</b>	<b>FY 2011</b>	<b>FY 2012</b>	<b>FY 2013</b>
Other Fund				
Expenditures	\$0	\$0	\$0	\$0
Revenues	900	900	900	900
Net Fiscal Impact	\$(900)	\$(900)	\$(900)	\$(900)

**Recommendation**

The Governor recommends a fee increase in the Construction Codes and Licensing Division (CCLD) for the Building Permit & Plan Review Fees. A fee increase would ensure that public facilities such as hospitals, nursing homes, public schools and state owned buildings can continue to be constructed in accordance with applicable health and safety codes. The fee increase recovers the costs associated with the Building Permit and Plan Review process.

**Background**

The current building permit and plan review fee structure is based on project valuation and were established in the 1985 Model Building Code and later adopted into Minnesota Rule in 1990. The purpose of the fee is to assure safe working and living environments by providing building plan review and construction inspections under the State Building Code. The department is also charged with providing building inspections on certain public buildings and state licensed facilities.

The department fee structure is based on an antiquated fee rate. CCLD's 1990 fee structure was adopted by most municipalities throughout the state. However, the municipalities have steadily increased their fee structure while CCLD has not. Plan review and inspections fees for the cities of Bloomington, St Cloud, Duluth, Rochester, St Paul, and Minneapolis were all compared and found to be much higher. A city of Minneapolis and current DLI fee rate comparison is provided below.

Jurisdictions using the state building code but uncomfortable with their staff capabilities to manage large construction projects can request state assistance for plan reviews and building inspections. In many cases the department must apply its specialized expertise to assure safe construction is assured in at the local level. The department then applies its antiquated 1985 fee schedule to perform the work. DLI costs exceed revenues. In some cases municipalities apply their higher fee rate to customers, send their work to DLI and retain the difference.

Analysis indicates revenue and work performed by the department has increased, but a \$710,000 operating shortfall to perform plan reviews and building inspections occurred in Fiscal Year 2008. Shortfalls were offset by the building permit surcharge fund, but the recent economic down turn has significantly reduced surcharge revenues. The department must upgrade its plan review and building inspection fee schedule to a rate that assures the coverage of current and anticipated cost increases or face economic conditions that will result in an inability to assure construction safety is met.

	<b>MINNEAPOLIS FEE SCHEDULE</b>	<b>LABOR &amp; INDUSTRY FEE SCHEDULE</b>
Re-inspection Fees	\$63.25 per hour	\$45 per hour
Minimum Fee - Residential or Commercial	\$66.25 (Includes .50 State Surcharge)	N/A
\$1-\$500	\$29.50 (Minimum Fee applies)	\$15 Minimum
\$501-\$2,000	\$28.00 - first \$500. Plus \$3.70 per additional \$100. And fraction thereof including \$2000.	\$15 + (\$2.00 per \$100 value)

## LABOR AND INDUSTRY DEPT

Program: **CONSTRUCTION CODES & SERVICES**

Change Item: **Building Permit & Plan Review Fee Adjust**

	<b>MINNEAPOLIS FEE SCHEDULE</b>	<b>LABOR &amp; INDUSTRY FEE SCHEDULE</b>
\$2,001-\$25,000	\$83.50 - first \$2,000. Plus \$16.55 per additional \$1,000. And fraction thereof including \$25,000.	\$45 + (\$9.00 per \$1,000 value)
\$25,001-\$50,000	\$464.15 - first \$25,000. Plus \$12.00 per additional \$1,000. And fraction thereof including \$50,000.	\$252 + (\$6.50 per \$1,000 value)
\$50,001-\$100,000	\$764.15 - first \$50,000. Plus \$8.45 per additional \$1,000. And fraction thereof including \$100,000.	\$414.50 + (\$4.50 per \$1,000 value)
\$100,001-\$500,000	\$1,186.65 - first \$100,000. Plus \$6.75 per additional \$1,000. And fraction thereof including \$500,000.	\$639.50 + (\$3.50 per \$1,000 value)
\$500,001-\$1,000,000	\$3,886.65 - first \$500,000. Plus \$5.50 per additional \$1,000. And fraction thereof including \$1 million.	\$2,039.50 + (\$3.00 per \$1,000 value)
\$1,000,001-and up	\$6,636.65 - first \$1 million. Plus \$4.50 per additional \$1,000. And fraction thereof.	\$3,539.50 + (\$2.00 per \$1,000 value)

### Relationship to Base Budget

The net increase in Building Permit & Plan Review amounts to \$900,000. This fee is paid to the department by design firms and local governments for permit & plan review services requested.

### Key Goals and Measures

CCLD's challenge is to keep up with providing competent, comprehensive life-safety plan reviews and inspections on the growing number of hospital, nursing home, and public school projects within the 30 day time period required by Minnesota Statute 16B.61 subd 4. This growing work load is represented as follows:

	<b>FY 2005</b>	<b>FY 2006</b>	<b>FY 2007</b>	<b>FY 2008</b>
<b>Increasing number of Building Permits issued</b>		114	146	171
<b>Increasing number of Building Plans Reviewed</b>	232	245	275	304
<b>Increasing Construction Valuation of projects</b> (\$ in millions)	\$288	\$425	\$518	\$544

The goal is assure safe construction of all projects requiring state Building Permit & Plan Review services under the State Building Code within the timeframes specified in law.

### Alternatives Considered

DLI selected the Building Permit & Plan Review Fee for adjustment this Legislative Session as a significant deficit is occurring and will continue into the future if not addressed. The agency examined its current fee structure, expenditures and revenues and this is the most pressing need. DLI will continue to review its overall licensure fees and may request adjustment to others in the future.

**Statutory Change:** MN Rule 1302.0600

## LABOR AND INDUSTRY DEPT

Program: CONSTRUCTION CODES & SERVICES

Change Item: Elimination of Construction Codes' Transfer

Fiscal Impact (\$000s)	FY 2010	FY 2011	FY 2012	FY 2013
SGSR Fund				
Transfer Out	\$(1,515)	\$(1,515)	\$(1,515)	\$(1,515)
Revenues	0	0	0	0
Net Fiscal Impact	\$(1,515)	\$(1,515)	\$(1,515)	\$(1,515)

### Recommendation

The Governor recommends elimination of the annual state government special revenue, construction code fund transfer of \$1.515 million to the general fund.

### Background

When the Construction Code Licensing Division (CCLD) was created in 2005, five areas were consolidated to create the division. Each area had its own revenue stream. After the consolidation the revenue continued to be transferred. The program's operating fund balance is no longer able to support a continued annual transfer.

### Relationship to Base Budget

The construction code fund balance is needed to pay DLI's CCLD obligations such as; the electrical inspection contracts which are approximately \$11 million annually. The remaining \$18 million utilized for agency salaries and operations. In order to maintain a fiscally sound program, DLI needs to maintain at least a three month operating fund balance or approximately \$7 million in the account at any point in time. At the end of FY 2010 the operating fund balance is projected at roughly \$4.8 million. An operating fund balance of \$4.8 million would cause delays in payments to vendors such as the electrical inspection contractors and staff layoffs.

### Key Goals and Measures

Maintaining a three month balance in the construction code operating fund is vital to the on-going operations of DLI's Construction Codes & Services Division.

- ◆ Inspection and enforcement actions that benefit the safety of consumers must be maintained.
- ◆ DLI must perform the services for which licensure, inspection and plan review fees were paid.

### Alternatives Considered

An alternative to this proposal would be to apply a \$15 annual increase to the each licensure/renewal fee. Given the volatility of the economy and the construction industry, professional and business licenses are one facet of the industry where there is stability. Licenses continue to be renewed.

**Statutory Change:** Session Laws 2007, Chapter 135, Article 1, Section 16 and Session Laws 2007, Chapter 140, Article 13, Section 1

## LABOR AND INDUSTRY DEPT

Program: LABOR STANDARDS & APPRENTICESP

Change Item: Apprenticeship Program Expansion

Fiscal Impact (\$000s)	FY 2010	FY 2011	FY 2012	FY 2013
Workforce Development Fund				
Expenditures	\$250	\$500	\$500	\$500
Revenues	0	0	0	0
Net Fiscal Impact	\$250	\$500	\$500	\$500

### Recommendation

The Governor recommends inclusion of the Department of Labor and Industry's (DLI) Apprenticeship Program in Minnesota's Comprehensive Workforce Development Plan. The Apprenticeship Program would be expanded to promote registered apprenticeship training in non-construction trades programs in more industries.

### Background

Currently, 92% of Minnesota's registered apprentices work in the construction trades. Entry into the apprenticeship program is straightforward with a well established program. The number of participants reflects the strength of the Apprenticeship Program.

Apprenticeship is used nationally and internationally by other industries successfully to promote workforce development. Strategies and models exist which can be utilized in Minnesota as a way to build non-construction career apprenticeship programs. Minnesota can model its non-construction program to ensure a clear process is defined and available for opportunities in other occupations.

The Apprenticeship Program would expand to promote opportunities for:

- ◆ Dislocated Workers
- ◆ MFIP Participants
- ◆ Mid-career workers (professional and non-professional) seeking a change
- ◆ Workers with disabilities
- ◆ High School Students in Alternative Learning and Transition

DLI would partner with public sector based employer groups, the Department of Human Services, the Department of Employment and Economic Development, adult basic education centers, Minnesota State College and University institutions, and others to fulfill the two primary goals of this initiative:

- ◆ Work with employer groups from defined sectors and/or regions to provide education and hands-on assistance for the process of setting up an apprenticeship program that all group members could utilize for workforce development and workforce succession.
- ◆ Sponsorship of an eight week pre-apprenticeship class for job seekers coming through the workforce center system and/or other employment service providers in the state.
  - ⇒ The pre-apprenticeship class would include but not limited to: an introduction to the industry and the type of employment and career opportunities offered; remedial and basic industry specific skills that are needed to become an entry level employee and what is required for a chance of continued success; job search preparation and soft skills training.

### Relationship to Base Budget

This initiative will increase the base budget in FY 2010 by \$250 thousand in FY 2011 by \$500,000 and thereafter by \$500,000 annually.

In FY 2010, DLI will hire two field representatives and one clerical support to work with industries and provide promotional assistance, development of industry specific eight-week pre-apprenticeship training, creation of selection and screening of pre-apprenticeship participants, placement and follow-up services for participants and a mechanism for providing financial assistance for employers.

## LABOR AND INDUSTRY DEPT

Program: LABOR STANDARDS & APPRENTICESP

Change Item: Apprenticeship Program Expansion

In FY2011, DLI will be in a position to provide \$250,000 annually as financial assistance for employers to defray some of the costs for participant training and instruction.

### Key Goals and Measures

The key goal is to provide apprenticeship programs for non-construction trades and to create career paths and support for participants.

- ◆ Support from industry partners to create education and hands-on assistance for participants.
- ◆ Participants will obtain training for their specific industry and obtain sustained employment.

### Alternatives Considered

DLI has monitored the process utilized in Canada as the national model, by an employer in Monticello, Minnesota and a manufacturer in North Carolina as they established apprenticeship and pre-apprenticeship programs in non-construction industries. DLI will utilize their experiences when developing this program.

**Statutory Change:** Not applicable.

## LABOR AND INDUSTRY DEPT

Program: LABOR STANDARDS & APPRENTICESP

Change Item: Operating Budget Reduction

Fiscal Impact (\$000s)	FY 2010	FY 2011	FY 2012	FY 2013
General Fund				
Expenditures	(\$100)	(\$100)	(\$100)	(\$100)
Revenues	0	0	0	0
Net Fiscal Impact	(\$100)	(\$100)	(\$100)	(\$100)

### Recommendation

The Governor recommends a \$200 thousand base reduction in the general fund appropriation for the 2010-2011 biennium. This is accomplished by a reduction of \$200 thousand in Labor Standards. The Governor intends that DLI should focus its operating funds on maintaining its highest priority services and intends to provide as much flexibility as possible to the agency for the implementation of these reductions.

### Background

The Department of Labor and Industry (DLI) will be able to maintain its commitment to ensure Minnesota's work and living environments are equitable, healthy and safe. DLI receives general fund appropriations for both prevailing wage enforcement and labor standards.

Labor Standards serves as a clearinghouse of information about a variety of wage, hour and employment law issues. Each year, our staff receives approximately 25,000 telephone calls requesting assistance or information. In SFY'08, DLI did receive 3 additional prevailing wage FTE's. The recommended reduction of 1 FTE may likely result in less outreach activities and informational type learning about labor standards.

### Relationship to Base Budget

This proposal represents a 14% base level reduction to the general fund budget for Labor and Industry

### Key Goals

The key goals are to insure that workplaces operate within the requirements of Minnesota labor laws and that apprenticeship learning grows as an effective work to learn strategy.

### Key Program Measures

- ◆ To ensure the timely and accurate payment of wages for all hours worked by employees in Minnesota, the unit investigates complaints in accordance with the Minnesota Fair Labor Standards Act (M.S. 177). And, also ensures the safety and well being of employed minors, the unit investigates complaints and issues penalty violations in accordance with the Minnesota Child Labor Standards Act (M.S. 181A).

Unit Investigations	<u>FY 2005</u>	<u>FY 2006</u>	<u>FY 2007</u>	<u>FY 2008</u>
Cases opened	270	236	343	463
Cases closed	273	215	331	466

- ◆ To ensure the participants in registered apprenticeship programs are provided the technical support in maintaining the apprenticeship agreement to maximize the opportunity for completion of the apprenticeship-training program.

Total apprentices in training	<u>FY 2005</u>	<u>FY 2006</u>	<u>FY 2007</u>	<u>FY 2008</u>
	7,744	8,359	9,103	9,429

**Statutory Change:** Not Applicable.

**Program Description**

The purpose of the Safety and Workers' Compensation Division is to make sure every worker in the state of Minnesota has a safe and healthful workplace and to assure in an equitable and impartial manner, the quick and efficient delivery of benefits to injured workers at a reasonable cost to employers.

**Services Provided**

This program includes the following budget activities:

- ◆ Safety and Workers' Compensation Administration
- ◆ Benefit Management and Resolution
- ◆ Claims Services and Investigations
- ◆ Vocational Rehabilitation
- ◆ Minnesota Occupational Safety and Health Act (MNOSHA) Compliance
- ◆ Workplace Safety Consultation

# LABOR AND INDUSTRY DEPT

Program: SAFETY & WORKERS COMP DIVISION

Program Summary

<i>Dollars in Thousands</i>					
	<b>Current</b>		<b>Governor Recomm.</b>		<b>Biennium</b>
	<b>FY2008</b>	<b>FY2009</b>	<b>FY2010</b>	<b>FY2011</b>	<b>2010-11</b>
<b><u>Direct Appropriations by Fund</u></b>					
<b>Workers Compensation</b>					
Current Appropriation	14,545	14,890	14,890	14,890	29,780
Subtotal - Forecast Base	14,545	14,890	14,890	14,890	29,780
<b>Total</b>	<b>14,545</b>	<b>14,890</b>	<b>14,890</b>	<b>14,890</b>	<b>29,780</b>
 <b><u>Expenditures by Fund</u></b>					
<b>Direct Appropriations</b>					
Workers Compensation	11,626	12,842	12,369	12,315	24,684
<b>Open Appropriations</b>					
Workers Compensation	69,129	71,432	71,432	71,432	142,864
<b>Statutory Appropriations</b>					
Miscellaneous Special Revenue	13	49	69	69	138
Federal	5,061	4,845	4,842	4,842	9,684
Workers Compensation	2,687	6,272	2,864	2,864	5,728
<b>Total</b>	<b>88,516</b>	<b>95,440</b>	<b>91,576</b>	<b>91,522</b>	<b>183,098</b>
 <b><u>Expenditures by Category</u></b>					
Total Compensation	13,289	14,737	14,879	15,072	29,951
Other Operating Expenses	3,747	4,069	3,108	2,861	5,969
Payments To Individuals	69,152	71,471	71,471	71,471	142,942
Local Assistance	2,328	5,163	2,118	2,118	4,236
<b>Total</b>	<b>88,516</b>	<b>95,440</b>	<b>91,576</b>	<b>91,522</b>	<b>183,098</b>
 <b><u>Expenditures by Activity</u></b>					
Wc Administration	537	529	261	266	527
Wc Benefit Mgmt & Resolution	2,742	3,528	3,462	3,462	6,924
Wc Vocational Rehabilitation	2,058	2,176	2,183	2,103	4,286
Wc Claims Serv & Investigation	71,368	73,707	73,640	73,661	147,301
Mnosha Compliance	7,850	8,397	8,103	8,103	16,206
Workplace Safety Consultation	3,961	7,103	3,927	3,927	7,854
<b>Total</b>	<b>88,516</b>	<b>95,440</b>	<b>91,576</b>	<b>91,522</b>	<b>183,098</b>
 <b>Full-Time Equivalents (FTE)</b>	 <b>185.5</b>	 <b>196.5</b>	 <b>190.1</b>	 <b>188.0</b>	

**Activity Description**

The Safety and Workers' Compensation Division (SWCD) provides leadership, support, and a framework for operations relating to the safety and compensation of employees and employers. The mission of this division is to make sure every worker in the state of Minnesota has a safe and healthful workplace and to assure in an equitable and impartial manner, the quick and efficient delivery of benefits to injured workers at a reasonable cost to employers.

This is accomplished by assisting employers and employees in the identification and elimination of safety and health hazards, implementing effective safety and health programs, providing effective resolution of workers' compensation claims, reducing the number of uninsured employers, monitoring and improving the performance of external stakeholders engaged in the safety and health or workers' compensation industries, auditing benefit payments and services within the workers' compensation system, and by providing vocational rehabilitation services to employees whose workers' compensation claims are under dispute. In order to accomplish our mission the SWCD established the following core beliefs: exceptional customer service, data and process integrity and constantly asking the question "Are we doing the right things the right way?"

**Population Served**

This activity manages workers' compensation and occupational safety and health (OSHA) so stakeholders including employees, employers, insurers, attorneys, health care providers, and service vendors receive prompt and efficient service.

**Services Provided**

The SWCD's administrative and regulatory activities help to keep Minnesota workers' compensation costs low by improving the safety and health within the work place:

- ◆ providing information and education to employees, employers, insurance companies, and service providers;
- ◆ providing informal and formal forums for prompt resolution of disputes;
- ◆ monitoring insurance companies to ensure prompt payment of benefits;
- ◆ investigating cases of failure to properly insure for workplace injuries and illnesses by employers; and
- ◆ providing funding for a variety of workplace safety programs to help employers reduce injuries.

In addition to providing leadership to the SWCD, the SWCD activity supports:

- ◆ The Workers' Compensation Advisory Council (WCAC) advises the agency about matters of workers' compensation and submits its recommendations for proposed changes to the workers' compensation statutes to the legislature. The WCAC's recommendations must be supported by a majority of business and labor members in order to move on to the legislature.
- ◆ The Occupational Safety and Health Advisory Council advise the department in carrying out the purposes of M.S. 182 and other Occupational Safety and Health Administration statutes.
- ◆ The Medical Services Review Board (MSRB) advises the agency about workers' compensation medical issues; is the liaison between the agency and the medical-provider community; and supports and engages in the education of the provider community about workers' compensation. The MSRB also has the authority to sanction a provider if there has been a violation of statutes or rules.
- ◆ The Rehabilitation Review Panel (RRP) reviews and makes determinations with respect to appeals from orders of the commissioner regarding certification of rehabilitation consultants and vendors; advises the

**Activity at a Glance**

- ◆ Directs the activities of 212 division employees.
- ◆ Administers division budget of \$93 million (FY 2008).
- ◆ Occupational safety and health jurisdiction of more than 2.6 million Minnesota workers and 171,000 private and public-sector employers
- ◆ Conduct 2,600 safety and health inspections and 1,617 onsite consultation inspections annually
- ◆ Collected assessments of more than \$94 million annually to pay injured workers benefits and workers' compensation program expenses.
- ◆ Recovered \$3.6 million in additional benefits to injured workers through file audits.

department about vocational rehabilitation issues; and assists in the education of the provider community about workers' compensation. The RRP also has the authority to sanction a rehabilitation provider after a hearing at the Office of Administrative Hearings if there has been a violation of the statutes or rules.

- ◆ The Workers' Compensation Insurers' Task Force (WCITF) is an organized body of representatives of insurance companies that write workers' compensation insurance within the state of Minnesota and those employers that self-insure for workers' compensation coverage. There is no statutory authority vested in this body; any recommendations that are forwarded to the commissioner are nonbinding. However, the department values the input from the task force.

**Historical Perspective**

The 1970 Occupational Safety and Health Act (OSHA) authorized states to administer a state-operated program for occupational safety and health, provided the programs are "at least as effective" as federal OSHA. Today there are 26 states and territories that operate a State Plan Program for workplace safety and health, and work together through the Occupational Safety and Health State Plan Association (OSHSPA). The Minnesota Occupational Safety and Health Act (MNOSHA) program was established by the Minnesota legislature in 1973 with final approval from federal OSHA in 1985

Workers' compensation is a no-fault system designed to provide benefits to employees injured as a result of their employment activities and to limit the liability of employers. Because it is a no-fault system, the employee does not need to prove negligence on the part of the employer in order to establish liability and the employer cannot use negligence on the part of the employee as a defense to a claim. Workers' compensation provides three basic types of benefits: indemnity, medical and vocational rehabilitation services.

**Key Program Goals**

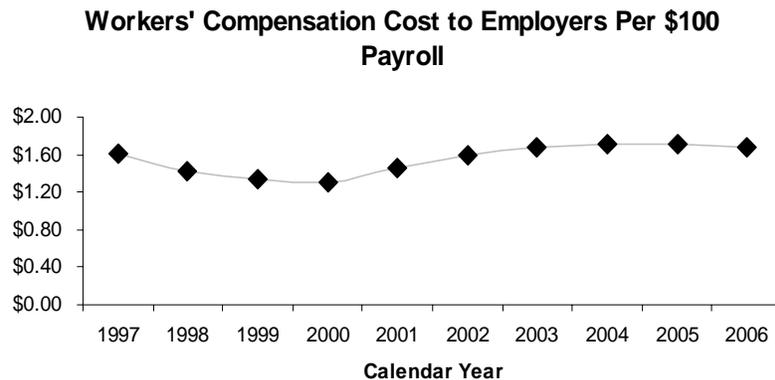
Assure that benefits are delivered to injured workers quickly, efficiently, and at a reasonable cost to employers:

- ◆ to have a top notch regulatory system
- ◆ to have state of the art technology
- ◆ to have a consultative approach

<http://www.departmentresults.state.mn.us/doli/index.html>

**Key Measures**

- ◆ Workers' compensation costs are affected not only by the law, how the department administers the law, and how the participants in the system, such as insurers and employers, behave (safety practices, claims administration, etc.), but also by nationwide fluctuations in the insurance industry. As part of a nationwide cycle, insurance rates have risen recently in all property/casualty lines, including workers' compensation. The trends in costs relative to payroll are the net result of a falling claim rate (dropping 35% relative to the number of workers) and increasing benefits per claim (indemnity benefits fell 11% while medical benefits rose 15%.)



## LABOR AND INDUSTRY DEPT

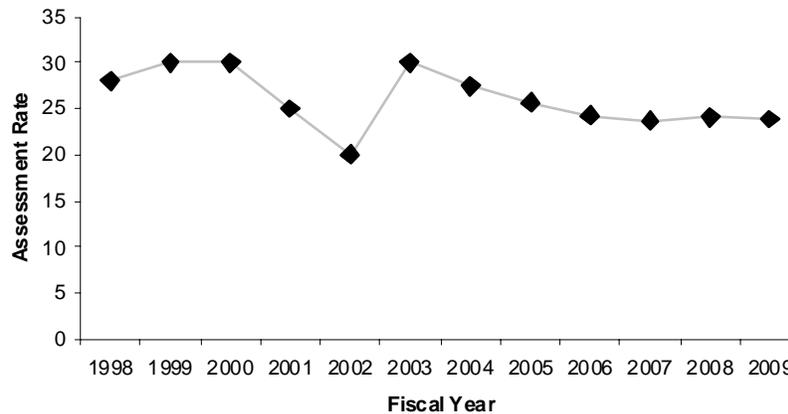
Program: SAFETY & WORKERS COMPENSATION DIVISION

Activity: ADMINISTRATION

Narrative

- ◆ An assessment is collected from insurers and self-insured employers to fund workers' compensation and safety activities of the Department of Labor and Industry, the workers' compensation section of the Office of Administrative Hearings, the Workers' Compensation Court of Appeals, and a portion of the Department of Commerce, as well as the benefits paid under the uninsured, second-injury and supplementary benefits programs. Since 1985, the assessment rate has fluctuated between 20% and 31%. The assessment rate for FY 2008 is 23.9%, down from 30% in FY 2003.

**Workers' Compensation Fund Assessment**



### Activity Funding

The SWCD is funded through an appropriation from the workers' compensation fund and federal grants. Congress established a maximum 50% funding level for the OSHA compliance programs and a maximum 90% funding level for the OSHA consultation programs.

### Contact

For more information, contact the Workers' Compensation Division by phone at (651) 284-5017 or 1-800-DIAL-DLI (1-800-342-5354), by email at [DLI.communications@state.mn.us](mailto:DLI.communications@state.mn.us) or online at [www.doli.state.mn.us](http://www.doli.state.mn.us).

LABOR AND INDUSTRY DEPT  
 Program: SAFETY & WORKERS COMP DIVISION  
 Activity: WC ADMINISTRATION

Budget Activity Summary

<i>Dollars in Thousands</i>					
	Current		Governor's Recomm.		Biennium
	FY2008	FY2009	FY2010	FY2011	2010-11
<b><u>Expenditures by Fund</u></b>					
<b>Direct Appropriations</b>					
Workers Compensation	277	215	243	248	491
<b>Statutory Appropriations</b>					
Miscellaneous Special Revenue	8	18	18	18	36
Workers Compensation	252	296	0	0	0
<b>Total</b>	<b>537</b>	<b>529</b>	<b>261</b>	<b>266</b>	<b>527</b>
<b><u>Expenditures by Category</u></b>					
Total Compensation	409	359	207	210	417
Other Operating Expenses	128	170	54	56	110
<b>Total</b>	<b>537</b>	<b>529</b>	<b>261</b>	<b>266</b>	<b>527</b>
<b>Full-Time Equivalents (FTE)</b>	<b>6.0</b>	<b>4.5</b>	<b>1.9</b>	<b>1.9</b>	

**Activity Description**

Benefit Management and Resolution, (BMR) seeks early intervention and resolution of disputes using assistance, education, and alternative dispute resolution. BMR informs and advises all parties involved in the workers' compensation system of their rights and responsibilities under the Workers' Compensation Act, and provides technical assistance to all parties involved in the workers' compensation system. BMR conducts compliance audits to ensure employers and insurers provide timely and accurate benefits by auditing workers' compensation files, registering vocational rehabilitation providers (qualified rehabilitation consultants, vendors, and firms), and issuing penalties.

**Population Served**

The BMR unit serves injured workers, employers, attorneys, insurers, rehabilitation and health care providers, and other state agencies.

**Services Provided**

The BMR Unit provides the following services:

- ◆ delivers assistance by responding to hotline calls, emails, correspondence and walk-ins processes dispute certification requests
- ◆ conducts rehabilitation and medical conferences and mediations
- ◆ audits workers' compensation claims to ensure compliance
- ◆ registers rehabilitation providers
- ◆ responds to requests for insurance verification information
- ◆ assesses a variety of penalties against parties in the workers' compensation system

**Key Program Goals**

Assure that benefits are delivered to injured workers quickly, efficiently, and at a reasonable cost to employers:

- ◆ to have a top notch regulatory system
- ◆ to have state of the art technology
- ◆ to have a consultative approach

<http://www.departmentresults.state.mn.us/doli/index.html>

**Key Measures**

The following are the performance measures for the BMR unit:

- ◆ number of disputes resolved
- ◆ percentage of denials of primary liability; and
- ◆ number and dollar value of underpayments.

**Activity at a Glance**

FY 2008

- ◆ Provided more than 33,000 assistance contacts.
- ◆ Processed 3,532 requests for certification of dispute, resolving approximately 25%.
- ◆ Conducted more than 1,900 administrative conferences, providing resolution 69% of the time.
- ◆ Conducted more than 190 mediation sessions, achieving agreements more than 95% of the time.
- ◆ Recovered \$3.6 million in additional benefits to injured workers through file audits.
- ◆ Reviewed 638 penalty requests, resulting in penalties 75% of the time.

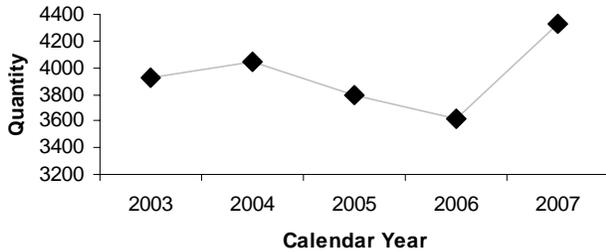
# LABOR AND INDUSTRY DEPT

**Program:** SAFETY & WORKERS COMPENSATION DIVISION

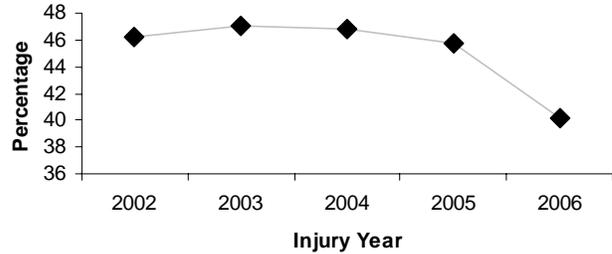
**Activity:** BENEFIT MGMT & RESOLUTION

Narrative

**Disputes Resolved Within BMR**

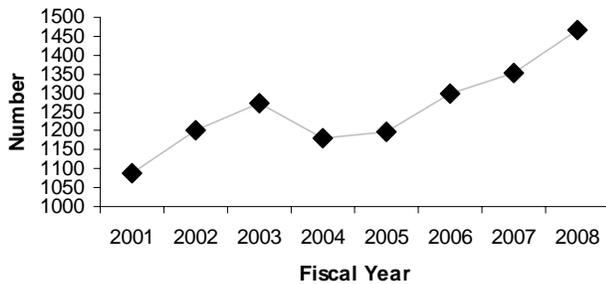


**Percent of Initial Claims Denied**

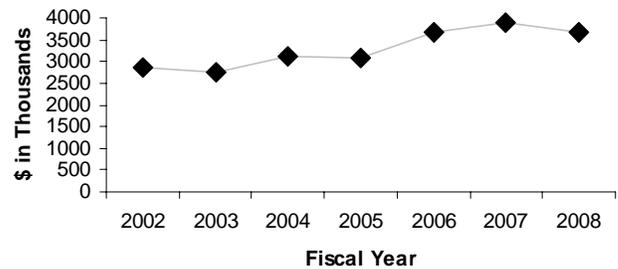


- ◆ The percentage of claims either paid or denied within the statutory time frame of 14 days has increased from 80.7% in 1997 to 88% in 2007.

**Underpayments**



**Underpayment in Dollars**



- ◆ Each year, approximately 56,000 files are reviewed looking for indemnity benefit payment mistakes made by insurers. Since 2004 the number of errors found has increased due to additional automation of the claims identified for review. When errors are found, staff contacts the insurers to explain the correction needed. An average of an additional \$3.1 million is paid to injured workers each year due to these audits. The majority of errors involve the incorrect payment of permanent partial disability benefits.

## Activity Funding

The BMR unit is financed by an appropriation from the workers' compensation fund. Penalties assessed by this unit are deposited to the assigned risk safety account, which is dedicated for workplace safety programs. The unit recovers its costs for training sessions through participant fees. It also collects registration fees from managed care organizations.

## Contact

For more information, contact BMR by phone at (651) 284-5030 or 1-800-DIAL-DLI (1-800-342-5354), by email at [DLI.workcomp@state.mn.us](mailto:DLI.workcomp@state.mn.us) or online at [www.doli.state.mn.us](http://www.doli.state.mn.us).

**LABOR AND INDUSTRY DEPT**  
**Program: SAFETY & WORKERS COMP DIVISION**  
**Activity: WC BENEFIT MGMT & RESOLUTION**

Budget Activity Summary

<i>Dollars in Thousands</i>					
	<b>Current</b>		<b>Governor's Recomm.</b>		<b>Biennium</b>
	<b>FY2008</b>	<b>FY2009</b>	<b>FY2010</b>	<b>FY2011</b>	<b>2010-11</b>
<b><u>Expenditures by Fund</u></b>					
<b>Direct Appropriations</b>					
Workers Compensation	2,742	3,528	3,462	3,462	6,924
<b>Total</b>	<b>2,742</b>	<b>3,528</b>	<b>3,462</b>	<b>3,462</b>	<b>6,924</b>
<b><u>Expenditures by Category</u></b>					
Total Compensation	2,417	3,228	3,228	3,234	6,462
Other Operating Expenses	325	300	234	228	462
<b>Total</b>	<b>2,742</b>	<b>3,528</b>	<b>3,462</b>	<b>3,462</b>	<b>6,924</b>
<b>Full-Time Equivalents (FTE)</b>	<b>30.8</b>	<b>40.0</b>	<b>39.0</b>	<b>38.0</b>	

**Activity Description**

The Vocational Rehabilitation unit (VRU) was established in 1983 to provide rehabilitation services when a dispute exists regarding medical causation or primary liability. Vocational rehabilitation services help to restore employment and resolve claim issues, thereby reducing the workers' compensation and socio-economic costs of a work injury.

There are 1,800 to 2,000 claim petitions filed annually in response to a primary denial of liability. Approximately 85% of injured workers receiving VRU services have disputed claims. During the estimated 12-month litigation process, the injured worker does not receive benefits. Rehabilitation services assist with the restoration of an income for the injured worker during this period and reduced wage-loss-compensation owed by the insurer if liability is later determined.

**Activity at a Glance**

FY 2008

- ◆ 354 open files per month
- ◆ 1,359 injured workers provided services
- ◆ 370 plans completed in average of 289 days at a cost of \$3191 per plan
- ◆ 60 clients per month utilizing VRU placement
- ◆ 87% of date of injury wages were restored
- ◆ 64% of clients returned to 80% of previous wages
- ◆ \$474,750 revenue collect in billings from insurers

**Population Served**

Injured workers, employers, and insurers directly benefit from the services of VRU. The state benefits from the injured worker's reduced dependence on public financial support programs and by the income tax collected on wages when the employee returns to work. An early return to work helps to reduce the cost of workers' compensation in Minnesota.

**Services Provided**

- ◆ *Rehabilitation Consultation* – meet with the employee and contacting the treating physician and employer to determine eligibility for rehabilitation services as defined by the statute.
- ◆ *Medical Management* – coordinate the employee's medical treatment with the return-to-work plan.
- ◆ *Job Development and Placement* – determine injured workers' transferable skills utilizing counseling techniques and computerized assessment to assist in identifying job goal areas for job search. Determine job readiness and provide coaching, further assistance or referral for appropriate services as needed. Prepare the injured worker to seek work, assist with a resume, and provide job-seeking skills training, including application and interview assistance. Identify employers and job openings consistent with job goals. Contact employers for jobs, support and encourage the injured worker during the job search, provide the injured worker with weekly job leads and assist in the completion of job logs.
- ◆ *Vinland Vocational Services* – coordinate services for Vinland grant including job readiness skills and resources, therapeutic exercise program, counseling, computer training, and vendor placement.
- ◆ *Vocational Testing and Counseling* – assess the injured worker's interests, aptitudes, and abilities using standardized tests and subsequent meetings with the individual to integrate this information with the medical information, labor market information, and the requirements of occupations to arrive at appropriate job goals.
- ◆ *Coordination of Return to Work with Same Employer* – collaborate with employee, employer, and medical providers in order to determine and assist in successful return to work plan. Assist in identifying light duty work options and job modifications.
- ◆ *Job Analysis* – assess the physical and cognitive demands of the job duties at the worksite and opining the *capacity* of the injured worker to be successful given the medical restrictions. Provide ergonomic or job modification recommendations as needed.
- ◆ *On-the-Job Training and Retraining Evaluation* — coordinate and monitor the training of an employee at a workplace. If an employee is unable to acquire suitable employment, a retraining plan may be explored and then proposed for a formal educational setting to acquire knowledge and skills that will result in suitable employment. A labor market survey and job analysis is required for a retraining plan.
- ◆ *Legal Testimony* – provide court testimony and depositions as needed or requested.

**Key Program Goals**

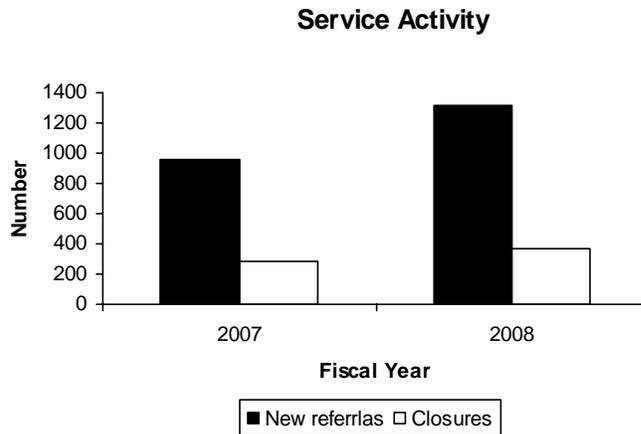
Assure that benefits are delivered to injured workers quickly, efficiently, and at a reasonable cost to employers:

- ◆ to have a top notch regulatory system
- ◆ to have state of the art technology
- ◆ to have a consultative approach

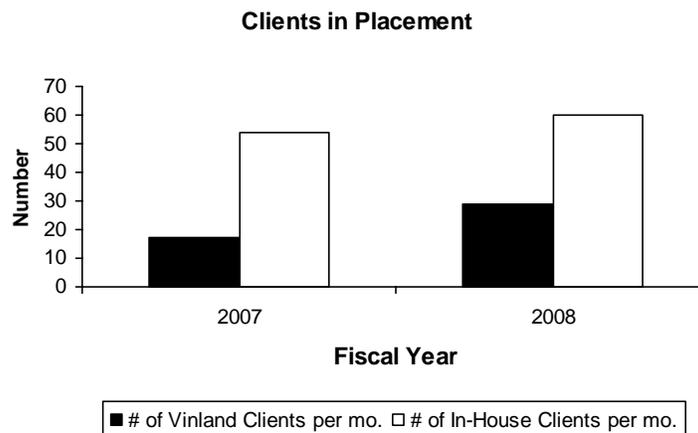
<http://www.departmentresults.state.mn.us/doli/index.html>

**Key Measures**

- ◆ VRU measures of service activity include the quantity of new referrals handled and the number of cases closed for the fiscal year. VRU has increased the number of new referrals as well as case closures in FY 2008.



- ◆ VRU has increased service effectiveness by focusing on improvements to job placement services both in-house and through the Vinland grant. The number of clients served has increased for both.



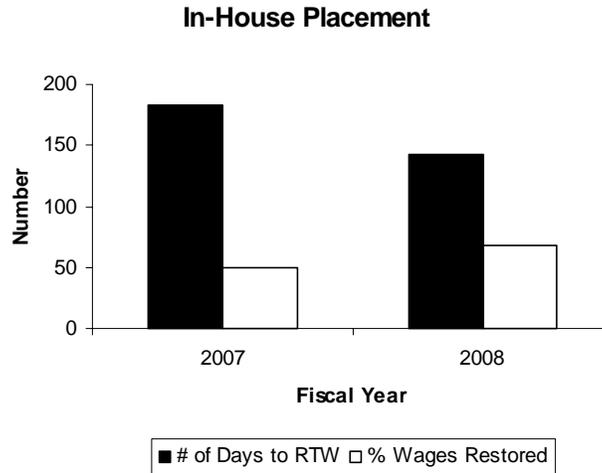
# LABOR AND INDUSTRY DEPT

Program: SAFETY & WORKERS COMPENSATION DIVISION

Activity: VOCATIONAL REHABILITATION

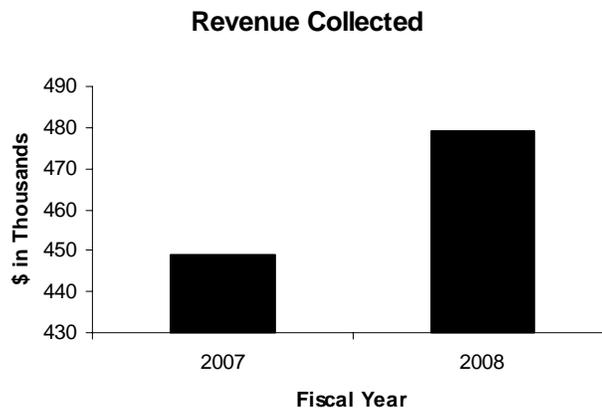
Narrative

- ◆ The effectiveness of in-house placement has improved in terms of a decrease in the number of days before return to work and an increase in percentage of wages restored.



## Activity Funding

VRU is financed by an appropriation from the workers' compensation fund. It collects reimbursements from employers and insurers for vocational services provided.



## Contact

For more information, contact the Vocational Rehabilitation unit by phone at (651) 284-5038 or 1-800-DIAL-DLI (1-800-342-5354), by email at [DLI.Vocrehab@state.mn.us](mailto:DLI.Vocrehab@state.mn.us) or online at [www.doli.state.mn.us](http://www.doli.state.mn.us).

**LABOR AND INDUSTRY DEPT**

**Program: SAFETY & WORKERS COMP DIVISION**

Activity: WC VOCATIONAL REHABILITATION

Budget Activity Summary

<i>Dollars in Thousands</i>					
	<b>Current</b>		<b>Governor's Recomm.</b>		<b>Biennium</b>
	<b>FY2008</b>	<b>FY2009</b>	<b>FY2010</b>	<b>FY2011</b>	<b>2010-11</b>
<b><u>Expenditures by Fund</u></b>					
<b>Direct Appropriations</b>					
Workers Compensation	2,058	2,176	2,183	2,103	4,286
<b>Total</b>	<b>2,058</b>	<b>2,176</b>	<b>2,183</b>	<b>2,103</b>	<b>4,286</b>
<b><u>Expenditures by Category</u></b>					
Total Compensation	1,545	1,650	1,706	1,706	3,412
Other Operating Expenses	281	287	238	158	396
Payments To Individuals	39	39	39	39	78
Local Assistance	193	200	200	200	400
<b>Total</b>	<b>2,058</b>	<b>2,176</b>	<b>2,183</b>	<b>2,103</b>	<b>4,286</b>
<b>Full-Time Equivalents (FTE)</b>	<b>23.6</b>	<b>23.6</b>	<b>23.6</b>	<b>23.0</b>	

**Activity Description**

The Claims Services and Investigations unit (CSI) administers programs of the Special Compensation Fund (SCF) designed to increase the fairness and efficiency of the Minnesota workers' compensation law. There are five distinct functions including supplementary benefit/second injury reimbursement, special claims administration, insurance verification, and enforcement of mandatory workers' compensation insurance coverage law and collection of assessments through an insurer premium surcharge and self insured assessments that funds Minnesota workers' compensation programs.

**Population Served**

CSI activities serve injured workers, employers, and workers' compensation insurers.

**Services Provided**

- ◆ **Supplementary Benefit and Second Injury (SB/SI) claims administration** – Reimburses insurers and employers for payments made to employees under the second-injury and supplementary benefits programs. Although these programs were discontinued for injuries occurring after 1995 and 1992, respectively, it is estimated payments under those programs will continue to be made on a declining basis until approximately 2050.
- ◆ **Special Claims administration** – Acts as a “safety net,” with CSI staff administering workers' compensation benefits to injured workers whose employers did not have workers' compensation insurance at the time of injury. The SCF serves as the insurer and CSI staff manages these claims in a similar fashion to an insurance company. Recovery is pursued against the uninsured employer and actions taken to promote compliance with the mandatory coverage law. The CSI unit also administers asbestosis medical claims and pays benefits to injured employees of certain self-insured employers that went bankrupt prior to the start up of the Self Insured Security Fund (SISF).
- ◆ **Insurance verification** – Provides paper- based research for both the public and internal claims management for pre-1985 requests regarding insurance verification.
- ◆ **Mandatory coverage investigations** – Enforces the state's workers' compensation mandatory insurance coverage law through the investigation and assessment of appropriate penalties against employers that fail to comply with the law requiring workers' compensation insurance coverage for eligible employees.
- ◆ **Assessment collection** – Collects assessments through an insurer premium surcharge and self-insured assessment. This money funds ongoing obligations including \$43 million in future benefits paid under the uninsured, second-injury and supplementary benefits programs, as well as, paying the operating expenses of the workers' compensation divisions of the Department of Labor and Industry, the Office of Administrative Hearings, the Workers' Compensation Court of Appeals and a portion of the Department of Commerce.

**Activity at a Glance**

FY 2008

- ◆ Collected assessments of more than \$94 million annually to pay injured workers benefits and workers' compensation program expenses.
- ◆ Received 3,705 supplementary benefit and second injury claims for reimbursement. Provided ongoing claims administration of over 1,300 uninsured claims and received recoveries of over \$946,000.
- ◆ Conducted 438 mandatory coverage investigations and issued 357 penalties for failure to insure. Investigated 154 new claims for uninsured claims benefits.
- ◆ Completed 539 interactive insurance verification requests for the public.

**Key Program Goals**

Assure that benefits are delivered to injured workers quickly, efficiently, and at a reasonable cost to employers:

- ◆ to have a top notch regulatory system
- ◆ to have state of the art technology
- ◆ to have a consultative approach

<http://www.departmentresults.state.mn.us/doli/index.html>

# LABOR AND INDUSTRY DEPT

Program: SAFETY & WORKERS COMPENSATION DIVISION

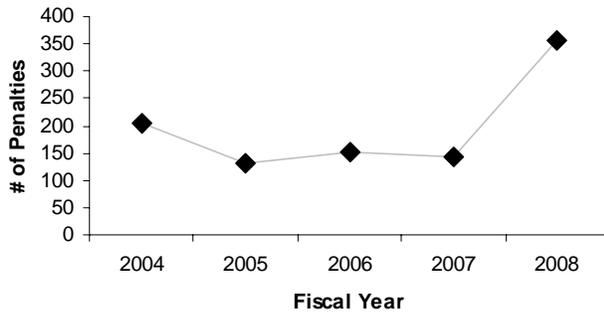
Activity: CLAIMS SERV & INVESTIGATION

Narrative

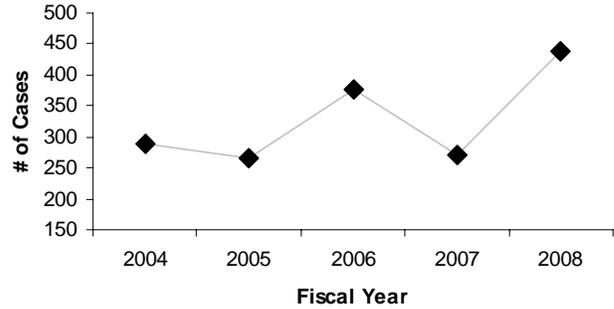
## Key Measures

- ◆ The number of penalties issued and the number of mandatory coverage cases open indicates our increased emphasis on ensuring that employers have workers' compensation coverage

Failure to Insure Penalties Assessed

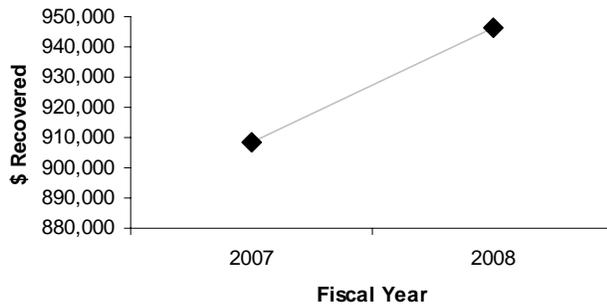


Mandatory Coverage Cases Opened

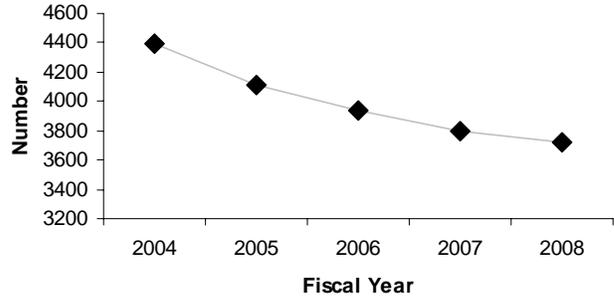


- ◆ The increase in uninsured recoveries indicates we are being more aggressive in recovering the cost from employers. The quantity of annual claims received reflects the claims we provide prior statutory benefits for.

Uninsured Recoveries



Annual Reimbursement Claims Received



## Activity Funding

The CSI unit is financed by an appropriation from the workers' compensation fund. The unit collects funding from an insurer premium surcharge and self-insured assessment and also receives recoveries from uninsured employers and bankrupt self-insured employers. Penalties assessed by this unit are deposited to the assigned risk safety account, which is dedicated for workplace safety programs.

## Contact

For more information, contact Claims Services and Investigations by phone at (651) 284-5045 or 1-800-DIAL-DLI (1-800-342-5354), by email at [DLISpecialcomp@state.mn.us](mailto:DLISpecialcomp@state.mn.us) or online at [www.doli.state.mn.us](http://www.doli.state.mn.us).

**LABOR AND INDUSTRY DEPT**

**Program: SAFETY & WORKERS COMP DIVISION**

Activity: WC CLAIMS SERV & INVESTIGATION

Budget Activity Summary

<i>Dollars in Thousands</i>					
	<b>Current</b>		<b>Governor's Recomm.</b>		<b>Biennium</b>
	<b>FY2008</b>	<b>FY2009</b>	<b>FY2010</b>	<b>FY2011</b>	<b>2010-11</b>
<b><u>Expenditures by Fund</u></b>					
<b>Direct Appropriations</b>					
Workers Compensation	2,239	2,275	2,208	2,229	4,437
<b>Open Appropriations</b>					
Workers Compensation	69,129	71,432	71,432	71,432	142,864
<b>Total</b>	<b>71,368</b>	<b>73,707</b>	<b>73,640</b>	<b>73,661</b>	<b>147,301</b>
<b><u>Expenditures by Category</u></b>					
Total Compensation	1,771	1,880	1,948	2,022	3,970
Other Operating Expenses	484	395	260	207	467
Payments To Individuals	69,113	71,432	71,432	71,432	142,864
<b>Total</b>	<b>71,368</b>	<b>73,707</b>	<b>73,640</b>	<b>73,661</b>	<b>147,301</b>
<b>Full-Time Equivalents (FTE)</b>	<b>25.6</b>	<b>26.1</b>	<b>26.1</b>	<b>26.1</b>	

**Activity Description**

More than 345 Minnesotans are injured at work each day. The Minnesota Occupational Safety and Health Act (MNOSHA) program's mission is to make sure every worker in the state of Minnesota has a safe and healthful workplace. This is accomplished by reducing occupational hazards through compliance inspections and promoting a safety and health culture through compliance assistance, outreach and cooperative programs.

**Activity at a Glance**

- ◆ Jurisdiction of more than 2.6 million Minnesota workers and 171,000 private and public-sector employers
- ◆ Conduct 2,600 safety and health inspections annually
- ◆ Respond (within 24 hours) to an average of 25 fatalities each year

**Population Served**

All public and private employers in Minnesota, except federal agencies and exclusive federal-jurisdiction properties, are covered under the MNOSHA program. Based on current Bureau of Labor Statistics data on employers and OSHA staffing levels, it would take more than 64 years for MNOSHA to inspect all employers within the state. Therefore, MNOSHA efforts are concentrated on inspections in high-hazard industries, inspections following employee complaints, and inspections at companies with high workers' compensation injury rates.

**Services Provided**

The MNOSHA compliance program serves its stakeholders by promoting safe and healthful working conditions for all Minnesota workers by

- ◆ establishing standards that are at least as effective as federal OSHA standards;
- ◆ conducting inspections that identify hazardous conditions;
- ◆ setting abatement dates for inspection violations to eliminate or control hazards;
- ◆ issuing citations and penalties to promote compliance;
- ◆ investigating workplace fatalities and serious accidents to prevent future injuries and illnesses and responding to employee complaints as required by federal OSHA;
- ◆ investigating complaints that employers have discriminated against employees for raising safety or health concerns;
- ◆ providing assistance to statewide Homeland Security planning and incident management; and
- ◆ providing customer education and outreach through information, seminars, and technical assistance.

**Highlights**

- ◆ The Minnesota OSHA Operations System Enhancement (M.O.O.S.E.) system replaced a 1985 federal system and established a new database management system for processing complaints, accidents, inspection data, citations, penalties and reports – reducing staff time in the office, allowing more time in the field. This state of the art system is one of only two in the nation.
- ◆ The 35W Bridge Removal Partnership between MNOSHA/Minnesota DOT/Carl Bolander & Sons included full time compliance assistance coverage and industrial hygiene monitoring for onsite orientation, approving site specific activity plans, training 4800 workers. Bridge removal took a total of nine weeks and 100,000 work hours with no lost time or serious injuries.
- ◆ The 35W Bridge Design & Build Partnership with MNOSHA/Minnesota DOT/ Flatiron Manson was signed January 2008 for the building phase of new 35W bridge. This partnership mirrors the Removal Partnership. Two MNOSHA compliance assistance personnel were assigned to assist during this work to ensure safety systems were in place to mitigate hazard exposure to workers.
- ◆ The Minnesota Department of Labor and Industry (DLI) implemented two major safety-partnerships that are designed to reduce the number of injuries, illnesses and fatalities at participant construction industry employers. These partnerships are between the Associated General Contractors of Minnesota and MNOSHA, and the Minnesota Chapter of Associated Builders and Contractors (MN ABC) and MNOSHA.

**Historical Perspective**

In establishing OSHA, Congress specifically encouraged states to develop their own occupational safety and health programs, which would provide enforcement, research and compliance assistance activities. The 1970 Occupational Safety and Health Act authorized states to administer a state-operated program for occupational safety and health, provided the programs are “at least as effective” as federal OSHA. Congress envisioned a comprehensive national program that would provide safety and health protection in all U.S. states and territories. Today there are 26 states and territories that operate a State Plan Program for workplace safety and health, and work together through the Occupational Safety and Health State Plan Association (OSHSPA). The MNOSHA program was established by the Minnesota legislature in 1973 with final approval from federal OSHA in 1985.

**Key Program Goals**

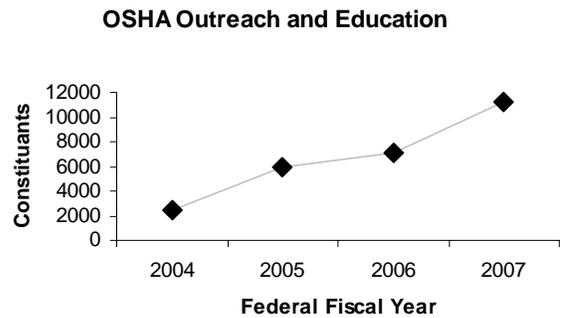
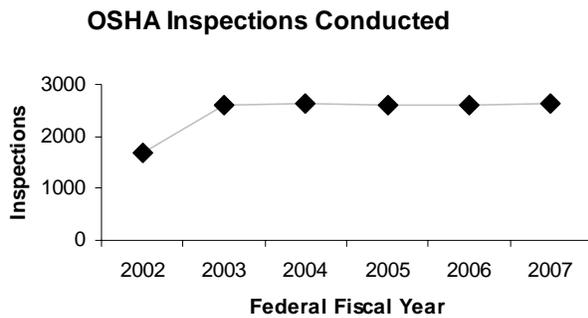
MNOSHA’s mission is to improve workplace safety and health by:

- ◆ reducing the rate of workplace injuries and illnesses;
- ◆ reducing the rate of workplace fatalities;
- ◆ reducing occupational hazards through the number of OSHA compliance inspections

<http://www.departmentresults.state.mn.us/doli/index.html>

**Key Measures**

- ◆ The quantity of inspections conducted and the constituents provided with training are critical to the reduction in workplace injuries, illnesses, and fatalities.



**Activity Funding**

Congress established a 50% funding level for states that operate their own OSHA program. MNOSHA is financed by a federal grant that is matched with an appropriation from the workers’ compensation fund. The activity generates nondedicated revenue for the workers’ compensation fund through penalties assessed on employers that are not in compliance with MNOSHA standards.

**Contact**

For more information, contact MNOSHA by phone at (651) 284-5050 or 1-877-470-OSHA (1-877-470-6742), by email at [OSHA.Compliance@state.mn.us](mailto:OSHA.Compliance@state.mn.us) or online at [www.doli.state.mn.us](http://www.doli.state.mn.us).

LABOR AND INDUSTRY DEPT  
 Program: SAFETY & WORKERS COMP DIVISION  
 Activity: MNOSHA COMPLIANCE

Budget Activity Summary

<i>Dollars in Thousands</i>					
	Current		Governor's Recomm.		Biennium
	FY2008	FY2009	FY2010	FY2011	2010-11
<b><u>Expenditures by Fund</u></b>					
<b>Direct Appropriations</b>					
Workers Compensation	3,753	4,486	4,173	4,173	8,346
<b>Statutory Appropriations</b>					
Miscellaneous Special Revenue	5	10	30	30	60
Federal	4,092	3,901	3,900	3,900	7,800
<b>Total</b>	<b>7,850</b>	<b>8,397</b>	<b>8,103</b>	<b>8,103</b>	<b>16,206</b>
<b><u>Expenditures by Category</u></b>					
Total Compensation	5,841	6,114	6,281	6,391	12,672
Other Operating Expenses	2,009	2,283	1,822	1,712	3,534
<b>Total</b>	<b>7,850</b>	<b>8,397</b>	<b>8,103</b>	<b>8,103</b>	<b>16,206</b>
<b>Full-Time Equivalents (FTE)</b>	<b>83.2</b>	<b>84.7</b>	<b>82.6</b>	<b>82.6</b>	

**Activity Description**

The Workplace Safety Consultation (WSC) unit provides a broad network of occupational safety and health services to employers who request assistance to voluntarily comply with the Minnesota Occupational Safety and Health Act (MNOSHA). These activities assist employers and employees in the identification and elimination of safety and health hazards, and implement effective safety and health programs to prevent injuries and illnesses that may result from exposure to hazardous workplace conditions and work practices.

**Population Served**

Although efforts are targeted towards small- and medium-sized employers, all public and private employers in Minnesota, except federal agencies and exclusive federal-jurisdiction properties, are covered under the MNOSHA program. Therefore, nearly all Minnesota workers and employers are served by WSC.

**Services Provided**

The WSC unit provides many services including:

- ◆ assisting employers and employees to recognize hazards in the workplace;
- ◆ suggesting approaches or options for solving a safety or health problem;
- ◆ providing a timely written report of findings to the employer, including the posting of hazards;
- ◆ training and educating employers and employees through seminars and workshops throughout the state;
- ◆ recommending partnership and recognition programs such as Minnesota Star (MNSTAR), the Minnesota Safety and Health Achievement Recognition Program (MNSHARP), and Industry Alliances; and
- ◆ providing safe patient handling and safety hazard abatement grants to enable employers and employees to meet and exceed Occupational Safety and Health Act (OSHA) standards.

Other specific programs:

- ◆ **Loggers' Safety Education Program** – The LOGSAFE program provides Minnesota loggers with safety training critical to this historically high-hazard industry. This program is funded by logger employers.
- ◆ **Labor-Management Safety Committee Program** – This program emphasizes the labor-management safety committee structure through a joint effort with the Bureau of Mediation Services. This program reinforces the importance of labor-management cooperation in workplace safety issues to prevent workplace injuries.
- ◆ **Safety Hazard Abatement Grant Program** – The Assigned Risk Safety Account was established to award grants to:
  - ⇒ obtain safety equipment;
  - ⇒ operate and maintain equipment;
  - ⇒ purchase or rent real property to satisfy safety inspections; or
  - ⇒ provide safety and health training.
- ◆ **Workplace Violence Prevention Program** – Helps employers and employees deal with the violence in the workplace. The program develops common-sense preventive measures and informs employers and employees about how to prevent violence and what to do when confronted with a violent situation.
- ◆ **MNSHARP** – MNSHARP provides incentives and support to smaller, high-hazard employers to work with their employees to develop, implement, and improve the effectiveness of their workplace safety and health programs. The goal is to reduce injury and illness rates below the national average for their industry.

**Activity at a Glance**

- ◆ \$9.4 Million OSHA penalty savings and workers' compensation claims savings.
- ◆ 1,617 Onsite consultation inspections, training, and outreach sessions impacting 113,000 employers and employees.
- ◆ 57 MNSTAR, MNSHARP employers participate in the State's Cooperative Voluntary Compliance programs.
- ◆ 56% Total Recordable Case rate reduction for MNSTAR program employers.
- ◆ 53% Total Recordable Case rate reduction for MNSHARP program employers.
- ◆ 69 State Safe Patient Handling grants provided assistance to nursing homes, hospitals, and surgical centers. State funds \$500,000, employer funds \$670,000, total funds \$1.27 million.

## LABOR AND INDUSTRY DEPT

Program: SAFETY & WORKERS COMP DIVISION

Activity: WORKPLACE SAFETY CONSULTATION

Narrative

- ◆ **Safe Patient Handling Grant** – Awarded grants to 69 health care facilities to help purchase equipment to safely lift or move physically-challenged patients. The grants help recipients comply with new state patient-handling regulations that went into effect July 1, 2008.
- ◆ **Alliances** – WSC and its allies work together to reach out to, educate and lead Minnesota employers and their employees in improving and advancing workplace safety and health.
- ◆ **Inspection Deferral Program** – An employer who meets all requirements for the MNSHARP program, corrects all identified hazards, and shows promise of achieving agreed upon milestones and time frames, may be granted an inspection deferral. The deferral does not exceed 18 months. Among other requirements, the employer must be capable of reducing the site's Days Away Restricted Transfer (DART) rate and Total Recordable Case Rate (TRC) rate below the industry national average within the deferral period.
- ◆ **Ergonomic Outreach Program** – This program offers assistance to employers and employees to identify and eliminate risk factors associated with work-related musculoskeletal disorders. Consultants work with employers and industry groups, conducting on-site ergonomic assessments and providing training in an effort to improve safety management techniques, workplace safety practices and working conditions.
- ◆ **Safety and Health Educational Outreach Program** – This program offers workshops to help educate employers and employees about workplace safety and health hazards, and the OSHA standards addressing them. Its aim is to assist employers in implementing and maintaining effective safety and health programs, with the goals of lowering injury and illness rates and reducing workplace injury costs.
- ◆ **Quarterly Strategic Plan Training Seminars** – WSC works with 13 alliances located throughout the state to conduct half-day training seminars. The training alliance sites vary from technical colleges to labor/management associations to a private business.
- ◆ **General Industry training sessions** – WSC currently works with four organizations that sponsor a one-hour safety and/or health meeting every other month. WSC provides a speaker for these sessions. The four locations are located outside of the metro area, two of the organizations are associated with state colleges and two are local-area safety councils made up of safety and health professionals. The intent is to provide low-cost, convenient safety and health training and education to employers and employees.

### Key Program Goals

Improve workplace safety and health:

- ◆ percentage of workers in small firms with emphasis on industries who received OSHA consultation services
- ◆ number of individuals receiving OSHA training

<http://www.departmentresults.state.mn.us/doli/index.html>

### Key Measures

WSC efforts in the area of safety and health have:

- ◆ resulted in greater voluntary safety and health efforts and improved worker protection through non-adversarial means;
- ◆ led to better allocations of MNOSHA resources by minimizing duplications of work between enforcement and consultation staff; and
- ◆ enabled MNOSHA to concentrate on high-hazard workplaces to assist employers in controlling or eliminating hazards, establishing effective safety and health programs, and reducing workers' compensation costs.

### Activity Funding

WSC is financed by a federal grant matched with funding from the assigned risk safety account in the workers' compensation fund. The Loggers' Safety Education program is funded by an assessment paid by wood mills.

### Contact

For more information, contact Workplace Safety Consultation by phone at (651) 284-5060 or 1-800-DIAL-DLI (1-800-342-5354), by email at [OSHA.Consultation@state.mn.us](mailto:OSHA.Consultation@state.mn.us) or online at [www.doli.state.mn.us](http://www.doli.state.mn.us).

**LABOR AND INDUSTRY DEPT**  
**Program: SAFETY & WORKERS COMP DIVISION**  
**Activity: WORKPLACE SAFETY CONSULTATION**

Budget Activity Summary

<i>Dollars in Thousands</i>					
	Current		Governor's Recomm.		Biennium
	FY2008	FY2009	FY2010	FY2011	2010-11
<b><u>Expenditures by Fund</u></b>					
<b>Direct Appropriations</b>					
Workers Compensation	557	162	100	100	200
<b>Statutory Appropriations</b>					
Miscellaneous Special Revenue	0	21	21	21	42
Federal	969	944	942	942	1,884
Workers Compensation	2,435	5,976	2,864	2,864	5,728
<b>Total</b>	<b>3,961</b>	<b>7,103</b>	<b>3,927</b>	<b>3,927</b>	<b>7,854</b>
<b><u>Expenditures by Category</u></b>					
Total Compensation	1,306	1,506	1,509	1,509	3,018
Other Operating Expenses	520	634	500	500	1,000
Local Assistance	2,135	4,963	1,918	1,918	3,836
<b>Total</b>	<b>3,961</b>	<b>7,103</b>	<b>3,927</b>	<b>3,927</b>	<b>7,854</b>
<b>Full-Time Equivalents (FTE)</b>	<b>16.3</b>	<b>17.6</b>	<b>16.9</b>	<b>16.4</b>	

**Program Description**

The Construction Codes and Licensing Division’s primary mission is to promote safe, healthy, durable, and energy efficient living, working and entertainment environments in Minnesota by establishing construction code standards, maintaining consistent administration of construction codes and licensing construction and code professionals. The Construction Codes and Licensing Division (CCLD) oversees and administers programs for plan review, permitting, inspections, professional licensing, education and enforcement activities for all facets of the building construction industry. The program responsibility also includes independent contractor exemption certification, amusement ride regulation, building damage assessment after natural disasters and inspection of boats for hire.

**Population Served**

The division serves the citizens of Minnesota and construction industry stakeholders such as contractors, design professionals, organized labor, building owners, building managers, and municipal officials.

**Services Provided**

The CCLD provides the following services:

- ◆ **Training and Education** - delivers training and educational seminars across the state for stakeholders in the construction industry. The division has responsibility for instructor and program approval when continuing education credit is required for a license category.
- ◆ **Code Development** - adopts recognized national codes and standards and amends specific sections to address industry, legislative and geographic requirements. The division assists municipalities in code adoption, interpretation, enforcement and training needs. The division utilizes stakeholder advisory committees to assist in updating the codes.
- ◆ **Boards** - provides funding and administrative support to three authoritative industry boards that have authority to adopt rules regulating the plumbing, electrical and high pressure piping industries.
- ◆ **Enforcement** - investigates complaints regarding persons licensed by the agency or matters subject to the agency's authority. The division works to resolve complaints and takes disciplinary action against both licensees and unlicensed individuals when violations are proven. The division investigates and monitors proper code enforcement at the local level.
- ◆ **Recovery Fund** - administers the residential contractor recovery fund. This fund is funded by a surcharge on licenses for residential contractors and can be accessed to reimburse homeowners who have been harmed by the actions of licensed residential contractors where other means of reimbursement have failed.
- ◆ **Licensing** - administers, issues, and renews 52 types of construction licenses in eight occupational disciplines and provides exemption certificates to independent contractors in the construction industry. The division administers over 10,000 license qualification examinations yearly and tracks fulfillment of continuing education requirements by the appropriate licensees.
- ◆ **Inspection** - inspects boilers, pressure vessels, high-pressure piping, plumbing systems, electrical systems, elevators, amusement facilities, and state of Minnesota owned or licensed facilities. Inspections are performed through a permit process to assure safe design, operation and installation of equipment and piping. Over 200,000 inspections are conducted annually.
- ◆ **Plan Review** - reviews construction documents for state-owned or licensed facilities and plumbing systems.
- ◆ **Manufactured Structures** - regulates manufactured housing (mobile homes) and prefabricated commercial and residential structures and performs plant and dealer lot inspections. The division is the State Administrative Authority for the Federal Department of Housing and Urban Development (HUD).

**Program at a Glance**

- ◆ Issues 110,000 construction-related licenses, bonds, and certifications and provides for more than 200,000 inspections yearly.
- ◆ Maintains a two tiered program for amusement ride safety, verifies annual inspections by certified amusement ride inspectors of over 600 amusement rides and inspects annually over 400 carnivals, fairs and events.
- ◆ Provides education and training programs for 10,000 construction-related individuals a year.
- ◆ Supports three authoritative industry boards established that have authority to adopt rules regulating the plumbing, electrical and high pressure piping industries.
- ◆ Administers a residential contractor recovery fund, providing over \$2 million in relief for homeowners harmed by the actions of licensed residential contractors.

- ◆ **Natural Disaster Assistance** - upon request from a local jurisdiction, conducts damaged building safety evaluations in communities that have undergone a natural wind or flood event.

**Historical Perspective**

The CCLD represents a consolidation of the Executive Branch's construction-related codes and licensing activities to provide a one-stop shop for the construction industry in Minnesota. The goals have been to reduce the time and effort necessary to permit a project, get integrated answers to questions that cross code types, provide better, more responsive training to professionals in the field and to develop code enforcement and licensing processes that are consistent. Each professional area of expertise brought a rich history of service delivery and the challenge is to develop the best of the best.

**Key Program Goals**

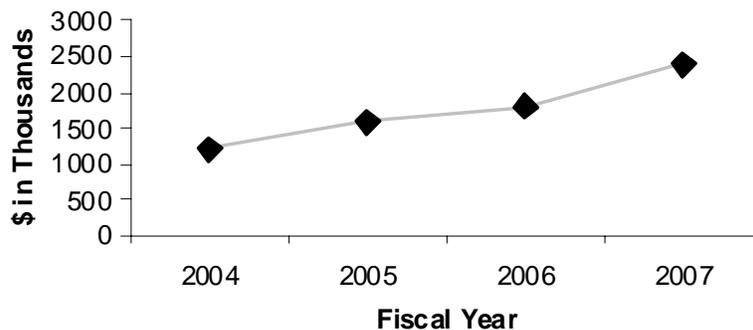
CCLD's mission is to:

- ◆ provide training to the regulated construction industries to keep them abreast of adopted standards and improve uniformity of compliance and enforcement,
- ◆ process applications to grant or renew required construction industry licenses or certificates in the shortest possible time after receipt of complete information,
- ◆ respond to formal complaints against the regulated construction industry and licensed individuals within two business days of receipt,
- ◆ provide timely inspection of installations to enable related construction and operation to proceed on schedule, and;
- ◆ provide comprehensive plan reviews in a timely basis so that buildings and their sub-systems are designed to comply with applicable safety codes while contributing to cost effective construction schedules.

**Key Program Measures**

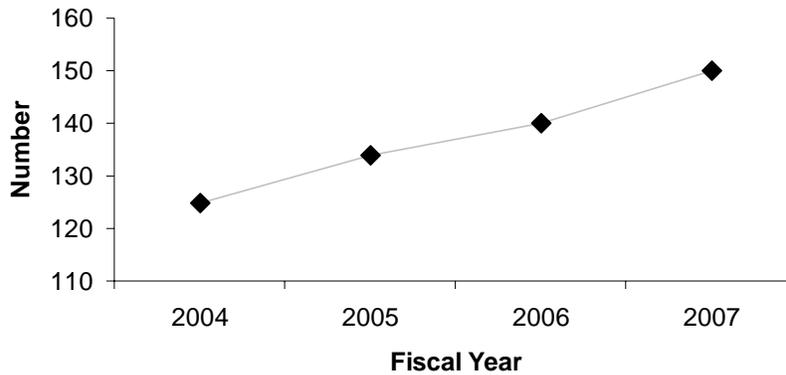
- ◆ Increase the recovery amount for individuals who have received a judgment against a licensed contractor and have no other avenues to recover damages.
- ◆ Individuals who recover money from the fund will receive a benefit closer to their loss due to changes the division has made that incur much less court cost.

**Recovery Funds Paid Out**



- ◆ Increase the number and quality of audits of local building departments

**Jurisdictions Audited**



**Program Funding**

The Construction Codes and Licensing Division is funded through a special revenue fund and operates on a fee for service model. Fees are collected from the industry stakeholders and deposited in the Construction Code Fund established in the state treasury. Fees collected are used to fund the direct services provided.

**Contact**

For more information, contact Construction Codes and Licensing Division by phone at (651) 284-5012 or 1-800-DIAL-DLI (1-800-342-5354), by email at [DLI.communications@state.mn.us](mailto:DLI.communications@state.mn.us) or online at [www.doli.state.mn.us/ccld](http://www.doli.state.mn.us/ccld).

**LABOR AND INDUSTRY DEPT**

Program: CONSTRUCTION CODES & SERVICES

Program Summary

<i>Dollars in Thousands</i>					
	<b>Current</b>		<b>Governor Recomm.</b>		<b>Biennium</b>
	<b>FY2008</b>	<b>FY2009</b>	<b>FY2010</b>	<b>FY2011</b>	<b>2010-11</b>
<b><u>Direct Appropriations by Fund</u></b>					
<b>Workers Compensation</b>					
Current Appropriation	500	0	0	0	0
Subtotal - Forecast Base	500	0	0	0	0
<b>Total</b>	<b>500</b>	<b>0</b>	<b>0</b>	<b>0</b>	<b>0</b>
<b><u>Expenditures by Fund</u></b>					
<b>Statutory Appropriations</b>					
State Government Spec Revenue	23,201	28,537	27,949	28,455	56,404
Miscellaneous Special Revenue	3,024	2,869	2,805	2,805	5,610
<b>Total</b>	<b>26,225</b>	<b>31,406</b>	<b>30,754</b>	<b>31,260</b>	<b>62,014</b>
<b><u>Expenditures by Category</u></b>					
Total Compensation	10,315	12,814	13,657	14,197	27,854
Other Operating Expenses	15,824	18,344	18,364	18,330	36,694
Local Assistance	86	248	248	248	496
Transfers	0	0	(1,515)	(1,515)	(3,030)
<b>Total</b>	<b>26,225</b>	<b>31,406</b>	<b>30,754</b>	<b>31,260</b>	<b>62,014</b>
<b><u>Expenditures by Activity</u></b>					
Construction Codes & Serv Div	26,225	31,406	30,754	31,260	62,014
<b>Total</b>	<b>26,225</b>	<b>31,406</b>	<b>30,754</b>	<b>31,260</b>	<b>62,014</b>
<b>Full-Time Equivalent (FTE)</b>	<b>127.2</b>	<b>156.4</b>	<b>163.0</b>	<b>163.0</b>	

**Program Description**

The General Support Division supports internal customers in seven management areas:

- ◆ policy development, research and statistics;
- ◆ information technology;
- ◆ legal advice and litigation;
- ◆ financial management;
- ◆ communications;
- ◆ human resources; and
- ◆ data management and administration.

**Population Served**

This division serves agency programs that focus on the needs of workers, builders, building owners, and employers in Minnesota.

**Services Provided**

The *Policy Development, Research and Statistics* unit collects, analyzes, and reports workplace safety, workers' compensation, and workplace standards data. To assist in creating safer workplaces, it surveys employers to estimate work-related injury and illness rates. The unit produces three major statistical reports and conducts performance measurement, customer satisfaction surveys, and policy research.

The *Information Technology Services* unit provides technology to support to agency operations. With the security of department data a priority, work includes hardware and software support of the agency's major applications and the equipment used by employees. The unit works cooperatively with the Office of Enterprise Technology and other state agencies to accomplish technological efficiencies.

The *Legal Services* unit provides legal services primarily to agency staff members to ensure that decision-making is legally informed; information the agency disseminates is legally accurate; proposed rules and legislation are clearly drafted and reasonable; effective investigation and resolution is carried out, by settlement or litigation, of the agency's enforcement actions; and the workers' compensation fund's liabilities for second-injury, supplementary benefits, and uninsured claims is appropriately defended. The unit also provides legal assistance to other state agencies, political subdivisions, the legislature, the governor's office, and the public.

The *Financial Services* unit provides financial management services, including budgeting, accounts payable, accounts receivable, cashier, payroll, purchasing, and financial reporting. Fee reviews are conducted to ensure proper collection of revenues and expenditures. The unit also collects the annual assessment and pays all benefits for the workers' compensation fund.

The *Communications* unit manages the agency's communications program, including all internal and external publications, media relations, and Internet/intranet pages.

The *Human Resources* unit manages the following functions to ensure a productive and inclusive workforce and work environment exists: workforce and strategic planning, organizational development consultation, performance management, labor relations, contract administration and negotiation, employee development, recruitment and staffing, job evaluation and classification, compensation, benefits administration, employee safety and health, workers' compensation, and equal employment and affirmative action. Explore different types of employment relationships (part-time, telecommuting, post-retirement) to address the increased demand for work/life balance and to retain and attract a high quality workforce to support agency programs.

The *Data Management and Administration (DMA)* unit receives, processes, and assures the quality of documents and data used in the agency's programs. For Construction Codes and Licensing Division (CCLD) and Minnesota Occupational Safety and Health Act (MNOSHA), DMA is responsible for the processing of documents into the

**Program at a Glance**

- ◆ Provides support to approximately 460 agency employees located statewide
- ◆ Administers \$136 million budget (FY 2009)
- ◆ Facilitates nearly 6.5 million web hits (CY 2007)
- ◆ Maintains workplace injury survey response rate of 100%
- ◆ Responds to 120 requests for statistical data annually
- ◆ Represents DLI programs in more than 480 cases annually
- ◆ Annually image 2.8 million pages of DLI documents
- ◆ Entered 1.8 million data elements with a 99.8% accuracy rate

computer system. The unit ensures the timely and accurate data-entry of workers' compensation data by entering approximately 175,000 forms with 1.8 million data elements with a 99.8% accuracy rate. DMA ensures the timely and accurate imaging of code CCLD and MNOSHA by maintaining a one-day turnaround for imaged availability of documents.

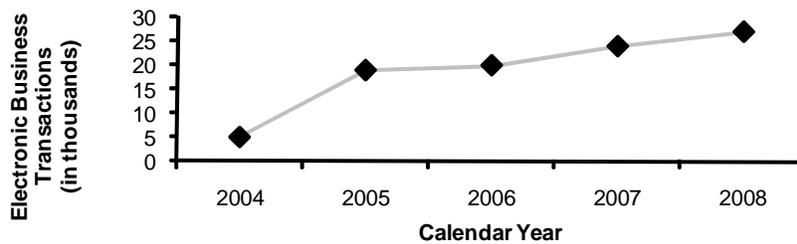
**Key Program Goals**

The General Support Division provides the leadership and support to agency programs so they can be successful. Activities are customized to meet the unique needs of each activity while assuring adherence to statewide and agency standards for performance, management and documentation of decisions made. Critical goals are:

- ◆ develop and adhere to operating policies and services that meet or exceed statewide standards and policies;
- ◆ create and offer utility services within the agency to meet particular program goals as efficiently as possible while adhering to accepted audit standards;
- ◆ manage agency resources in as transparent a manner as possible to assure stakeholders our stewardship of their investments is sound; and
- ◆ create opportunities for electronic government transactions to assure that existing resources can meet the unique needs of citizens.

**Key Program Measures**

**Expanding Electronic Business Transactions**



**Program Funding**

The General Support Division is financed by an appropriation from the workers' compensation fund and indirect cost revenue recovered from the agency's other programs. The program also administers two federal research grants from the Bureau of Labor Statistics.

**Contact**

For more information, contact DLI Communications by phone at 651-284-5313 or 1-800-DIAL-DLI (1-800-342-5354), by email at [DLI.communications@state.mn.us](mailto:DLI.communications@state.mn.us) or online at [www.doli.state.mn.us](http://www.doli.state.mn.us).

**LABOR AND INDUSTRY DEPT**

Program: GENERAL SUPPORT DIVISION

Program Summary

<i>Dollars in Thousands</i>					
	<b>Current</b>		<b>Governor Recomm.</b>		<b>Biennium</b>
	<b>FY2008</b>	<b>FY2009</b>	<b>FY2010</b>	<b>FY2011</b>	<b>2010-11</b>
<b><u>Direct Appropriations by Fund</u></b>					
<b>Workers Compensation</b>					
Current Appropriation	6,031	5,981	5,981	5,981	11,962
Subtotal - Forecast Base	6,031	5,981	5,981	5,981	11,962
<b>Total</b>	<b>6,031</b>	<b>5,981</b>	<b>5,981</b>	<b>5,981</b>	<b>11,962</b>
 <b><u>Expenditures by Fund</u></b>					
<b>Direct Appropriations</b>					
Workers Compensation	8,289	9,183	8,502	8,556	17,058
<b>Open Appropriations</b>					
Workers Compensation	199	256	256	256	512
<b>Statutory Appropriations</b>					
Miscellaneous Special Revenue	2,378	2,899	2,399	2,399	4,798
Federal	133	137	130	130	260
Workers Compensation	0	0	270	270	540
<b>Total</b>	<b>10,999</b>	<b>12,475</b>	<b>11,557</b>	<b>11,611</b>	<b>23,168</b>
 <b><u>Expenditures by Category</u></b>					
Total Compensation	8,634	9,180	9,454	9,496	18,950
Other Operating Expenses	2,365	3,295	2,103	2,115	4,218
<b>Total</b>	<b>10,999</b>	<b>12,475</b>	<b>11,557</b>	<b>11,611</b>	<b>23,168</b>
 <b><u>Expenditures by Activity</u></b>					
General Support Division	10,999	12,475	11,557	11,611	23,168
<b>Total</b>	<b>10,999</b>	<b>12,475</b>	<b>11,557</b>	<b>11,611</b>	<b>23,168</b>
 <b>Full-Time Equivalents (FTE)</b>	 <b>113.5</b>	 <b>113.0</b>	 <b>119.6</b>	 <b>117.6</b>	

**Program Description**

The purpose of the Labor Standards and Apprenticeship unit is to administer and enforce Minnesota employment laws affecting employee wages, child labor, prevailing wages, and fee employment agencies. The unit also exists to promote, develop, approve, and monitor registered apprenticeship training programs in Minnesota workplaces. This unit provides education and outreach activities to the population served. The unit has been established to ensure employers pay all employees in this state for all hours worked, to ensure accurate and timely prevailing-wage rates are set for state-funded construction projects, and to ensure fee employment agencies are knowledgeable of the laws governing them. It also conducts yearly technical assistance visits to training sites to ensure the quality of the apprenticeship program is meeting agreed upon training standards while producing a highly skilled workforce. The authority for these activities comes from M.S. 177 (Minnesota Fair Labor Standards Act), M.S. 181, M.S. 181A (Child Labor Standards Act), M.S. 184 (Employment Agency), and M.S. 178 (Apprentice Training).

**Program at a Glance**

FY 2008

- ◆ Investigated 466 cases of labor law compliance and processed 1,090 wage claims.
- ◆ Responded to 26,292 calls and email messages.
- ◆ Maintained 325 sponsors of apprenticeship training.
- ◆ Managed 8,349 apprentices in training, including 1,075 women and people of color.
- ◆ Worked with 95 approved veterans receiving GI benefits.

**Population Served**

This unit serves Minnesota employees and employers, labor organizations, schools, and other state agencies and local units of government that are preparing clients for entry in employment. The unit also services community-based organizations receiving Labor Education Advancement Program (LEAP) grants to promote apprenticeship opportunities to women and people of color.

**Services Provided**

The primary activities of the unit are enforcement, education, licensing, and surveying. Enforcement methods include investigation, mediation, on-site inspection, and issuance of penalties and fines. Education methods include providing statute and rule information; providing brochures and posters to employers and employees; and participating in speaking engagements and outreach activities to employee and employer organizations, schools, and other state agencies. Telephone calls, correspondence, and e-mail to the unit can result in either an enforcement action or an educational opportunity. Employment agencies complete a process for licensing. A survey is conducted to set the prevailing-wage rates. The unit also provides consultative services to all employers interested in developing and maintaining apprenticeship training standards in Minnesota. The unit provides technical assistance to registered apprentices, assists apprentices in maintaining the agreed upon condition of their employment throughout the training program, and promotes the concept of apprentice training to all employers wishing to use the apprenticeship model to train current and future employees.

**Key Program Goals**

The unit goals are to insure that workplaces operate within the requirements of Minnesota labor laws and that apprenticeship learning grows as an effective work to learn strategy.

**Key Program Measures**

The four key performance measures in the Labor Standards and Apprenticeship program are

- ◆ the number of complaints investigated (minimum wage, overtime, child labor);
  - ◆ the number of wage claims processed;
  - ◆ the number of customer contacts; and
  - ◆ the number of apprentices in training and apprenticeship completions.
- ◆ To ensure the timely and accurate payment of wages for all hours worked by employees in Minnesota, the unit investigates complaints in accordance with the Minnesota Fair Labor Standards Act (M.S. 177). And, also ensures the safety and well being of employed minors, the unit investigates complaints and issues penalty violations in accordance with the Minnesota Child Labor Standards Act (M.S. 181A).

# LABOR AND INDUSTRY DEPT

Program: LABOR STANDARDS & APPRENTICESHIP

Narrative

<b>Key Measure (1)</b>	<b><u>FY 2005</u></b>	<b><u>FY 2006</u></b>	<b><u>FY 2007</u></b>	<b><u>FY 2008</u></b>
Cases opened	270	236	343	463
Cases closed	273	215	331	466

- ◆ To ensure the timely payment of wage claims (final paycheck disputes) in accordance with M.S. Chapter 181.

<b>Key Measure (2)</b>	<b><u>FY 2005</u></b>	<b><u>FY 2006</u></b>	<b><u>FY 2007</u></b>	<b><u>FY 2008</u></b>
Wage claims opened	108	142	728	1,097
Wage claims closed	102	132	647	1,090

- ◆ To ensure employers and employees know and understand their responsibilities and the rights of employees in the workplace, the unit responds to telephone calls, e-mail messages, and correspondence, and conducts education and outreach activities.

<b>Key Measure (3)</b>	<b><u>FY 2005</u></b>	<b><u>FY 2006</u></b>	<b><u>FY 2007</u></b>	<b><u>FY 2008</u></b>
Telephone calls and e-mail messages	29,843	24,725	26,445	26,292
Education and outreach activities (presentations, etc.)	30	121	112	102
Distribution of all (including translated) informational materials	23,571	53,000	60,260	69,562

- ◆ To ensure the participants in registered apprenticeship programs are provided the technical support in maintaining the apprenticeship agreement to maximize the opportunity for completion of the apprenticeship-training program.

<b>Key Measure (4)</b>	<b><u>FY 2005</u></b>	<b><u>FY 2006</u></b>	<b><u>FY 2007</u></b>	<b><u>FY 2008</u></b>
Total apprentices in training	7,744	8,359	9,103	9,429
Total apprenticeship completions	1,609	1,343	1,517	1,326

## Program Funding

The Labor Standards activity is financed by an appropriation from the general fund. The activity collects revenue from:

- ◆ licensing of fee employment agencies; and
- ◆ fines assessed for violations of the Child Labor Act and Minnesota Fair Labor Standard Act.

The activity also collects back-wages owed to employees by employers. These funds are remitted to the employees.

The Apprenticeship activity is funded from two sources: an appropriation from the workforce development fund and a federal grant from the Department of Veterans Affairs for approving eligible veteran apprenticeship and on-the-job programs.

## Contact

For more information, contact Labor Standards and Apprenticeship by phone at (651) 284-5005 or 1-800-DIAL-DLI (1-800-342-5354), by email at [DLI.LaborStandards@state.mn.us](mailto:DLI.LaborStandards@state.mn.us) or online at [www.doli.state.mn.us](http://www.doli.state.mn.us).

# LABOR AND INDUSTRY DEPT

Program: LABOR STANDARDS & APPRENTICESP

Program Summary

<i>Dollars in Thousands</i>					
	<b>Current</b>		<b>Governor Recomm.</b>		<b>Biennium</b>
	<b>FY2008</b>	<b>FY2009</b>	<b>FY2010</b>	<b>FY2011</b>	<b>2010-11</b>
<b><u>Direct Appropriations by Fund</u></b>					
<b>General</b>					
Current Appropriation	1,069	981	981	981	1,962
<b>Technical Adjustments</b>					
Pt Contract Base Reduction			(1)	(1)	(2)
Subtotal - Forecast Base	1,069	981	980	980	1,960
<b>Governor's Recommendations</b>					
Operating Budget Reduction		0	(100)	(100)	(200)
<b>Total</b>	<b>1,069</b>	<b>981</b>	<b>880</b>	<b>880</b>	<b>1,760</b>
<b>Workforce Development</b>					
Current Appropriation	764	779	779	779	1,558
Subtotal - Forecast Base	764	779	779	779	1,558
<b>Governor's Recommendations</b>					
Apprenticeship Program Expansion		0	250	500	750
<b>Total</b>	<b>764</b>	<b>779</b>	<b>1,029</b>	<b>1,279</b>	<b>2,308</b>
<b><u>Expenditures by Fund</u></b>					
<b>Direct Appropriations</b>					
General	845	1,203	880	880	1,760
Workforce Development	609	879	1,029	1,279	2,308
<b>Statutory Appropriations</b>					
Federal	31	41	41	41	82
Miscellaneous Agency	10	11	10	10	20
<b>Total</b>	<b>1,495</b>	<b>2,134</b>	<b>1,960</b>	<b>2,210</b>	<b>4,170</b>
<b><u>Expenditures by Category</u></b>					
Total Compensation	1,047	1,323	1,443	1,449	2,892
Other Operating Expenses	403	711	417	411	828
Local Assistance	45	100	100	350	450
<b>Total</b>	<b>1,495</b>	<b>2,134</b>	<b>1,960</b>	<b>2,210</b>	<b>4,170</b>
<b><u>Expenditures by Activity</u></b>					
Labor Standards & Apprenticesp	1,495	2,134	1,960	2,210	4,170
<b>Total</b>	<b>1,495</b>	<b>2,134</b>	<b>1,960</b>	<b>2,210</b>	<b>4,170</b>
<b>Full-Time Equivalent (FTE)</b>	<b>16.2</b>	<b>19.7</b>	<b>20.7</b>	<b>20.2</b>	

LABOR AND INDUSTRY DEPT

Agency Revenue Summary

*Dollars in Thousands*

	Actual FY2008	Budgeted FY2009	Governor's Recomm. FY2010   FY2011		Biennium 2010-11
<b><u>Non Dedicated Revenue:</u></b>					
<b>Departmental Earnings:</b>					
General	22	4	2	2	4
Workers Compensation	553	576	576	576	1,152
<b>Other Revenues:</b>					
General	7	27	27	27	54
Workers Compensation	96,553	98,157	98,157	98,157	196,314
<b>Total Non-Dedicated Receipts</b>	<b>97,135</b>	<b>98,764</b>	<b>98,762</b>	<b>98,762</b>	<b>197,524</b>
<b><u>Dedicated Receipts:</u></b>					
<b>Departmental Earnings:</b>					
State Government Spec Revenue	25,365	28,825	29,664	30,480	60,144
Miscellaneous Special Revenue	2,433	2,469	3,713	2,479	6,192
Workers Compensation	3,132	3,014	3,014	3,014	6,028
<b>Grants:</b>					
State Government Spec Revenue	16	0	0	0	0
Federal	5,209	5,018	5,013	5,013	10,026
<b>Other Revenues:</b>					
State Government Spec Revenue	436	475	335	150	485
Miscellaneous Special Revenue	2,700	2,641	2,641	2,641	5,282
Workers Compensation	135	120	120	120	240
Miscellaneous Agency	1	10	10	10	20
<b>Total Dedicated Receipts</b>	<b>39,427</b>	<b>42,572</b>	<b>44,510</b>	<b>43,907</b>	<b>88,417</b>
<b>Agency Total Revenue</b>	<b>136,562</b>	<b>141,336</b>	<b>143,272</b>	<b>142,669</b>	<b>285,941</b>

Federal Program (\$ in Thousands)	Related SFY 2008 Spending	Primary Purpose	SFY 2008 Revenues	SFY 2009 Revenues	Estimated SFY 2010 Revenues	Estimated SFY 2011 Revenues
OSHA Compliance	\$3,916	SO	\$4,073	\$3,900	\$3,900	\$3,900
OSHA Consultation	813	SO	970	942	942	942
Bureau of Labor Statistics	104	SO	105	103	103	103
OSHA Survey	0	SO	30	32	27	27
Veteran's Administration - Apprenticeship	0	SO	31	41	41	41
<b>Agency Total</b>	<b>\$4,833</b>		<b>\$5,209</b>	<b>\$5,018</b>	<b>\$5,013</b>	<b>\$5,013</b>

**Key:**

Primary Purpose

SO = State Operations

GPS = Grants to Political Subdivision

GI = Grants to Individuals

GCBO = Grants to Community Based Organizations

The OSHA Compliance and OSHA Consultation grants are essential to continue the downward trend in occupational fatalities, injuries, and illnesses, and thereby reduce the suffering of workers and families and contain workers' compensation costs. The Bureau of Labor Statistics and OSHA Survey grants provide the funding necessary to conduct surveys to collect, analyze, and report data on workplace injuries. The Veteran's Administration – Apprenticeship grant provides funding necessary to review and approve eligible veteran apprenticeship and on-the-job training programs. This program was transferred to the Minnesota Department of Veterans Affairs 10/01/2008.

Federal funding contributes to 4% of the agencies expenditures. Federal funds received through the OSHA Compliance and Bureau of Labor Statistics programs require matching state funds of 50%. The OSHA Consultation program requires matching state funds of 10%. The required state match is provided by the Workers' Compensation fund. The OSHA Survey and Veteran's Administration – Apprenticeship programs are 100% federally funded.

Program Name Federal or State or Both (citation)	Purpose	Recipient Type (s) Eligibility Criteria	Budgeted FY 2009	Most Recent Federal Award (cite year)
Safety Hazard Abatement State MN M.S. 79.253	To make grants or loans to Employers for the cost of Implementing safety recommendations.	Employers	\$2,165,000	N/A
Labor Education and Advancement Program State Laws of 2007, Chap 135, Art 1, Sec 6, Subd. 4	To facilitate the participation of women and minorities in apprenticeship trades and occupations	Community-based Organizations	\$100,000	N/A
Vinland Center State Laws of 2007, Chap 135, Art 1, Sec 6, Subd 2.	To provide specialized Rehabilitation services for Injured and disabled workers	Vinland Center	\$200,000	N/A
Construction Codes Grants State of MN M.S 16B.70	To award grants for code Research, development, and Education	Research institutes Education institutes	\$248,000	N/A