

Working Memorandum Number 8

July 1968

LABOR AND EMPLOYMENT

GOVERNMENT OF MINNESOTA

Prepared for the
Governor's Council on Executive Reorganization

by
Public Administration Service

Introduction

The State of Minnesota presently engages in a number of activities which focus on employ ee benefits, employment services and employer-employee relationships in business and industry. These include programs to provide payments to workers during periods of involuntary unemployment, to compensate injured or disabled employees, to eliminate work hazards and maintain safe working conditions, to provide employment placement services, to improve the employability of handicapped persons, and to promote amicable labor-management relations.

Responsibility for administering the existing programs is vested in five agencies. The Department of Labor and Industry and its Workmen's Compensation Commission administer the workmen's compensation, industrial safety, voluntary apprenticeship, and child and women's welfare programs. The Division of Conciliation, technically a part of the Department of Labor and Industry but in reality functioning independently of it, conducts activities to promote good employee-employer relations. The Department of Employment Security administers employment services and the unemployment compensation program. The Department of Education is the primary agency for vocational rehabilitation program administration, but the Public Welfare Department performs vocational rehabilitation service for the blind and deaf.

The integration of these activities into one department should strengthen the coordination of state services which are directed toward

labor and employment, permit a comprehensive program approach to management, labor, and employment objectives, and make the coordinated programs more subject to public control in a manner amenable to the wishes of the citizens of the state.

The largest agency involved in the proposed reorganization, the Employment Security Department, has fiscal independence and may be viewed as more federal than state. While it is true that the programs of this agency will retain a considerable degree of federal orientation, placing them within a single department together with related state programs, should, to the extent possible, contribute to their close correlation with the state administrative establishment. With respect to vocational rehabilitation, it has human resources development implications which extend into educational and social service fields. However, the main thrust of this program should be to enhance the employability of potentially productive people. Thus it seems appropriate that vocational rehabilitation be aligned organizationally with the state agency which is principally and most directly concerned with labor and employment.

Proposed Organization

It is recommended that a Department of Labor and Employment be established to administer a comprehensive program of activities in industrial safety, workmen's compensation, employment services, vocational rehabilitation, and management labor relations. The accompanying chart outlines the suggested structure of the department. Proposed major units and their responsibilities would be as stated below:

The Commissioner

The Commissioner would be appointed by the Governor and would be responsible for the administration and direction of the entire department.

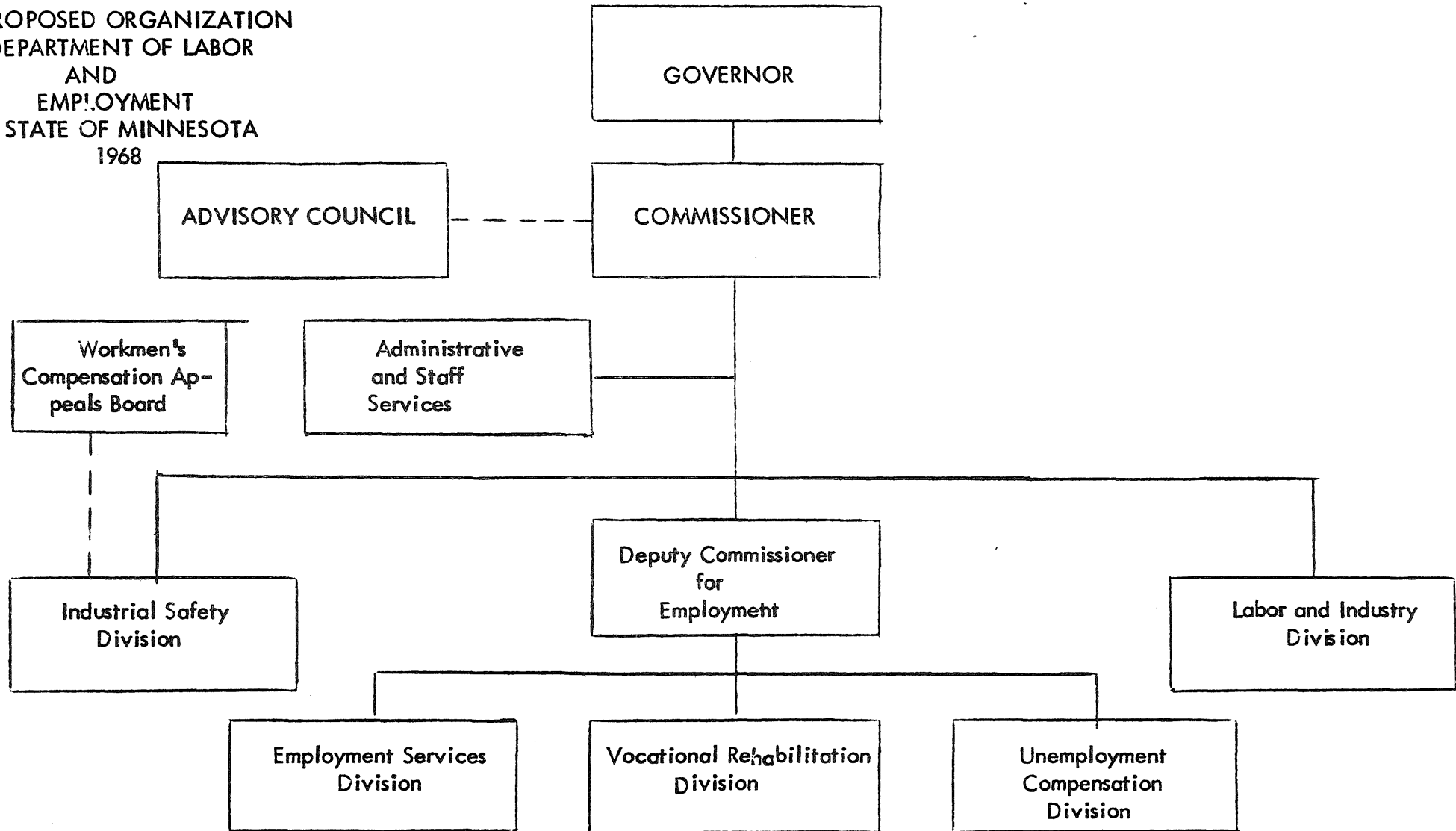
Advisory Council

This council would be appointed by the Governor to serve as an advisory body on matters of policy in any matter under the Commissioner's direction and would replace the present Advisory Council to Employment Security which should be abolished. This new council could also perform the functions of the present Governor's Commission on the Employment of Handicapped Persons, which could be abolished.

Administration and Staff Services

This unit would provide personnel, budgeting, accounting, program and management planning, data processing, public information, and general services functions for the entire department.

PROPOSED ORGANIZATION
DEPARTMENT OF LABOR
AND
EMPLOYMENT
STATE OF MINNESOTA
1968



Workmen's Compensation Appeals Board

This board would be appointed by the Commissioner of Labor and Employment and would hear appeals in workmen's compensation cases. It would replace the present Workmen's Compensation Commission which is appointed by the Governor. The number of commission members might be increased if necessitated by its work load, but three members of the commission should be the usual number on a quasi-judicial appeal panel for any given case. The commission's authority to establish minimum wages for women and children should be transferred to the Commissioner.

Industrial Safety Division

This division would develop, promote, and conduct a general industrial safety program for the protection of all workers and would also enforce laws, rules, and regulations applicable to the employment of women and children.

Deputy Commissioner for Employment

This deputy would be appointed by the Commissioner and under his general direction be responsible for the employment service program, the vocational rehabilitation program, and the unemployment compensation program. He would hear appeals from hearings officers on unemployment compensation cases.

Vocational Rehabilitation Division

This division would provide direct vocational rehabilitation services to variously physically, emotionally, and socially handicapped or disadvantaged persons and groups.

Employment Services Division

This division would develop and provide employment services to prospective employees and employers including special employment services to disadvantaged persons and groups.

Unemployment Compensation Division

This division would administer the unemployment insurance program.

Labor and Industry Relations Division

This division would promote amicable relations between employees and employers through conciliation and other means.

Proposed Functions and their Derivations

The administrative and board level units have already been described in sufficient detail. This section will enumerate the specific functions of the major operating divisions and cite their sources or derivations from existing units of government.

Industrial Safety Division

This division would:

1. Inspect places of employment to search for industrial hazards and eliminate such hazards by removal, isolation, safeguarding, or affixing seals prohibiting further use.
2. Examine and license boiler operators; and inspect steam boilers and pressure vessels to ensure safety for use.
3. Administer and enforce laws, rules, and regulations relating to the employment of women and children.
4. Administer workmen's compensation laws and programs including the auditing of payments to workers, providing legal counsel to claimants, conducting referee hearings, administering the Special Compensation Fund, and maintaining the State Compensation Revolving Fund.

Item 1 is currently performed by the Accident Prevention Division, item 2 by the Boiler Inspection Division, and item 3 by the Women and Children Division of the Department of Labor and Industry. Item 4 is presently performed by the Workmen's Compensation Commission (also referred to as the Industrial Commission) which is a part of the Department of Labor and Industry.

Employment Services Division

This division, under the Deputy Commissioner for Employment, would:

1. Provide job placement services.

2. Provide services to applicants for employment including testing, counseling, and special group services.
3. Provide services to employers such as assistance in job or position analysis, preparation of staffing patterns, and assistance in improving personnel practices and administration.
4. Administer or participate in federally financed or sponsored activities such as manpower development, training, economic opportunity, job corp, neighborhood youth corps, and community action programs.
5. Compile, analyze, and publish employment data.
6. Promote and conduct voluntary apprenticeship programs in a variety of trades.

Items 1 through 5 are presently performed by the Employment Services Division and the Veterans Employment Services Unit of the Commissioner's Office of the Employment Security Department. Item 6 is the responsibility of the Apprenticeship Division of the Department of Labor and Industry.

Vocational Rehabilitation Division

This division, under the Deputy Commissioner for Employment, would:

1. Provide, through district and branch offices, direct services to variously handicapped persons to enable them to develop, preserve, or restore their ability to perform remunerative work.
2. Provide or secure services in medical and psychiatric evaluation and treatment, vocational guidance and counseling, vocational training, job placement, and follow-up and other supportive services.
3. Provide statistical data on local medical services for the selective service program; provide vocational counseling to those disqualified for military service.
4. Administer the Federal Sheltered Workshop Law and program.
5. Provide vocational rehabilitation services for the blind and the deaf.

Items 1 through 4 are currently performed by the Vocational Rehabilitation and Special Education Division of the Department of Education. Item 5 is presently the responsibility of the Division of Rehabilitative Services of the Department of Public Welfare.

Unemployment Compensation Division

This division, under the Deputy Commissioner for Employment, would:

1. Establish, maintain, and administer the unemployment compensation fund according to state and federal laws.
2. Determine employer liability for contributions to the unemployment compensation fund.
3. Process claims for benefits and issue checks.
4. Conduct hearings on unemployment benefit cases.
5. Conduct a benefits fraud prevention and detection program; and recommend disqualification or prosecution when warranted.

All the above items are presently the responsibility of the Unemployment Compensation Division of the Department of Employment Security.

Labor and Industry Relations Division

This division would:

1. Promote amicable relations between labor and industry and protect the rights and interests of the public, employers, and employees.
2. Hold conciliation meetings between employee groups and employers.
3. Conduct bargaining unit hearings.
4. Conduct bargaining unit elections.
5. Maintain a list of qualified labor-management arbitrators.

All of the above functions are the responsibility of the Labor Conciliation Division of the Department of Labor and Industry.

Staffing

If existing staffing patterns for the activities enumerated above were maintained, the staff complement of the proposed Department of Labor and Employment would approximate 1,544 employees. For the several organizational elements of the proposed department, personnel would be drawn through transfer from the following existing sources:

Administrative and Staff Services

From the Office of the Commissioner of the Department of Employment Security	50
From the Administrative Services Division of the Department of Employment Security	139
From the Management Analysis Unit of the Employment Service Division, Department of Employment Security	2
From the Accounting Unit of the Unemployment Compensation Division, Department of Employment Security	88
From General Administration of the Department of Labor and Industry	7
From Administrative Services of the Workmen's Compensation Commission, Department of Labor and Industry	<u>26</u>
Sub-total	312

Workmen's Compensation Appeals Board

From the Workmen's Compensation Commission	<u>3</u>
Sub-total	3

Industrial Safety Division

From the Office of the Commissioner, Department of Labor and Industry	1
From the Accident Prevention Division of the Department of Labor and Industry	20
From the Women and Children Division of the Department of Labor and Industry	7
From the Boiler Inspection Division of the Department of Labor and Industry	21
From the Workmen's Compensation Commission of the Department of Labor and Industry	<u>40</u>
Sub-total	89

Employment Services Division

From the Apprentice Division of the Department of Labor and Industry	8
From the Employment Service Division of the Department of Employment Security	712
From the Veteran's Employment Service of the Office of the Commissioner, Department of Employment Security	<u>2</u>
Sub-total	722

Vocational Rehabilitation Division

From the Vocational Rehabilitation and Special Education Division of the Department of Education	297
From the Rehabilitative Services Division of the Department of Public Welfare	<u>22</u>
Sub-total	319

Unemployment Compensation Division

From the Unemployment Compensation Division of the Department of Employment Security	<u>89</u>
Sub-total	89

11

Labor and Industry Relations Division

From the Labor Conciliation Division of the Department of Labor and Industry

13

Sub-total 13

Approximate Grand Total 1,544

ADDENDUM

Working Memorandum Number 8

LABOR AND EMPLOYMENT

(Steering Committee Meeting, July 31, 1968)

There was general consensus in support of the memorandum as presented, with the following changes or questions raised. The Vocational Rehabilitation Division and all references to it and its functions and staff should be deleted from this memorandum. A special point was made, however, that there must be closer liaison and coordination between the workmen's compensation program of the Industrial Safety Division and vocational rehabilitation. (It was previously agreed in discussions relative to Working Memorandum Number 7 that primary responsibility for vocational rehabilitation should vest with the proposed Department of Health and Social Services.)

It was the consensus that the voluntary apprentice function does not rightly belong under the Employment Services Division since its purpose is voluntary training rather than employee placement as such; it was, therefore, agreed that a Manpower Development Division be established to assume the functions and staff of the Voluntary Apprentice Program.

A question was raised as to the appropriateness of a Deputy Commissioner for Employment; some views were expressed that both the Employment Services Division and Unemployment Compensation Division should report directly to the Commissioner of Labor and Employment. It was pointed out, however, that the functions of these two divisions are now closely allied and include approximately two-thirds of the entire personnel complement of the proposed

department. There was no apparent consensus or resolution on this issue.

An error appears on the organization chart following page 3; "Labor and Industry Division" should properly read "Labor and Industry Relations Division" on that chart.