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http://www.dli.mn.gov/

AT A GLANCE:

Each year, DLI:

- Administers wage and safety laws affecting Minnesota's 2.8 million employees and 163,000 employers;
- Oversees workers' compensation claims and benefit payments for approximately 75,000 injuries and 60 workplace fatalities annually;
- Conducts almost 160,000 inspections each year;
- Issues 128,000 licenses and registrations annually; and
- Monitors more than 8,000 registered apprenticeships.

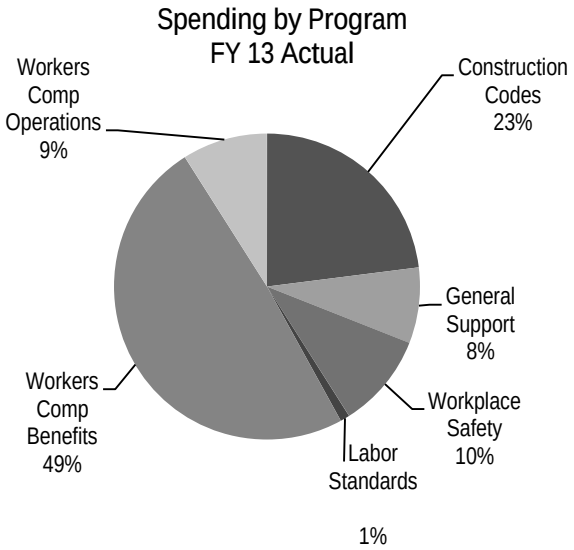
PURPOSE

The mission of the Department of Labor and Industry (DLI) is to ensure that Minnesota's work and living environments are healthy, safe and equitable. Our agency provides and enforces reasonable and uniform standards for Minnesota buildings and construction professionals. We also ensure workers' compensation benefits are provided to injured workers quickly and efficiently and at a reasonable cost to employers. In addition, we ensure workers receive appropriate wages and work to promote work-based career development through registered apprenticeships. Our agency also monitors combative sporting events in Minnesota so they are operated safely and fairly.

Through these activities, DLI contributes to the following statewide outcomes:

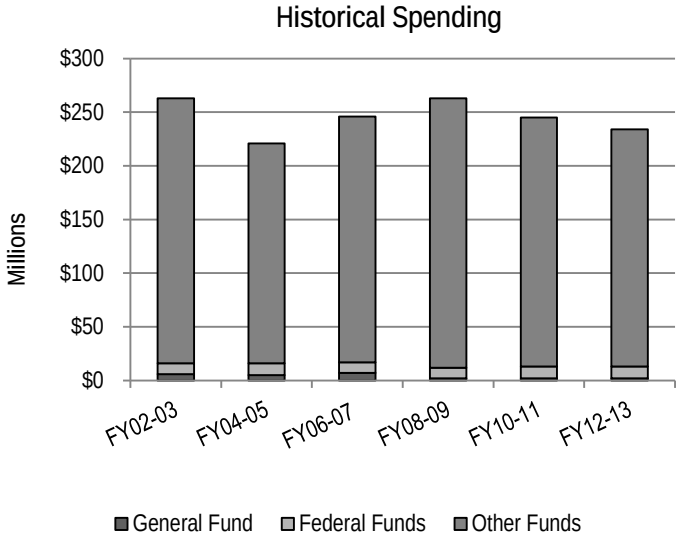
- People in Minnesota are safe;
- Strong and stable families and communities; and
- A thriving economy that encourages business growth and employment opportunities.

BUDGET



DLI spends 49% of the agency receipts on providing benefits to injured workers.

Source: SWIFT



DLI's revenues are mostly comprised of special revenues such as the workers' compensation assessment, construction code inspection and licensure fees, permits and other such revenues.

Source: Consolidated Fund Statement

The Workers' Compensation Division is funded through an appropriation from the workers' compensation fund. The revenues are collected through an insurer premium surcharge and self-insured assessment. Workers' compensation benefits are paid on behalf of employees of uninsured and bankrupt self-insured employers. Reimbursements to insurers and self-insured employers under the supplemental benefits and second injury programs make up the bulk if benefit payments.

The Workplace Safety Program is funded with federal grants and state matching funds. The Occupational Safety and Health Administration Compliance activity (OSHA) receives a 50% federal funding level. There is a 90% federal funding level for our Consultation activity. Matching funds are provided through an appropriation from the workers' compensation fund.

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.

The Labor Standards activity is financed by an appropriation from the general fund. The activity also collects back-wages owed to employees by employers. These funds are given to the employees and DLI does not retain these funds.

The Apprenticeship activity is funded from an appropriation from the workforce development fund.

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.

STRATEGIES

To accomplish its mission, we use the following strategies:

- Dispute resolution. Provide prompt and fair resolution of workers' compensation disputes.
- Workplace safety. Focus OSHA inspection and consultation resources where data indicate the greatest potential for improving workplace safety and health.
- Education. Educate employers and workers so they understand their rights and responsibilities under Minnesota labor standards, workers' compensation and OSHA laws.
- Continuous improvement. Improve efficiency and customer service by increasing the use of electronic processing of permits, licenses, and other filings.
- Workforce development. Work with Minnesota colleges and others to develop apprenticeship opportunities.

The Department of Labor and Industry's legal authority comes from Minnesota Statutes, chapters 175 – 178, 181 – 182, 184, 184B, 326B, 327 and 327B.

Expenditures By Fund

	Actual FY12	Actual FY13	Actual FY14	Estimate FY15	Forecast Base FY16	Forecast Base FY17	Governor's Recommendation FY16	Governor's Recommendation FY17
1000 - General	802	709	803	1,778	2,529	1,166	2,547	1,202
2000 - Restricted Misc Special Rev	4,947	5,888	4,967	6,914	6,620	6,620	6,618	6,618
2020 - Construction Code	21,996	24,907	26,300	28,779	28,298	28,298	26,514	26,514
2390 - Workforce Development	782	957	926	1,377	1,029	1,029	1,293	1,307
2830 - Workers Compensation	80,475	80,848	79,137	85,215	84,101	84,101	87,375	87,653
3000 - Federal	5,480	5,492	5,524	5,777	5,120	5,120	5,120	5,120
6000 - Miscellaneous Agency	-16			64	10	10	10	10
Total	**114,466**	**118,801**	**117,658**	**129,905**	**127,707**	**126,344**	**129,477**	**128,424**
Biennial Change				14,296		6,488		10,338
Biennial % Change				6		3		4
Governor's Change from Base								3,850
Governor's % Change from Base								2

Expenditures by Program

Program: Workers Compensation	72,598	72,002	66,521	71,765	72,355	70,992	75,629	74,544
Program: Workplace Safety	8,034	8,149	12,208	12,650	11,849	11,849	11,849	11,849
Program: Construction Codes & Services	23,723	27,493	27,921	31,732	31,039	31,039	29,255	29,255
Program: General Support Division	8,542	9,399	9,198	10,535	10,154	10,154	10,154	10,154
Program: Labor Standards & Apprenticesp	1,568	1,666	1,729	3,119	2,205	2,205	2,487	2,519
Program: Office of Combative Sports	0	92	82	105	105	105	103	103
Total	**114,466**	**118,801**	**117,658**	**129,905**	**127,707**	**126,344**	**129,477**	**128,424**

Expenditures by Category

Compensation	34,170	37,386	36,836	39,561	39,616	39,616	40,142	40,452
Operating Expenses	17,443	18,916	21,363	25,406	22,331	22,231	23,575	23,475
Other Financial Transactions	570	895	31	161	159	159	159	159
Grants, Aids and Subsidies	62,207	61,582	59,424	64,776	65,600	64,337	65,600	64,337
Capital Outlay-Real Property	77	22	4					
Total	**114,466**	**118,801**	**117,658**	**129,905**	**127,707**	**126,344**	**129,477**	**128,424**
Total Agency Expenditures	114,466	118,801	117,658	129,905	127,707	126,344	129,477	128,424
Internal Billing Expenditures	2,899	3,201	3,515	3,790	3,779	3,779	3,231	3,231
Expenditures Less Internal Billing	**111,567**	**115,600**	**114,142**	**126,115**	**123,928**	**122,565**	**126,246**	**125,193**
Full-Time Equivalents	**447.9**	**459.8**	**434.4**	**440.6**	**448.6**	**448.6**	**450.6**	**450.6**

(Dollars in Thousands)

1000 - General

	Actual FY12	Actual FY 13	Actual FY 14	Estimate FY15	Forecast Base FY16	Forecast Base FY17	Governor's Recommendation FY16	Governor's Recommendation FY17
Balance Forward In		32		263	1,363		1,363	
Direct Appropriation	817	816	1,066	2,879	1,166	1,166	1,184	1,202
Net Transfers		(85)						
Cancellations		53						
Expenditures	**802**	**709**	**803**	**1,778**	**2,529**	**1,166**	**2,547**	**1,202**
Balance Forward Out	15		263	1,363				
Biennial Change in Expenditures				1,069		1,114		1,168
Biennial % Change in Expenditures				71		43		45
Gov's Exp Change from Base								54
Gov's Exp % Change from Base								1
FTEs	9.6	9.5	9.6	9.0	9.0	9.0	9.0	9.0

2000 - Restricted Misc Special Rev

	Actual FY12	Actual FY 13	Actual FY 14	Estimate FY15	Forecast Base FY16	Forecast Base FY17	Governor's Recommendation FY16	Governor's Recommendation FY17
Balance Forward In	3,796	5,289	5,660	7,671	7,577	7,725	7,577	7,725
Receipts	6,461	6,320	7,014	6,861	6,810	6,810	6,808	6,808
Internal Billing Receipts	2,899	3,199	3,515	3,790	3,779	3,779	3,779	3,779
Net Transfers	(30)	(86)	(36)	(41)	(41)	(41)	(41)	(41)
Expenditures	**4,947**	**5,888**	**4,967**	**6,914**	**6,620**	**6,620**	**6,618**	**6,618**
Balance Forward Out	5,280	5,635	7,671	7,577	7,725	7,874	7,725	7,874
Biennial Change in Expenditures				1,046		1,359		1,355
Biennial % Change in Expenditures				10		11		11
Gov's Exp Change from Base								(4)
Gov's Exp % Change from Base								0
FTEs	28.0	27.9	25.2	25.6	25.6	25.6	25.6	25.6

2020 - Construction Code

	Actual FY12	Actual FY 13	Actual FY 14	Estimate FY15	Forecast Base FY16	Forecast Base FY17	Governor's Recommendation FY16	Governor's Recommendation FY17
Balance Forward In	6,888	10,166	11,015	11,651	8,522	6,271	8,522	6,271
Receipts	26,243	26,257	28,450	27,165	26,047	26,047	24,513	24,513
Net Transfers	(1,515)	(1,523)	(1,515)	(1,515)				
Expenditures	**21,996**	**24,907**	**26,300**	**28,779**	**28,298**	**28,298**	**26,514**	**26,514**
Balance Forward Out	9,620	9,993	11,651	8,522	6,271	4,020	6,521	4,270
Biennial Change in Expenditures				8,176		1,518		(2,050)

2020 - Construction Code

Biennial % Change in Expenditures				17		3		(4)
Gov's Exp Change from Base								(3,568)
Gov's Exp % Change from Base								(6)
FTEs	135.7	141.4	146.7	147.2	147.2	147.2	147.2	147.2

2390 - Workforce Development

	Actual		Actual	Estimate	Forecast Base		Governor's Recommendation	
	FY12	FY 13	FY 14	FY15	FY16	FY17	FY16	FY17
Balance Forward In		247	0	98				
Direct Appropriation	1,029	1,029	1,029	1,279	1,029	1,029	1,293	1,307
Net Transfers		(301)						
Cancellations		19	5					
Expenditures	**782**	**957**	**926**	**1,377**	**1,029**	**1,029**	**1,293**	**1,307**
Balance Forward Out	247		98					
Biennial Change in Expenditures				564		(245)		297
Biennial % Change in Expenditures				32		(11)		13
Gov's Exp Change from Base								542
Gov's Exp % Change from Base								26
FTEs	7.4	8.8	9.6	9.5	9.5	9.5	11.5	11.5

2830 - Workers Compensation

	Actual		Actual	Estimate	Forecast Base		Governor's Recommendation	
	FY12	FY 13	FY 14	FY15	FY16	FY17	FY16	FY17
Balance Forward In	4,442	7,595	5,316	5,863	4,923	5,099	4,923	5,099
Direct Appropriation	21,471	20,871	20,871	20,871	20,871	20,871	24,145	24,423
Open Appropriation	59,079	57,569	56,414	60,256	60,256	60,256	60,256	60,256
Receipts	2,796	2,355	2,600	3,150	3,150	3,150	3,150	3,150
Net Transfers	(600)	(918)						
Cancellations	11	2,117	200					
Expenditures	**80,475**	**80,848**	**79,137**	**85,215**	**84,101**	**84,101**	**87,375**	**87,653**
Balance Forward Out	6,704	4,507	5,863	4,923	5,099	5,275	5,099	5,275
Biennial Change in Expenditures				3,030		3,849		10,675
Biennial % Change in Expenditures				2		2		6
Gov's Exp Change from Base								6,826
Gov's Exp % Change from Base								4
FTEs	220.2	219.7	189.7	195.0	203.0	203.0	203.0	203.0

(Dollars in Thousands)

3000 - Federal

	Actual FY12	Actual FY 13	Actual FY 14	Estimate FY15	Forecast Base FY16	Forecast Base FY17	Governor's Recommendation FY16	Governor's Recommendation FY17
Balance Forward In	33	26	676	658				
Receipts	5,461	5,987	5,506	5,120	5,120	5,120	5,120	5,120
Expenditures	**5,480**	**5,492**	**5,524**	**5,777**	**5,120**	**5,120**	**5,120**	**5,120**
Balance Forward Out	14	521	658					
Biennial Change in Expenditures				330		(1,062)		(1,062)
Biennial % Change in Expenditures				3		(9)		(9)
Gov's Exp Change from Base								0
Gov's Exp % Change from Base								0
FTEs	47.1	52.5	53.5	54.3	54.3	54.3	54.3	54.3

6000 - Miscellaneous Agency

	Actual FY12	Actual FY 13	Actual FY 14	Estimate FY15	Forecast Base FY16	Forecast Base FY17	Governor's Recommendation FY16	Governor's Recommendation FY17
Balance Forward In	38	64	59	54				
Receipts	10	(4)	(5)	10	10	10	10	10
Expenditures	**(16)**			**64**	**10**	**10**	**10**	**10**
Balance Forward Out	64	59	54					
Biennial Change in Expenditures				80		(44)		(44)
Biennial % Change in Expenditures				505		(69)		(69)
Gov's Exp Change from Base								0
Gov's Exp % Change from Base								0

Change Item: Reduction for Construction Code & Licensing Division (CCLD) Licensing Fees

Fiscal Impact ($000s)	FY 2016	FY 2017	FY 2018	FY 2019
General Fund				
Expenditures	0	0	0	0
Revenues	0	0	0	0
Construction Codes Funds				
Expenditures	(1,784)	(1,784)	0	0
Revenues	(1,534)	(1,534)	0	0
Net Fiscal Impact = (Expenditures – Revenues)	250	250	0	0
FTEs	0	0	0	0

Recommendation:

The Governor recommends a reduction to Construction Codes & Licensing Division (CCLD) licensing fees by approximately $20 for FY2016 and FY2017. This includes licenses for construction contractors, electricians, plumbers, high pressure pipefitters and boiler operators. This will result in the licensing program revenues being more closely aligned with program costs.

This fee adjustment will reduce license revenues for CCLD by about 29% or $1.534 million annually and reduce the division's overall revenues by 5.9% annually. Revenue from licensing fees accounts for 17.4% of total CCLD revenues.

Rationale/Background:

Effective January 1, 2012, Minnesota Session Laws, 2010, reorganized and aligned all CCLD license fees for consistency and uniformity among licensees. Previously each license category maintained a legacy fee structure carried forward from its previous regulatory agency before becoming a part of the Department of Labor and Industry in 2005. Since the 2012 fee alignment, the combined effect of the improved construction economy and greater CCLD efficiencies, especially on-line licensing, has resulted in more revenue than needed to run the program.

Beginning in FY '16, if enacted the $20 fee reduction will result in total savings to CCLD customers of $1,534 million.

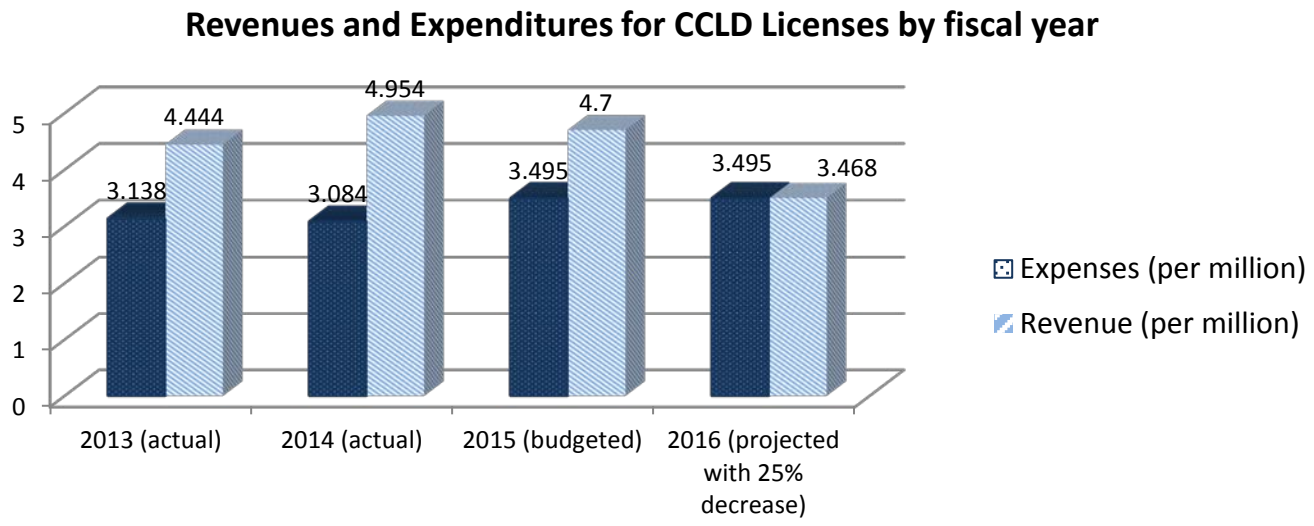
Effective July 1, 2015, the statutory sunset of e-licensing fees ($.5M in savings); statutory reduction of the fixed-rate permit surcharge from $5 to $1 ($1.12M in savings); and planned reduction of the Contractor Recovery Fund assessment from $150 to $80 per licensed residential contractor (.5M in savings) will result in an overall savings of $3,564 million.

Proposal:

The agency proposes to change the existing license fee structure by reducing most license fees by approximately $20.

This will better balance license fee revenue with operating expenses in FY2016 and FY2017 (the projected expenditures for FY16 are $3.495 million). These fees will be evaluated during FY2016 and FY2017 to determine if the account can sustain the reduced fees for future Fiscal Years.

Results:



Statutory Change(s):
326B.092 Fees

Change Item: Workers' Compensation IT System Modernization

Fiscal Impact ($000s)	FY 2016	FY 2017	FY 2018	FY 2019
General Fund				
Expenditures	0	0	0	0
Revenues	0	0	0	0
Worker's Compensation Fund				
Expenditures	3,000	3,000	3,000	3,000
Revenues	0	0	0	0
Net Fiscal Impact = (Expenditures – Revenues)	3,000	3,000	3,000	3,000
FTEs	0	0	0	0

Recommendation:

The Governor recommends the replacement of a current legacy workers compensation computer application. It will be replaced with a state-of-the-art technology system custom developed for processing workers' compensation claims and information in the Workers' Compensation Division (WCD) at the Department of Labor and Industry (DLI), which includes the following functions: Compliance, Records and Training; Alternative Dispute Resolution; Special Compensation Fund; Vocational Rehabilitation; Workers' Compensation Ombudsman, and Patient Advocate Program.

The expected cost of this new system will be $12 million to be paid for out of the Workers Compensation Fund. No increase in assessments will be needed.

Rationale/Background:

DLI's current workers' compensation computer system was developed 20 years ago. The system maintains records of every reportable workers' compensation injury that occurs in Minnesota and performs a variety of other workers' compensation related functions for DLI, the Office of Administrative Hearings, and the Workers Compensation Court of Appeals. Because of its age, the system was not designed to efficiently accept and process on-line submissions, which is essential today. Since the system was deployed in 1995, it has expanded considerably in complexity and size as additional projects were completed. The production database is 1.8 Terabytes (TB) of data. New projects are continuously added to keep up with current technology used by DLI stakeholders. This results in increased consumption of disk storage space, requiring additional upkeep and maintenance of the database. Also, because it's an antiquated system it is more and more difficult to find software to use with it and consultants to keep it up.

It is expected that the new system will increase the speed, timeliness and accuracy of filings and the availability of the information in the system. This will benefit all the stakeholders using the system, particularly the injured workers. It will provide quicker access to claim information allowing injured workers to obtain treatment for their injuries and resolve their claims more efficiently resulting in faster return to work and lower costs.. The new system will also provide the opportunity to better streamline the division's business processes. It is expected that it will incorporate all facets of the workers' compensation system including scheduling of proceedings, vocational rehabilitation activities, and increase ease and accuracy of administrating and reporting benefits by the Special Compensation Fund unit. It is expected that the new system based on web technology will be more automated and provide greater online access for all stakeholders, resulting in more effective service to the Department's diverse customer base.

Proposal:

This is a new initiative. DLI and MNIT@DLI are currently in the process of completing a planning effort, in conjunction with a technology services vendor, to determine options for this system replacement. A buy vs build analysis will be included in this planning effort. The objectives of this planning effort include:

- Complete an analysis of the current Workers' Compensation system, including:
  - Business Processes
  - Current system technical design and functionality
  - Workflow and scanning processes
  - Reports;
- Determine business and high-level system design requirements for a new system; and

- Provide an analysis of technology options for a new system.

The expected implementation date for the new system will be during FY18.

A Steering Team made up of DLI business and MNIT@DLI staff will oversee the project to ensure that project deliverables are timely completed, within budget and according to the specifications. Additional state government partners will include the Office of Administrative Hearings, the Workers' Compensation Court of Appeals and other sections within DLI including the Office of General Counsel, and Research and Statistics.

Success indicators for implementation of the new system include:

- Specifications and requirements are met and fully implemented.
- Staffs are trained to enable them to use the new technology and documentation is complete.
- Historical data is successfully converted to allow staff to access.
- Interfaces to other systems are implemented and fully functional.
- The replacement system is fully implemented to meet the needs of the Workers' Compensation Division of Labor and Industry

IT Related Proposals:

The funding for this project will include the IT infrastructure, necessary hardware and training.

There are not expected to be project costs for the FY20-21 biennium.

Results:

Upon project completion, the result will be a state-of-the art technology system for the WCD of DLI, that will be streamlined and provide greatly improved service to all stakeholders in a more timely and efficient manner. .

Statutory Change(s):

No statutory changes are required.

Change Item: Apprenticeship Unit Base Increase

Fiscal Impact ($000s)	FY 2016	FY 2017	FY 2018	FY 2019
General Fund				
Expenditures	0	0	0	0
Revenues	0	0	0	0
Workforce Development Fund				
Expenditures	250	250	250	250
Revenues	0	0	0	0
Net Fiscal Impact = (Expenditures – Revenues)	250	250	250	250
FTEs	2	2	2	2

Recommendation:

The Governor recommends an annual base budget increase of $250,000 for the Apprenticeship unit for increased minority and female outreach, promotion of apprenticeship, and development and registration of new apprenticeship programs.

- This increases the annual base budget appropriation from the Workforce Development Fund for the Apprenticeship Unit from $779,000 to $1.029 million.
- DLI currently receives $100,000 annually from the Workforce Development Fund for the Labor Education Advancement Grant Program (LEAP). This recommendation does not include an increase in this funding.
- DLI was appropriated $250,000 from the general fund in FY15 for the Minnesota Private Industry, Public Education, Labor and Industry Experience (PIPELINE) Project to expand dual training and apprenticeship in agriculture, information technology, healthcare services and advanced manufacturing. This project has had a spring-board effect on other apprenticeship and dual-training efforts.

Rationale/Background:

DLI is the State Apprenticeship Agency authorized by the US Department of Labor Office of Apprenticeship. The federal government has set a goal of doubling the number of registered apprenticeships over the next 5 years. Employers, labor, education and the legislature are all engaged with DLI to create and expand registered apprenticeship programs and other dual-training career development models throughout the state.

- There are currently 9,176 registered apprentices in Minnesota, a 14% increase from 2013.
- There are currently 310 apprenticeship sponsors, and over 1,000 apprenticeship employers.
- 3,400 workers started new apprenticeship programs in 2014, a 63% increase from 2011.
- During the 2014 legislative session, the Minnesota Apprenticeship Act was brought into conformance with federal apprenticeship regulations. This has required the unit to revise and increase its outreach, communications and template materials.
- In 2011, the unit hired an individual to provide outreach coordination for the construction trades apprenticeship programs~~,~~. Since then, minority participation in registered construction apprenticeship has increased from 11% to 18% in 2014.
- Similarly, increased emphasis on outreach to minorities and women in manufacturing, healthcare, and other industries will increase their participation in registered apprenticeship. Consequently, there will be a reduction in racial disparities.
- There is a large statewide effort to expand registered apprenticeship, including the Skilled Manufacturing Customized Training Pilot Project authorized by the 2013 legislature which is developing pilot dual-training programs at four MnSCU schools around the state for the manufacturing industry.
- Continued expansion of the PIPELINE project will increase the number of dual training and apprenticeship programs in new industries for the career development of more Minnesota workers.

Proposal:

- Two new FTE's to market, promote and develop registered apprenticeship programs to more industries, employers, and workers, and to increase apprenticeship participation for women and minorities.

- $30,000 to support efforts that provide outreach, training, recruitment and retention of apprentices including career exploration programs like Construct Tomorrow, career readiness programs like Under Construction, and dual-training models like the PIPELINE project.

Results:

- Increase the number of registered apprentices by 25% by the end of 2017.
- Increase apprentice participation for women by 2% by the end of 2017.
- Increase apprentice participation for minorities by 4% by the end 2017.

Type of Measure	*Name of Measure*	*FY 2014*	*FY 2015*	*Proposed 2017*
Quantity	Number of registered apprentices	6,882	8,200	11,000
Quality	Percentage of apprentices that are female	6%	7%	9%
Quality	Percentage of new apprentices that are minorities	18%	21%	25%

Change Item: Office of Combative Sports Fee Structure Adjustments

Fiscal Impact ($000s)	FY 2016	FY 2017	FY 2018	FY 2019
General Fund				
Expenditures	0	0	0	0
Revenues	0	0	0	0
Restricted Misc Special Revenue Fund				
Expenditures	(2)	(2)	(2)	(2)
Revenues	(2)	(2)	(2)	(2)
Net Fiscal Impact = (Expenditures – Revenues)	0	0	0	0
FTEs	0	0	0	0

Recommendation:

The Governor recommends a fee structure adjustment decrease for the Office of Combative Sports (OCS). Total annual license fees and event fees will decrease by $2,000 per year. The fee structure change is needed for Minnesota to be competitive for OCS events with other states and jurisdictions.

- Revenues for OCS in FY2015 are $87,000 annually.
- DLI proposes decreasing OCS annual revenues to $85,000.
- DLI has reduced OCS annual operating expenditures from $199,000 in FY12 to approximately $115,400 annually beginning in FY15.
- Even with this operating expense reduction, fees need to be adjusted to ensure continued operation and success of the program.

Rationale/Background:

The Combative Sports Commission was sunset effective June 30, 2012 and its duties and regulatory authority transferred to the Department of Labor and Industry on July 1, 2012. The members of the commission were designated as an advisory council to the Commissioner of DLI. DLI determined there was a significant structural deficit in the operation of this activity and requested an increase to all license fees to become self-sustaining. Effective July 1, 2013, all OCS license fees were increased to meet this structural deficit.

In FY2014, the Professional Combatant license fee increased from $45 to $100; the Amateur Combatant license fee increased from $25 to $80. These increases in part led to a decrease in the number of combatant licenses issued and fewer combative sports events conducted within Minnesota.

Reducing the Professional Combatant fee and the Amateur Combatant fee will encourage more licensed combatants and encourage promoters to hold more events in Minnesota.

OCS regulated 41 events in FY12 and 43 events in FY13 However after the FY 14 fee increase events dropped to 36 events and at the current pace will drop to a projected 30 events in FY15.

Proposal:

Total annual fees collected under this proposal will decrease by $2,000 in FY'16 from $87,000 to $85,000.

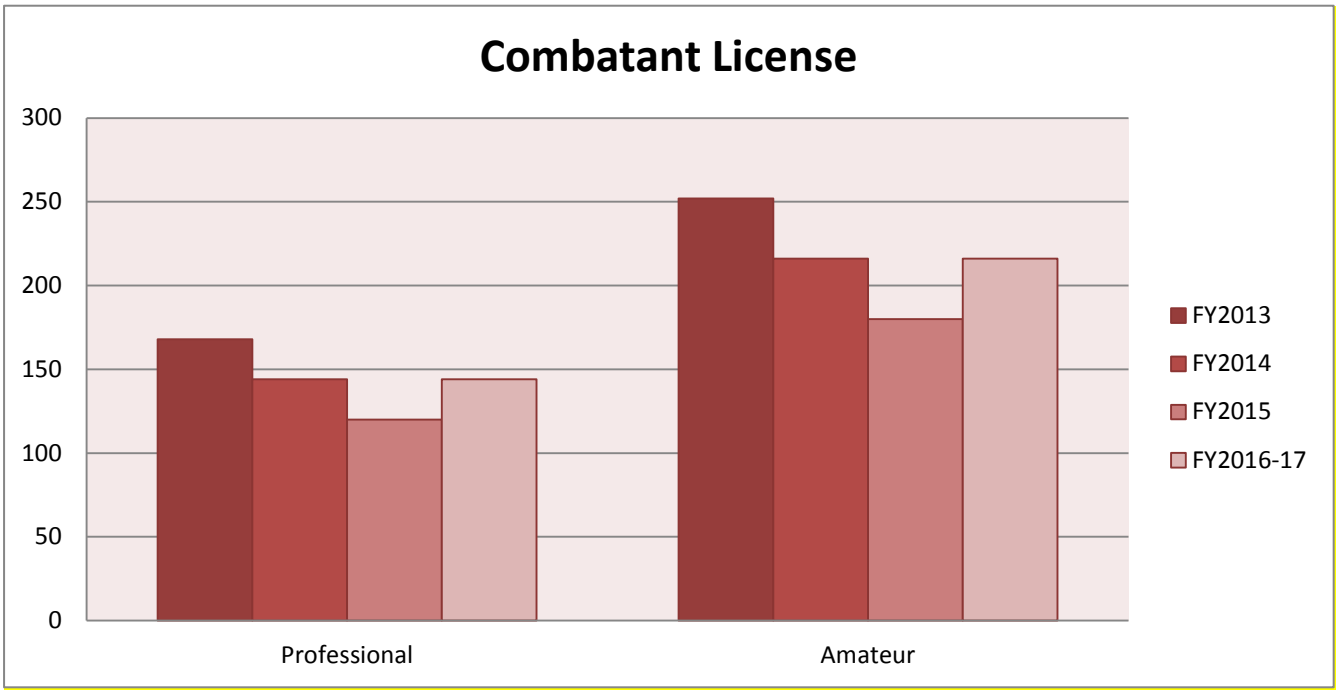
The proposed fee adjustments are:

- Professional combatant license would be reduced from $100 to $70. Amateur combatant license would be reduced from $60 to $50. Total revenues from combatant license fees would decrease by $2,000. However, with lower fees, the number of combatants is projected to increase to the levels of FY2014: Professional licenses from 120 applicants to 144 applicants and amateur licenses from 180 to 216.

IT Related Proposals:
Not applicable

Results:
Performance is currently measured by the ability to protect the health and safety of combatants.

Type of Measure	*Name of Measure*	*FY2013*	*FY2014*	*FY2015 (Proj)*	*FY2016 (Proj)*
Results	The percentage of contests monitored for combatants' safety	100%	100%	100%	100%
Results	Professional Combatant License Issued	168	144	120	144
Results	Amateur Combatant Licenses Issued	252	216	180	216



Statutory Change(s):
MS Ch. 341

Change Item: Operating Adjustment

Fiscal Impact ($000s)	FY 2016	FY 2017	FY 2018	FY 2019
General Fund				
Expenditures	18	36	36	36
Revenues	0	0	0	0
Workers' Compensation Fund				
Expenditures	274	552	552	552
Revenues	0	0	0	0
Workforce Development Fund				
Expenditures	14	28	28	28
Revenues	0	0	0	0
Net Fiscal Impact = (Expenditures – Revenues)	306	616	616	616
FTEs	0	0	0	0

Recommendation:

The Governor recommends additional funding for compensation related costs associated with the delivery of agency services. This amount represents an annual increase of 1.8% for General Fund, Workers' Compensation Fund, and Workforce Development Fund compensation costs.

Rationale/Background:

Each year, compensation costs rise due to labor contract settlements, and changes in employer-paid contributions for insurance, FICA, Medicare, retirement, and other factors. Absorbing this increase in compensation costs within existing agency base appropriations results in reduced staffing and/or reduced non-compensation spending.

Proposal:

The Governor recommends increasing agencies' general fund budgets for employee wage and benefit costs by 1.8% per year for FY 2016-17. Agencies were instructed to include a 1.8% increase to total compensation each year in their base budgets, based upon the compound annual compensation spending rate increase per FTE over the last ten years for executive branch employees. This recommendation is intended to allow agencies to maintain their current level of agency operations.

For non-General Fund direct appropriated funds, the Governor's budget recommendations also include an adjustment of 1.8% per year, where the amount can be supported by the source of revenue.

Results:

This proposal is intended to allow agencies to continue to provide current levels of service and information to the public.

Statutory Change(s):

N.A.

Program: Workers' Compensation

www.dli.mn.gov/workcomp.asp

AT A GLANCE

In FY14, we:

- Resolved more than 5,000 disputes involving insurers, employers, employees, and vocational rehabilitation and health care providers;
- Conducted almost 750 mandatory coverage investigations;
- Proactively contacted 5,700 new businesses to educate them about workers' compensation laws;
- Maintained more than 1.9 million workers' compensation files; and
- Provided vocational rehabilitation and placement services to almost 300 injured workers.

PURPOSE & CONTEXT

Workers' Compensation ensures proper benefits and services are delivered to injured workers quickly, efficiently and at a reasonable cost to employers. The division educates employers and employees about Minnesota's workers' compensation laws and enforces those laws. We also administer the Special Compensation Fund, which provides benefits to injured workers whose employers failed to carry workers' compensation insurance. The division provides alternative dispute resolution for workers' compensation disputes. The goal is to resolve disputes quickly and cost-effectively

SERVICES PROVIDED

The Workers' Compensation Division provides services in four primary areas:

1. Compliance, Records and Training;
2. Alternative Dispute Resolution;
3. Special Compensation Fund; and
4. Vocational Rehabilitation.

The Division:

- Educates employees and employers about their rights and responsibilities under workers' compensation laws
- Provides mediation, ombudsman assistance and other dispute resolution services
- Provides workers' compensation benefits to injured workers whose employers did not carry workers' compensation insurance
- Collects and maintains records pertaining to all workers' compensation injuries occurring in Minnesota
- Provides rehabilitation services to injured workers

RESULTS

Type of measure	*Description of measure*	*Previous*	*Current*	*Dates*
Quantity	Workers' compensation benefits paid by division	$69.8M	$56.3M	FY 2010 & FY 2014
Quality	Electronically submitted first reports of injury and other mandatory filings.	8,753	22,733	FY 2010 & FY 2014[1]
Result	Percentage of mediated sessions that resulted in dispute resolution	77%	82%	FY 2010 & FY 2014[1]
Result	Workers' compensation administrative expense per $100 of payroll	$.026	$.023	FY 2009 & FY 2013[1]

The dates above show the change over the most recent five year period available.

The legal authority for the Workers' Compensation Division comes from Minnesota Statutes, chapter 176.

Expenditures By Fund

	Actual FY12	Actual FY13	Actual FY14	Estimate FY15	Forecast Base FY16	Forecast Base FY17	Governor's Recommendation FY16	Governor's Recommendation FY17
1000 - General	0	0	0	0	1,363	0	1,363	0
2000 - Restricted Misc Special Rev	24	29	41	215	44	44	44	44
2830 - Workers Compensation	72,574	71,973	66,480	71,550	70,948	70,948	74,222	74,500
Total	**72,598**	**72,002**	**66,521**	**71,765**	**72,355**	**70,992**	**75,629**	**74,544**
Biennial Change				(6,315)		5,061		11,887
Biennial % Change				(4)		4		9
Governor's Change from Base								6,826
Governor's % Change from Base								5

Expenditures by Category

Compensation	11,368	11,879	8,834	9,349	9,654	9,654	9,928	10,206
Operating Expenses	2,155	2,533	1,508	2,374	1,422	1,322	4,422	4,322
Other Financial Transactions	149	220	7	8	7	7	7	7
Grants, Aids and Subsidies	58,926	57,370	56,171	60,033	61,272	60,009	61,272	60,009
Total	**72,598**	**72,002**	**66,521**	**71,765**	**72,355**	**70,992**	**75,629**	**74,544**
Total Agency Expenditures	72,598	72,002	66,521	71,765	72,355	70,992	75,629	74,544
Internal Billing Expenditures	20	85	35	18	18	18	18	18
Expenditures Less Internal Billing	**72,578**	**71,917**	**66,486**	**71,747**	**72,337**	**70,974**	**75,611**	**74,526**
Full-Time Equivalents	**159.2**	**158.5**	**116.1**	**124.5**	**124.5**	**124.5**	**124.5**	**124.5**

1000 - General

	Actual FY12	Actual FY 13	Actual FY 14	Estimate FY15	Forecast Base FY16	Forecast Base FY17	Governor's Recommendation FY16	Governor's Recommendation FY17
Balance Forward In					1,363		1,363	
Direct Appropriation	0	0	0	1,363	0	0	0	0
Expenditures	0	0	0	0	**1,363**	0	**1,363**	0
Balance Forward Out				1,363				
Biennial Change in Expenditures				0		1,363		1,363
Biennial % Change in Expenditures				0				
Gov's Exp Change from Base								0
Gov's Exp % Change from Base								0

2000 - Restricted Misc Special Rev

	Actual FY12	Actual FY 13	Actual FY 14	Estimate FY15	Forecast Base FY16	Forecast Base FY17	Governor's Recommendation FY16	Governor's Recommendation FY17
Balance Forward In	59	77	120	131				
Receipts	41	129	52	84	44	44	44	44
Net Transfers		(59)						
Expenditures	**24**	**29**	**41**	**215**	**44**	**44**	**44**	**44**
Balance Forward Out	77	117	131					
Biennial Change in Expenditures				203		(168)		(168)
Biennial % Change in Expenditures				383		(66)		(66)
Gov's Exp Change from Base								0
Gov's Exp % Change from Base								0

2830 - Workers Compensation

	Actual FY12	Actual FY 13	Actual FY 14	Estimate FY15	Forecast Base FY16	Forecast Base FY17	Governor's Recommendation FY16	Governor's Recommendation FY17
Balance Forward In	155	1,598	323	934	331	331	331	331
Direct Appropriation	15,432	14,832	10,678	10,678	10,678	10,678	13,952	14,230
Open Appropriation	58,899	57,471	56,337	60,000	60,000	60,000	60,000	60,000
Receipts	266	284	276	270	270	270	270	270
Net Transfers	(600)	(813)						
Cancellations	11	1,077	200					
Expenditures	**72,574**	**71,973**	**66,480**	**71,550**	**70,948**	**70,948**	**74,222**	**74,500**
Balance Forward Out	1,567	323	934	331	331	331	331	331
Biennial Change in Expenditures				(6,518)		3,867		10,693
Biennial % Change in Expenditures				(5)		3		8
Gov's Exp Change from Base								6,826

2830 - Workers Compensation

Gov's Exp % Change from Base								5
FTEs	159.2	158.5	116.1	124.5	124.5	124.5	124.5	124.5

Program: Workplace Safety

http://www.dli.mn.gov/MnOsha.asp

AT A GLANCE

Each year on average, Minnesota's Occupational Safety and Health Administration (MN OSHA):

- Conducts almost 3,000 compliance inspections;
- Assists employers through 1,400 consultation visits;
- Responds to 650 employee complaints;
- Investigates 20 workplace fatalities;
- Provides safety grants to 200 employer safety projects;
- Presents safety and health outreach to 3,100 participants;
- Works with 100 voluntary partnerships and alliances with employers; and
- Affects the safety and health of 2.6 million workers at 168,000 Minnesota worksites.

PURPOSE & CONTEXT

The goal of MNOSHA is that every employee returns home safe and healthy at the end of each working day. MNOSHA believes workplaces must share a commitment to workplace safety by employers, employees and their authorized representatives. MNOSHA focuses on regulation through its compliance unit and assistance through its consultation unit to industries with the highest injury and illness rates. MNOSHA is a state plan, one of 27 states authorized by Congress to administer an occupational safety and health program "at least as effective as" the federal OSHA program.

SERVICES PROVIDED

MNOSHA keeps Minnesota employees and workplaces safe by:

- Conducting planned compliance inspections focused on high-hazard industries;
- Investigating workplace fatalities, serious injuries and catastrophic events;
- Responding to complaints by employees about unsafe conditions at their workplace;
- Reviewing employee's protected rights after alleged improper termination or other adverse action;
- Providing training and outreach to employee, employer and citizen groups about safety and health topics;
- Making consultation visits to employers who request assistance about how to make their workplaces safer;
- Working cooperatively with employers through voluntary prevention programs and partnerships; and
- Issuing safety grants to help employers boost their safety and health programs.

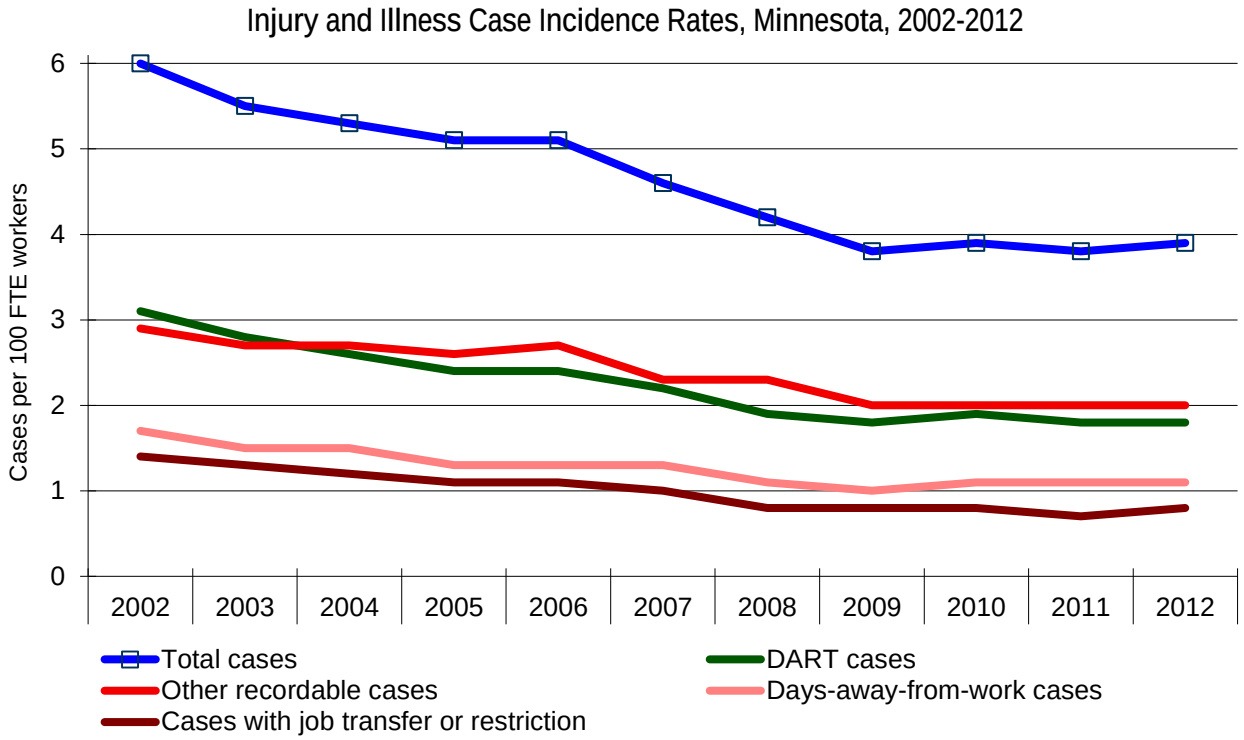
RESULTS

Fatal occupational injuries per 100,000 full-time equivalent workers 2012			
State	Fatality Rate		
	2012	2011	2010
Minnesota	2.6	2.3	2.8
Wisconsin	4.0	3.3	3.4
Iowa	6.6	6.3	5.2
South Dakota	6.7	6.7	8.8
North Dakota	17.7	12.4	8.5

This is important because it shows that fewer employees are dying from work-related injuries than in neighboring states. It demonstrates the success of MNOSHA's program.

The following chart shows the change in injury and illness rates over a ten-year period. The chart graphically shows the decline. This data demonstrates that employee injury and illness rates are dropping, and demonstrate evidence of the success of MNOSHA's efforts.

Note: DART Cases are Days Away from Work or Job Restriction or Transfer.



Minnesota Statutes 182 (https://www.revisor.mn.gov/statutes/?id=182) provides the legal authority for MNOSHA programs. As a state plan, MNOSHA primarily enforces 29 CFR 1908, 1910 and 1926, and Minnesota Rules 5205 through 5208, 5210 and 5215.

(Dollars in Thousands)

Expenditures By Fund

	Actual FY12	Actual FY13	Actual FY14	Estimate FY15	Forecast Base FY16	Forecast Base FY17	Governor's Recommendation FY16	Governor's Recommendation FY17
2830 - Workers Compensation	2,706	2,854	6,912	7,001	6,858	6,858	6,858	6,858
3000 - Federal	5,328	5,295	5,296	5,649	4,991	4,991	4,991	4,991
Total	**8,034**	**8,149**	**12,208**	**12,650**	**11,849**	**11,849**	**11,849**	**11,849**
Biennial Change				8,675		(1,159)		(1,159)
Biennial % Change				54		(5)		(5)
Governor's Change from Base								0
Governor's % Change from Base								0

Expenditures by Category

Compensation	3,976	4,637	8,179	8,442	7,785	7,785	7,785	7,785
Operating Expenses	2,113	1,854	2,447	2,348	2,316	2,316	2,316	2,316
Other Financial Transactions	227	11	1	31	31	31	31	31
Grants, Aids and Subsidies	1,641	1,630	1,577	1,829	1,718	1,718	1,718	1,718
Capital Outlay-Real Property	77	17	4					
Total	**8,034**	**8,149**	**12,208**	**12,650**	**11,849**	**11,849**	**11,849**	**11,849**
Total Agency Expenditures	8,034	8,149	12,208	12,650	11,849	11,849	11,849	11,849
Internal Billing Expenditures	757	789	795	870	870	870	870	870
Expenditures Less Internal Billing	**7,277**	**7,360**	**11,413**	**11,780**	**10,980**	**10,980**	**10,980**	**10,980**
Full-Time Equivalents	**54.6**	**59.3**	**94.8**	**97.5**	**97.5**	**97.5**	**97.5**	**97.5**

2830 - Workers Compensation

	Actual FY12	Actual FY 13	Actual FY 14	Estimate FY15	Forecast Base FY16	Forecast Base FY17	Governor's Recommendation FY16	Governor's Recommendation FY17
Balance Forward In	4,288	4,969	4,994	4,560	4,592	4,768	4,592	4,768
Direct Appropriation			4,154	4,154	4,154	4,154	4,154	4,154
Receipts	2,531	2,071	2,324	2,880	2,880	2,880	2,880	2,880
Net Transfers		(1)						
Expenditures	**2,706**	**2,854**	**6,912**	**7,001**	**6,858**	**6,858**	**6,858**	**6,858**
Balance Forward Out	4,112	4,184	4,560	4,592	4,768	4,944	4,768	4,944
Biennial Change in Expenditures				8,353		(197)		(197)
Biennial % Change in Expenditures				150		(1)		(1)
Gov's Exp Change from Base								0
Gov's Exp % Change from Base								0
FTEs	10.0	10.0	44.6	46.5	46.5	46.5	46.5	46.5

3000 - Federal

	Actual FY12	Actual FY 13	Actual FY 14	Estimate FY15	Forecast Base FY16	Forecast Base FY17	Governor's Recommendation FY16	Governor's Recommendation FY17
Balance Forward In	21	10	660	658				
Receipts	5,317	5,806	5,293	4,991	4,991	4,991	4,991	4,991
Expenditures	**5,328**	**5,295**	**5,296**	**5,649**	**4,991**	**4,991**	**4,991**	**4,991**
Balance Forward Out	10	521	658					
Biennial Change in Expenditures				322		(962)		(962)
Biennial % Change in Expenditures				3		(9)		(9)
Gov's Exp Change from Base								0
Gov's Exp % Change from Base								0
FTEs	44.6	49.2	50.2	50.9	50.9	50.9	50.9	50.9

Program: Construction Codes and Services

www.dli.mn.gov/Ccld.asp

AT A GLANCE

Each year, CCLD:

- Issues 128,000 personal and business licenses;
- Administers 9,000 license exams;
- Completes 3,000 building plan reviews;
- Issues 120,000 construction permits; and
- Performs 157,000 inspections.

PURPOSE & CONTEXT

The Construction Codes and Licensing Division (CCLD) works to protect the health, safety and welfare of the public by providing reasonable, uniform and balanced standards for Minnesota's buildings and construction professionals. This provides for the safety of the people of Minnesota and fosters a competitive construction economy that encourages business growth and employment opportunity.

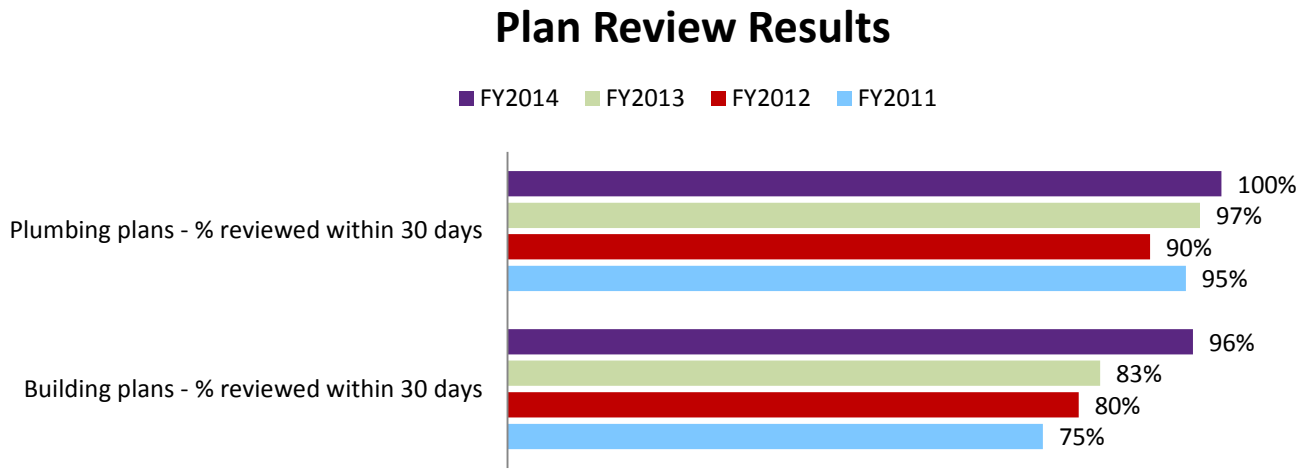
SERVICES PROVIDED

CCLD performs the following services to protect the health, safety and welfare of the public:

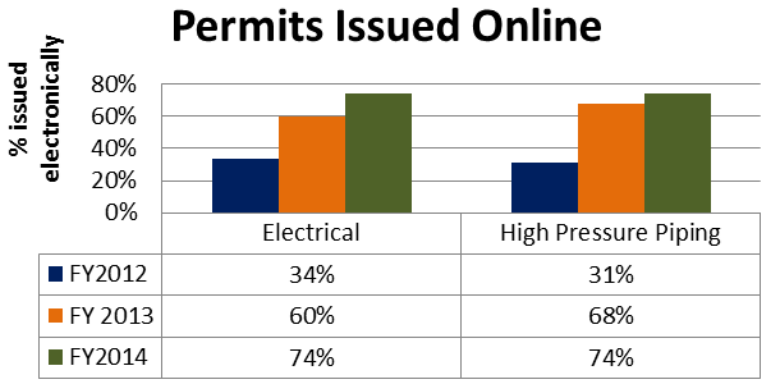
- Code adoption and administration: Assures building safety through a comprehensive and effective process of code adoption and uniform statewide code administration.
- Licensing: Assesses the qualifications of construction professionals and protect consumers and workers through contractor licensing.
- Plan review: Reviews construction plans for state-owned and state-licensed facilities, plumbing installations and manufactured structures in a timely manner to ensure safe, code complying buildings that results in a value for the owner.
- Construction permitting: Expedites safe building construction through the efficient processing of permits.
- Inspection services: Provides for the competent inspection of all building construction work under the authority of the state and regularly ensure the safe and operational integrity of elevators and boilers.
- Enforcement: Provides fair and balanced enforcement to achieve compliance with licensure and code requirements.
- Outreach and education: Fosters and promotes safe, accessible and energy efficient building design and construction through outreach and education to construction professionals and the public.

RESULTS

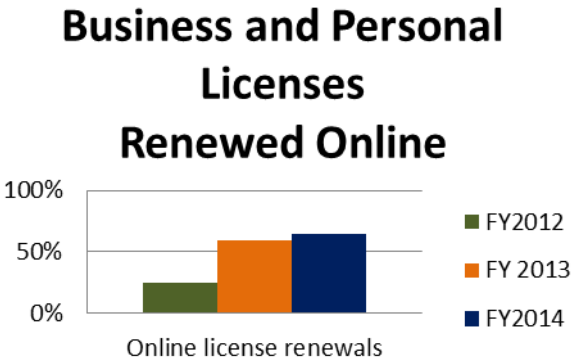
Construction plans for state-owned and state-licensed facilities are reviewed in a timely manner. This is a quantity measure.



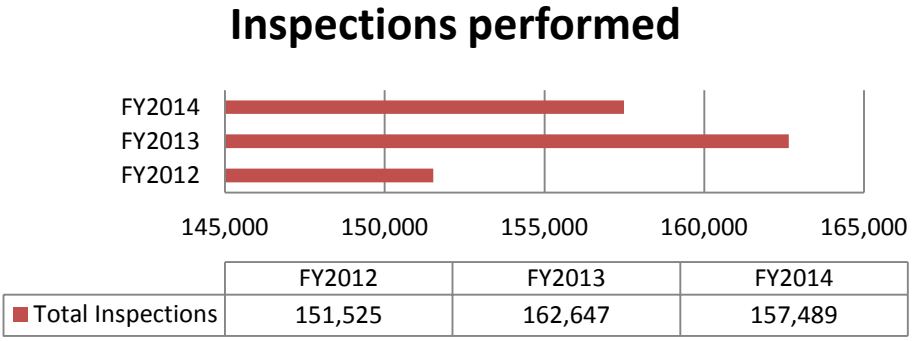
Permits and occupational license renewals are available for online processing for customer convenience and speedier processing



Quantity: Number of permits issued online



Quantity: Number of online license renewals



Quantity: Number of high-pressure-piping, boiler, elevator, plumbing, building construction and electrical inspections performed.

Minnesota Statutes, chapter 326B provides the legal authority for all programs within the Construction Codes and Licensing Division.

(Dollars in Thousands)

Expenditures By Fund

	Actual FY12	Actual FY13	Actual FY14	Estimate FY15	Forecast Base FY16	Forecast Base FY17	Governor's Recommendation FY16	Governor's Recommendation FY17
1000 - General	0	0	0	100	0	0	0	0
2000 - Restricted Misc Special Rev	1,727	2,586	1,621	2,853	2,741	2,741	2,741	2,741
2020 - Construction Code	21,996	24,907	26,300	28,779	28,298	28,298	26,514	26,514
Total	**23,723**	**27,493**	**27,921**	**31,732**	**31,039**	**31,039**	**29,255**	**29,255**
Biennial Change				8,437		2,425		(1,143)
Biennial % Change				16		4		(2)
Governor's Change from Base								(3,568)
Governor's % Change from Base								(6)

Expenditures by Category

Compensation	10,893	12,315	13,540	14,771	15,082	15,082	15,082	15,082
Operating Expenses	11,212	12,452	12,788	14,339	13,335	13,335	11,551	11,551
Other Financial Transactions	62	238	13	122	122	122	122	122
Grants, Aids and Subsidies	1,556	2,483	1,581	2,500	2,500	2,500	2,500	2,500
Capital Outlay-Real Property		5						
Total	**23,723**	**27,493**	**27,921**	**31,732**	**31,039**	**31,039**	**29,255**	**29,255**
Total Agency Expenditures	23,723	27,493	27,921	31,732	31,039	31,039	29,255	29,255
Internal Billing Expenditures	1,907	2,188	2,520	2,730	2,730	2,730	2,180	2,180
Expenditures Less Internal Billing	**21,816**	**25,305**	**25,402**	**29,002**	**28,309**	**28,309**	**27,075**	**27,075**
Full-Time Equivalents	**137.2**	**142.4**	**147.0**	**147.4**	**147.4**	**147.4**	**147.4**	**147.4**

1000 - General

	Actual FY12	Actual FY 13	Actual FY 14	Estimate FY15	Forecast Base FY16	Forecast Base FY17	Governor's Recommendation FY16	Governor's Recommendation FY17
Direct Appropriation	0	0	0	100	0	0	0	0
Expenditures	0	0	0	**100**	0	0	0	0
Biennial Change in Expenditures				100		(100)		(100)
Biennial % Change in Expenditures						(100)		(100)
Gov's Exp Change from Base								0
Gov's Exp % Change from Base								0

2000 - Restricted Misc Special Rev

	Actual FY12	Actual FY 13	Actual FY 14	Estimate FY15	Forecast Base FY16	Forecast Base FY17	Governor's Recommendation FY16	Governor's Recommendation FY17
Balance Forward In	1,533	3,248	3,550	5,257	5,304	5,463	5,304	5,463
Receipts	3,442	2,887	3,328	2,900	2,900	2,900	2,900	2,900
Expenditures	**1,727**	**2,586**	**1,621**	**2,853**	**2,741**	**2,741**	**2,741**	**2,741**
Balance Forward Out	3,248	3,549	5,257	5,304	5,463	5,622	5,463	5,622
Biennial Change in Expenditures				161		1,008		1,008
Biennial % Change in Expenditures				4		23		23
Gov's Exp Change from Base								0
Gov's Exp % Change from Base								0
FTEs	1.5	1.0	0.2	0.2	0.2	0.2	0.2	0.2

2020 - Construction Code

	Actual FY12	Actual FY 13	Actual FY 14	Estimate FY15	Forecast Base FY16	Forecast Base FY17	Governor's Recommendation FY16	Governor's Recommendation FY17
Balance Forward In	6,888	10,166	11,015	11,651	8,522	6,271	8,522	6,271
Receipts	26,243	26,257	28,450	27,165	26,047	26,047	24,513	24,513
Net Transfers	(1,515)	(1,523)	(1,515)	(1,515)				
Expenditures	**21,996**	**24,907**	**26,300**	**28,779**	**28,298**	**28,298**	**26,514**	**26,514**
Balance Forward Out	9,620	9,993	11,651	8,522	6,271	4,020	6,521	4,270
Biennial Change in Expenditures				8,176		1,518		(2,050)
Biennial % Change in Expenditures				17		3		(4)
Gov's Exp Change from Base								(3,568)
Gov's Exp % Change from Base								(6)
FTEs	135.7	141.4	146.7	147.2	147.2	147.2	147.2	147.2

Program: General Support Division

http://www.dli.mn.gov/OverviewGS.asp

AT A GLANCE

In FY 2014, we:

- Supported approximately 420 agency employees located statewide;
- Administered $143 million annual budget;
- Facilitated nearly 6.5 million Web hits;
- Monitored approximately 50 combative sports events;
- Represented DLI programs in more than 142 legal cases;
- Provided data practices training to all DLI employees;
- Responded to 120 requests for statistical data;
- Ensured that 97.9 percent of DLI employees received a performance review;
- Ensured that 98.9 percent of DLI employees have current position descriptions;
- Completed training needs assessments for employees in the Workers' Compensation and Construction Codes and Licensing Divisions.

PURPOSE & CONTEXT

The General Support Division provides 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 to:

- 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 programs 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 existing resources can meet the needs to Minnesota's citizens.

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

SERVICES PROVIDED

The General Support Division strives to provide effective and efficient services and offer solutions to support agency programs. This is accomplished by each unit as follows:

- Research and Statistics: collects, analyzes and reports workplace safety, workers' compensation and workplace standards data to inform decision-makers and the public.
- Office of the General Counsel: provides legal advice to the department and advocates for the agency in enforcement and other administrative proceedings.
- Financial Services: protects and ensures accountability for the financial resources entrusted to the department.
- Human Resources: recruits, assesses employee development needs and assists in retaining needed skill sets. Also provides services which promote a healthy, productive and respectful work environment and promotes diversity goals in all EEOC Job Groups for people with a disability.
- Communications: updates stakeholders and promotes the work of and services provided by the department.
- Office of Combative Sports: ensures combative events are conducted to minimize injuries and ensures fair competition.
- DLI maintains its information technology services through a service level agreement with MN.IT.

These infrastructure services provide agency support which enable programs to focus on their mission and achieve agency goals.

RESULTS

Type of Measure	*Name of Measure*	*Previous*	*Current*	*Dates*
Quantity	Percentage of accounts payable paid promptly.	98.56%	99.04%	FY 2013 & FY 2014
Quality	Percentage of position descriptions that are current and performance appraisals that were timely completed.	97.5%	97.9%	FY 2013 & FY 2014
Quality	Percentage of contests monitored for combatants' safety.	100%	100%	FY 2013 & FY 2014
Quantity	Percentage of all DLI employees who have participated in continuous improvement training.	14%	21%	FY 2013 & FY 2014

Minnesota Statutes, chapters 176, 16A, 43A and 341 provide authority for this program's activities.

(Dollars in Thousands)

Expenditures By Fund

	Actual FY12	Actual FY13	Actual FY14	Estimate FY15	Forecast Base FY16	Forecast Base FY17	Governor's Recommendation FY16	Governor's Recommendation FY17
2000 - Restricted Misc Special Rev	3,196	3,181	3,223	3,741	3,730	3,730	3,730	3,730
2830 - Workers Compensation	5,194	6,021	5,746	6,665	6,295	6,295	6,295	6,295
3000 - Federal	152	197	229	129	129	129	129	129
Total	**8,542**	**9,399**	**9,198**	**10,535**	**10,154**	**10,154**	**10,154**	**10,154**
Biennial Change				1,791		575		575
Biennial % Change				10		3		3
Governor's Change from Base								0
Governor's % Change from Base								0

Expenditures by Category

Compensation	6,833	7,207	4,806	5,174	5,336	5,336	5,336	5,336
Operating Expenses	1,582	1,771	4,382	5,360	4,817	4,817	4,817	4,817
Other Financial Transactions	127	421	9	0	0	0	0	0
Total	**8,542**	**9,399**	**9,198**	**10,535**	**10,154**	**10,154**	**10,154**	**10,154**
Total Agency Expenditures	8,542	9,399	9,198	10,535	10,154	10,154	10,154	10,154
Internal Billing Expenditures	19	23	30	20	20	20	20	20
Expenditures Less Internal Billing	**8,523**	**9,376**	**9,167**	**10,515**	**10,134**	**10,134**	**10,134**	**10,134**
Full-Time Equivalents	**80.0**	**79.9**	**55.9**	**51.3**	**59.3**	**59.3**	**59.3**	**59.3**

2000 - Restricted Misc Special Rev

	Actual FY12	Actual FY 13	Actual FY 14	Estimate FY15	Forecast Base FY16	Forecast Base FY17	Governor's Recommendation FY16	Governor's Recommendation FY17
Balance Forward In	2,204	1,965	1,936	2,192	2,199	2,207	2,199	2,207
Receipts	2,977	3,199	3,515	3,790	3,779	3,779	3,779	3,779
Internal Billing Receipts	2,899	3,199	3,515	3,790	3,779	3,779	3,779	3,779
Net Transfers	(30)	(67)	(36)	(41)	(41)	(41)	(41)	(41)
Expenditures	**3,196**	**3,181**	**3,223**	**3,741**	**3,730**	**3,730**	**3,730**	**3,730**
Balance Forward Out	1,955	1,915	2,192	2,199	2,207	2,215	2,207	2,215
Biennial Change in Expenditures				588		496		496
Biennial % Change in Expenditures				9		7		7
Gov's Exp Change from Base								0
Gov's Exp % Change from Base								0
FTEs	26.5	25.4	23.6	24.0	24.0	24.0	24.0	24.0

2830 - Workers Compensation

	Actual FY12	Actual FY 13	Actual FY 14	Estimate FY15	Forecast Base FY16	Forecast Base FY17	Governor's Recommendation FY16	Governor's Recommendation FY17
Balance Forward In		1,028		370				
Direct Appropriation	6,039	6,039	6,039	6,039	6,039	6,039	6,039	6,039
Open Appropriation	180	98	77	256	256	256	256	256
Net Transfers		(104)						
Cancellations		1,041						
Expenditures	**5,194**	**6,021**	**5,746**	**6,665**	**6,295**	**6,295**	**6,295**	**6,295**
Balance Forward Out	1,025		370					
Biennial Change in Expenditures				1,195		179		179
Biennial % Change in Expenditures				11		1		1
Gov's Exp Change from Base								0
Gov's Exp % Change from Base								0
FTEs	51.1	51.2	29.0	24.0	32.0	32.0	32.0	32.0

3000 - Federal

	Actual FY12	Actual FY 13	Actual FY 14	Estimate FY15	Forecast Base FY16	Forecast Base FY17	Governor's Recommendation FY16	Governor's Recommendation FY17
Balance Forward In	12	16	16					
Receipts	144	181	213	129	129	129	129	129
Expenditures	**152**	**197**	**229**	**129**	**129**	**129**	**129**	**129**
Balance Forward Out	4							
Biennial Change in Expenditures				8		(100)		(100)

3000 - Federal

Biennial % Change in Expenditures				2		(28)		(28)
Gov's Exp Change from Base								0
Gov's Exp % Change from Base								0
FTEs	2.4	3.3	3.3	3.3	3.3	3.3	3.3	3.3

(Dollars in Thousands)

Expenditures By Fund

	Actual FY12	Actual FY13	Actual FY14	Estimate FY15	Forecast Base FY16	Forecast Base FY17	Governor's Recommendation FY16	Governor's Recommendation FY17
2000 - Restricted Misc Special Rev	0	92	82	105	105	105	103	103
Total	**0**	**92**	**82**	**105**	**105**	**105**	**103**	**103**
Biennial Change				94		23		19
Biennial % Change				103		13		10
Governor's Change from Base								(4)
Governor's % Change from Base								(2)

Expenditures by Category

Compensation	0	79	50	77	77	77	77	77
Operating Expenses		13	32	28	28	28	26	26
Total	**0**	**92**	**82**	**105**	**105**	**105**	**103**	**103**
Full-Time Equivalents	**0**	**1.5**	**1.4**	**1.4**	**1.4**	**1.4**	**1.4**	**1.4**

2000 - Restricted Misc Special Rev

	Actual FY12	Actual FY 13	Actual FY 14	Estimate FY15	Forecast Base FY16	Forecast Base FY17	Governor's Recommendation FY16	Governor's Recommendation FY17
Balance Forward In			54	92	74	55	74	55
Receipts		106	119	87	87	87	85	85
Net Transfers		41						
Expenditures	0	**92**	**82**	**105**	**105**	**105**	**103**	**103**
Balance Forward Out		54	92	74	55	37	55	37
Biennial Change in Expenditures				94		23		19
Biennial % Change in Expenditures				103		13		10
Gov's Exp Change from Base								(4)
Gov's Exp % Change from Base								(2)
FTEs	0	1.5	1.4	1.4	1.4	1.4	1.4	1.4

Program: Labor Standards and Apprenticeship

http://www.dli.mn.gov/LaborLaw.asp
http://www.dli.mn.gov/Appr.asp

AT A GLANCE

In 2013, the Labor Standards unit:

- Recovered $448K in final wages for 1,070 workers.
- Completed 351 wage and hour investigations and collected $357,000 in back wages for 1,078 workers.
- Completed 212 prevailing wage investigations and collected $280,000 in back wages for 243 workers.

In 2013, the Apprenticeship unit:

- Registered 3,500 new apprentices including 735 minorities and 210 females.
- Assisted 309 registered apprenticeship program sponsors
- Conducted 39 program reviews and 105 technical assistance visits to sponsors.

PURPOSE & CONTEXT

DLI's Labor Standards unit protects Minnesota's economy by ensuring workers are paid correctly and workplace rights and responsibilities are enforced. We conduct outreach and investigations to ensure compliance with Minnesota's Fair Labor Standards laws, including minimum wage, prevailing wage, pregnancy and parental leave, and child labor.

DLI's Apprenticeship unit supports Minnesota' economy as it fosters and promotes work-based career development through registered apprenticeship programs that provide structured training to develop a skilled workforce.

SERVICES PROVIDED

The Labor Standards unit:

- Protects workers by providing outreach education and enforcement of minimum wage, overtime, wage payment, and prevailing wage laws;
- Focuses on child labor initiatives to protect children;
- Provides outreach and education about the 2014 minimum wage increase;
- Conducts outreach, education and enforcement of the new Women's Economic Security Act including protections for pregnancy accommodation, pregnancy and parenting leave, sick and safe leave, nursing mothers, and wage disclosure protection
- Conducts annual prevailing wage surveys to establish wage rates for workers on publicly funded construction projects.

The Apprenticeship unit:

- Provides outreach and education to community organizations, employers and about apprenticeship;
- Develops introductions to construction careers programs for youth including the Construct Tomorrow and UnderConstruction programs;
- Approves new apprenticeship programs and expands programs in healthcare, manufacturing and other industries. Develops personalized outreach and diversity recruiting plans for each apprenticeship program to increase female and minority participation

RESULTS

Labor Standards

Type of Measure	*Name of Measure*	*Previous*	*Current*	*Dates*
Quantity	Minnesotans directly served by the labor standards unit	80,631	73,183	CY 2012 and CY 2013
Quantity	Dollar value of wages recovered	$1,548,679	$870,544	FY 2013 and FY 2014
Quality	Minors educated about their rights in the workplace (new initiative in FY'14)	0	1,946	FY 2013 and FY 2014
Results	Number of First Reports of Injury to minors filed with DLI's Workers' Compensation Division	136	48	FY 2013 and FY 2014

Apprenticeship

Type of Measure	*Name of Measure*	*Previous*	*Current*	*Dates*
Quantity	Number of registered apprentices	6,882	7,875	FY 2013 and FY 2014
Quality	Percentage of apprentices that are female	6%	7%	June 2013 and June 2014
Quality	Percentage of new apprentices that are minorities	18%	21%	FY 2013 and FY 2014

M.S. 177.21-.35, Minnesota Fair Labor Standards Act
M.S. 177.41 -.44, Prevailing Wage Act
M.S. 178 Apprenticeship Training Act, in accordance with 29 Code of Federal Regulations part 29 and part 30.
M.S. 181.01 – 171, Payment of Wages
M.S. 181.940 - .944, Parenting Leave, WESA
M.S. 181A, Child Labor Standards Act

Expenditures By Fund

	Actual FY12	Actual FY13	Actual FY14	Estimate FY15	Forecast Base FY16	Forecast Base FY17	Governor's Recommendation FY16	Governor's Recommendation FY17
1000 - General	802	709	803	1,678	1,166	1,166	1,184	1,202
2390 - Workforce Development	782	957	926	1,377	1,029	1,029	1,293	1,307
6000 - Miscellaneous Agency	-16			64	10	10	10	10
Total	**1,568**	**1,666**	**1,729**	**3,119**	**2,205**	**2,205**	**2,487**	**2,519**
Biennial Change				1,613		(438)		158
Biennial % Change				50		(9)		3
Governor's Change from Base								596
Governor's % Change from Base								14

Expenditures by Category

Compensation	1,100	1,270	1,427	1,748	1,682	1,682	1,934	1,966
Operating Expenses	381	294	205	957	413	413	443	443
Other Financial Transactions	4	4	1					
Grants, Aids and Subsidies	84	99	95	414	110	110	110	110
Total	**1,568**	**1,666**	**1,729**	**3,119**	**2,205**	**2,205**	**2,487**	**2,519**
Total Agency Expenditures	1,568	1,666	1,729	3,119	2,205	2,205	2,487	2,519
Internal Billing Expenditures	195	115	136	152	141	141	143	143
Expenditures Less Internal Billing	**1,373**	**1,551**	**1,593**	**2,967**	**2,064**	**2,064**	**2,344**	**2,376**
Full-Time Equivalents	**17.0**	**18.3**	**19.2**	**18.5**	**18.5**	**18.5**	**20.5**	**20.5**

1000 - General

	Actual FY12	Actual FY 13	Actual FY 14	Estimate FY15	Forecast Base FY16	Forecast Base FY17	Governor's Recommendation FY16	Governor's Recommendation FY17
Balance Forward In		32		263				
Direct Appropriation	817	816	1,066	1,416	1,166	1,166	1,184	1,202
Net Transfers		(85)						
Cancellations		53						
Expenditures	**802**	**709**	**803**	**1,678**	**1,166**	**1,166**	**1,184**	**1,202**
Balance Forward Out	15		263					
Biennial Change in Expenditures				969		(149)		(95)
Biennial % Change in Expenditures				64		(6)		(4)
Gov's Exp Change from Base								54
Gov's Exp % Change from Base								2
FTEs	9.6	9.5	9.6	9.0	9.0	9.0	9.0	9.0

2390 - Workforce Development

	Actual FY12	Actual FY 13	Actual FY 14	Estimate FY15	Forecast Base FY16	Forecast Base FY17	Governor's Recommendation FY16	Governor's Recommendation FY17
Balance Forward In		247	0	98				
Direct Appropriation	1,029	1,029	1,029	1,279	1,029	1,029	1,293	1,307
Net Transfers		(301)						
Cancellations		19	5					
Expenditures	**782**	**957**	**926**	**1,377**	**1,029**	**1,029**	**1,293**	**1,307**
Balance Forward Out	247		98					
Biennial Change in Expenditures				564		(245)		297
Biennial % Change in Expenditures				32		(11)		13
Gov's Exp Change from Base								542
Gov's Exp % Change from Base								26
FTEs	7.4	8.8	9.6	9.5	9.5	9.5	11.5	11.5

6000 - Miscellaneous Agency

	Actual FY12	Actual FY 13	Actual FY 14	Estimate FY15	Forecast Base FY16	Forecast Base FY17	Governor's Recommendation FY16	Governor's Recommendation FY17
Balance Forward In	38	64	59	54				
Receipts	10	(4)	(5)	10	10	10	10	10
Expenditures	**(16)**			**64**	**10**	**10**	**10**	**10**
Balance Forward Out	64	59	54					
Biennial Change in Expenditures				80		(44)		(44)
Biennial % Change in Expenditures				505		(69)		(69)

6000 - Miscellaneous Agency

Gov's Exp Change from Base			0
Gov's Exp % Change from Base			0

FY16-17 Federal Funds Summary

(Dollars in Thousands)

Federal Agency and CFDA #	Federal Award Name and Brief Purpose	New Grant	2014 Actuals	2015 Budget	2016 Base	2017 Base	State Match or MOE Required	FTE's
U.S. Department of Labor 17.503	State Plan grant authorized by Section 23(g) of the Occupational Safety and Health Act of 1970. State OSHA Compliance Program		$3,980	$3,974	$3,974	$3,974	Match	43.47
U.S. Department of Labor 17.504	Consultation Agreement as authorized by Section 21(d) of the Occupational Safety and Health Act of 1970.		$1,038	$1,017	$1,017	$1,017	Match	7.26
U.S. Department of Labor 17.005	Bureau of Labor Standards, Occupational Safety and Health Statistics, pursuant to Sec. 24 of the Occupational Safety and Health Act of 1970.			$129	$129	$129	Match	3.33
U.S. Department of Labor 17.005	Bureau of Labor Statistics, Occupational Safety and Health Statistics, pursuant to Sec. 24 of the Occupational Safety and Health Act of 1970. Study to Research Undercounts of Workplace Injuries		$68					

Grants Funding Detail

Program Name Federal or State or Both (citation)	Purpose	Recipient Type (s) Eligibility Criteria	2014	2015
Safety Hazard Abatement (State) M.S. 79.253	To make grants or loans to employers for the cost of implementing safety recommendations	Employers	$998,000/year	$998,000/year
Labor Education and Advancement Program (State) M.S, 178.11	To facilitate the participation of women and minorities in apprenticeship trades and occupations	Community based organizations	$100,000/year	$100,000/year
Vinland Center (State) Laws of 2013, Chapter 85, Article 1, Section 6, Subdivision 2	To provide specialized rehabilitation services for injured and disabled workers	Vinland Center	$200,000/year	$200,000/year
Labor Education and Advancement Program-Womens Economic Security Act (State) Laws of 2014, Chapter 239, Article 2, Section 9	To educate, promote, assist, and support women to enter apprenticeship programs in high-wage, high-demand, nontraditional occupations	Community based organizations		$250,000/year