

## 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 more than 95,000 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 **Workers' Compensation Division** oversees and administers the workers' compensation system in Minnesota through the following four activities.

- ⇒ **Claims Services and Investigations** verifies and enforces employers workers' compensation insurance coverage, 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. It also certifies managed care organizations and qualified rehabilitation consultants, and monitors their professional conduct. Services extend to alternative dispute-resolution services, including mediations, conferences, telephone information, walk-in assistance, and dispute certification. 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.
- ⇒ **Information Processing Center** creates, maintains, and manages the availability of workers' compensation claim files. The unit audits workers' compensation claim files for adherence to the law. It also provides required workplace posters to employers upon request.

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

- ⇒ **Construction Codes and Licensing** promulgates construction codes for buildings, plumbing, electrical, accessibility, elevator, energy, manufactured structures, boilers, and high-pressure-piping systems, and licenses those who install and inspect them. It provides technical assistance and education to building owners, contractors, and code officials, and reviews and inspects certain construction projects for compliance with construction codes.
- ⇒ **MNOSHA Compliance** conducts safety and health inspections of workplaces and issues citations for noncompliance with standards. It provides technical assistance, outreach, and education about safety and health issues. It 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 **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, 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 Web site ([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 Web site at [www.departmentresults.state.mn.us/doli](http://www.departmentresults.state.mn.us/doli).

Dollars in Thousands

	Current		Forecast Base		Biennium 2008-09
	FY2006	FY2007	FY2008	FY2009	
<b><u>Direct Appropriations by Fund</u></b>					
<b>General</b>					
Current Appropriation	2,872	2,872	2,872	2,872	5,744
<b>Forecast Base</b>	<b>2,872</b>	<b>2,872</b>	<b>3,434</b>	<b>3,434</b>	<b>6,868</b>
Change		0	562	562	1,124
% Biennial Change from 2006-07					19.6%
<b>State Government Spec Revenue</b>					
Current Appropriation	0	0	0	0	0
<b>Forecast Base</b>	<b>0</b>	<b>0</b>	<b>1,831</b>	<b>1,831</b>	<b>3,662</b>
Change		0	1,831	1,831	3,662
% Biennial Change from 2006-07					n.m.
<b>Workforce Development</b>					
Current Appropriation	750	750	750	750	1,500
<b>Forecast Base</b>	<b>750</b>	<b>750</b>	<b>750</b>	<b>750</b>	<b>1,500</b>
Change		0	0	0	0
% Biennial Change from 2006-07					0%
<b>Workers Compensation</b>					
Current Appropriation	19,297	19,297	19,297	19,297	38,594
<b>Forecast Base</b>	<b>19,297</b>	<b>19,297</b>	<b>19,297</b>	<b>19,297</b>	<b>38,594</b>
Change		0	0	0	0
% Biennial Change from 2006-07					0%
<b><u>Expenditures by Fund</u></b>					
<b>Direct Appropriations</b>					
General	3,258	4,079	3,434	3,434	6,868
State Government Spec Revenue	1,533	2,129	1,831	1,831	3,662
Workforce Development	687	813	750	750	1,500
Workers Compensation	18,037	20,337	19,297	19,297	38,594
<b>Open Appropriations</b>					
Workers Compensation	71,455	75,164	73,422	71,688	145,110
<b>Statutory Appropriations</b>					
State Government Spec Revenue	16,721	18,323	18,304	18,170	36,474
Misc Special Revenue	3,718	3,951	4,108	4,108	8,216
Federal	5,036	5,213	5,343	5,498	10,841
Workers Compensation	2,902	3,478	3,160	3,160	6,320
Miscellaneous Agency	8	10	10	10	20
<b>Total</b>	<b>123,355</b>	<b>133,497</b>	<b>129,659</b>	<b>127,946</b>	<b>257,605</b>
<b><u>Expenditures by Category</u></b>					
Total Compensation	30,776	33,329	34,241	35,015	69,256
Other Operating Expenses	19,483	22,727	20,019	19,266	39,285
Payments To Individuals	71,247	74,947	73,205	71,471	144,676
Local Assistance	1,849	2,494	2,194	2,194	4,388
<b>Total</b>	<b>123,355</b>	<b>133,497</b>	<b>129,659</b>	<b>127,946</b>	<b>257,605</b>
<b><u>Expenditures by Program</u></b>					
Workers Compensation Division	80,955	85,840	83,538	81,804	165,342
Safety Codes & Services	33,379	37,672	36,447	36,468	72,915
Labor Standards & Apprenticesp	1,430	1,558	1,495	1,495	2,990
General Support Division	7,591	8,427	8,179	8,179	16,358
<b>Total</b>	<b>123,355</b>	<b>133,497</b>	<b>129,659</b>	<b>127,946</b>	<b>257,605</b>
<b>Full-Time Equivalentents (FTE)</b>	<b>436.1</b>	<b>459.2</b>	<b>454.5</b>	<b>444.0</b>	

**Program Description**

The purpose of the Workers' Compensation Division is to minimize the impact of work-related injuries or illnesses on workers and employers.

**Budget Activities**

This program includes the following budget activities:

- ⇒ Claims Services and Investigations
- ⇒ Benefit Management and Resolution
- ⇒ Information Processing Center
- ⇒ Vocational Rehabilitation
- ⇒ Workers' Compensation Administration

**LABOR AND INDUSTRY DEPT**

Program: WORKERS COMPENSATION DIVISION

Program Summary

*Dollars in Thousands*

	<b>Current</b>		<b>Forecast Base</b>		<b>Biennium</b>
	<b>FY2006</b>	<b>FY2007</b>	<b>FY2008</b>	<b>FY2009</b>	<b>2008-09</b>
<b><u>Direct Appropriations by Fund</u></b>					
<b>Workers Compensation</b>					
Current Appropriation	10,371	10,371	10,371	10,371	20,742
<b>Technical Adjustments</b>					
Approved Transfer Between Appr			(309)	(309)	(618)
<b>Forecast Base</b>	<b>10,371</b>	<b>10,371</b>	<b>10,062</b>	<b>10,062</b>	<b>20,124</b>
<b><u>Expenditures by Fund</u></b>					
<b>Direct Appropriations</b>					
Workers Compensation	9,439	10,619	10,062	10,062	20,124
<b>Open Appropriations</b>					
Workers Compensation	71,212	74,908	73,166	71,432	144,598
<b>Statutory Appropriations</b>					
Misc Special Revenue	39	40	40	40	80
Workers Compensation	265	273	270	270	540
<b>Total</b>	<b>80,955</b>	<b>85,840</b>	<b>83,538</b>	<b>81,804</b>	<b>165,342</b>
<b><u>Expenditures by Category</u></b>					
Total Compensation	8,165	8,479	8,835	8,951	17,786
Other Operating Expenses	1,413	2,264	1,348	1,232	2,580
Payments To Individuals	71,247	74,947	73,205	71,471	144,676
Local Assistance	130	150	150	150	300
<b>Total</b>	<b>80,955</b>	<b>85,840</b>	<b>83,538</b>	<b>81,804</b>	<b>165,342</b>
<b><u>Expenditures by Activity</u></b>					
Wc Claims Serv & Investigation	73,250	77,495	75,376	73,642	149,018
Wc Benefit Mgmt & Resolution	2,780	2,908	2,997	2,997	5,994
Wc Information Processing Ctr	2,784	2,794	2,852	2,852	5,704
Wc Vocational Rehabilitation	1,887	1,984	2,040	2,040	4,080
Wc Administration	254	659	273	273	546
<b>Total</b>	<b>80,955</b>	<b>85,840</b>	<b>83,538</b>	<b>81,804</b>	<b>165,342</b>
<b>Full-Time Equivalent (FTE)</b>	<b>125.4</b>	<b>127.5</b>	<b>127.5</b>	<b>124.5</b>	

**Activity Description**

The Claims Services and Investigations unit (CSI) provides workers' compensation protection to Minnesota employees by enforcing the state's workers' compensation mandatory coverage requirements, providing certain benefits and reimbursements on behalf of eligible employees and insurers, and by collecting the assessments that fund Minnesota workers' compensation programs.

**Population Served**

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

**Services Provided**

- ⇒ Mandatory coverage — CSI 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.
- ⇒ Uninsured claims — CSI acts as a "safety net," providing appropriate workers' compensation benefits to injured workers whose employers have failed to obtain proper workers' compensation insurance. The staff administers these claims in the same manner as an insurance company or adjusting company. CSI pursues recovery against the uninsured employer for benefits paid to the employee and ensures future compliance with the mandatory coverage law on the part of the employer. The CSI unit also administers asbestosis medical claims and pays benefits to injured employees of certain bankrupt self-insured employers.
- ⇒ Second-injury and supplementary benefit claims — CSI 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 1992 and 1995, respectively, it is estimated payments under those programs will continue to be made on a declining basis until approximately 2050.
- ⇒ Assessment collection — CSI collects assessments 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.

**Activity at a Glance**

- ◆ Collected assessments of more than \$92 million annually to pay injured workers benefits and workers' compensation program expenses.
- ◆ Provided supplementary and second-injury benefit reimbursement to insurers on 3,720 claims in FY 2006.
- ◆ Provided workers' compensation benefits to 530 injured workers of uninsured and bankrupt self-insured employers in FY 2006.
- ◆ Investigated 218 incidents of uninsured employers resulting in 175 penalty assessments in FY 2006.
- ◆ Investigated 149 new claims for uninsured claims benefits in FY 2006.

# LABOR AND INDUSTRY DEPT

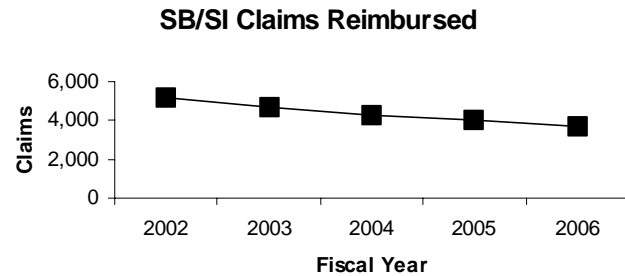
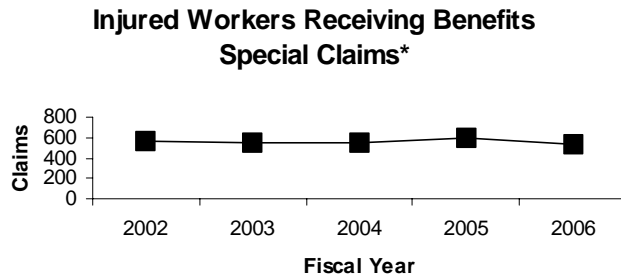
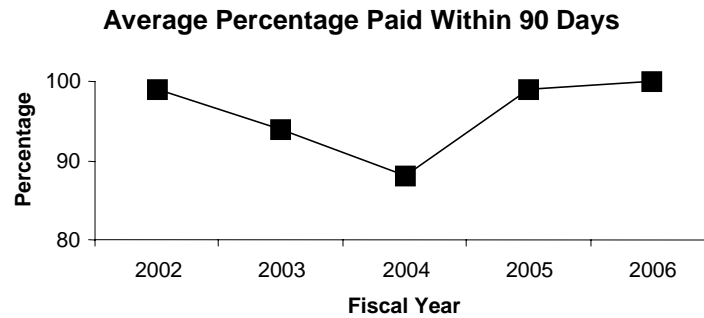
Program: WORKERS' COMPENSATION DIVISION

Activity: WC CLAIMS SERVICES AND INVESTIGATIONS

Narrative

## Key Measures

Ninety-five percent of second-injury (SI) and supplementary benefits (SB) claims are processed within 90 days of receipt.



\*Includes uninsured, bankrupt self-insured, and asbestosis claims.

## Activity Funding

The CSI unit is financed by an appropriation from the workers' compensation fund. The unit collects an assessment from insurers and self-insured employers, as well as reimbursements from employers for benefits paid. 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 e-mail 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: WORKERS COMPENSATION DIVISION**

**Activity: WC CLAIMS SERV & INVESTIGATION**

Budget Activity Summary

<i>Dollars in Thousands</i>					
	<b>Current</b>		<b>Forecast Base</b>		<b>Biennium</b>
	<b>FY2006</b>	<b>FY2007</b>	<b>FY2008</b>	<b>FY2009</b>	<b>2008-09</b>
<b><u>Expenditures by Fund</u></b>					
<b>Direct Appropriations</b>					
Workers Compensation	2,038	2,587	2,210	2,210	4,420
<b>Open Appropriations</b>					
Workers Compensation	71,212	74,908	73,166	71,432	144,598
<b>Total</b>	<b>73,250</b>	<b>77,495</b>	<b>75,376</b>	<b>73,642</b>	<b>149,018</b>
<b><u>Expenditures by Category</u></b>					
Total Compensation	1,659	1,746	1,844	1,929	3,773
Other Operating Expenses	379	841	366	281	647
Payments To Individuals	71,212	74,908	73,166	71,432	144,598
<b>Total</b>	<b>73,250</b>	<b>77,495</b>	<b>75,376</b>	<b>73,642</b>	<b>149,018</b>
<b>Full-Time Equivalents (FTE)</b>	<b>24.9</b>	<b>25.6</b>	<b>25.6</b>	<b>25.6</b>	



# LABOR AND INDUSTRY DEPT

Program: **WORKERS' COMPENSATION DIVISION**

Activity: **WC BENEFIT MANAGEMENT AND RESOLUTION**

Narrative

## Activity Description

The Benefit Management and Resolution (BMR) unit exists to prevent and resolve workers' compensation disputes at a reasonable cost to employers (M.S. 176.001 and 176.261). This unit uses a customer-focused approach to dispute resolution. It also issues penalties, certifies managed care organizations, monitors rehabilitation and medical provider conduct, and provides outreach by providing information and formalized training.

## Population Served

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

## Services Provided

BMR's Alternative Dispute Resolution Team provides assistance by responding to hotline calls, e-mails, correspondence, and walk-ins; processing dispute certification requests; conducting rehabilitation and medical conferences; and conducting mediations. In all instances, the services provided are direct services and the specialists in the unit treat every contact with the department as an opportunity for resolution, paying careful attention to the need to remain neutral. In addition, the BMR Compliance Team assesses a variety of penalties against parties in the workers' compensation system, certifies managed care organizations, and investigates complaints against rehabilitation and medical providers. BMR also provides proactive, formalized training for insurance adjusters, employers, and rehabilitation and medical providers.

## Key Measures

The following are the performance measures for the BMR unit:

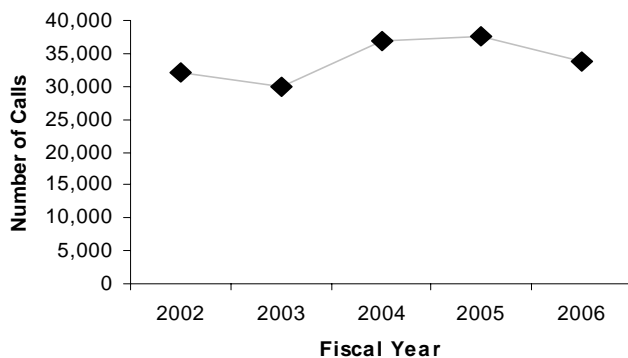
- ◆ number of assistance contacts provided;
- ◆ number of administrative conference and mediation session resolutions;
- ◆ number of dispute certification issues resolved;
- ◆ number of penalty requests; and
- ◆ percentage of penalties assessed from requests.

## Activity at a Glance

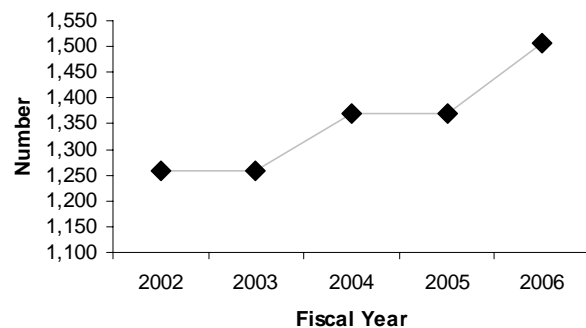
FY 2006

- ◆ 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.
- ◆ Reviewed 638 penalty requests, resulting in penalties 75% of the time.

### Assistance Contacts by Year



### Conference Decisions and Mediation Resolutions



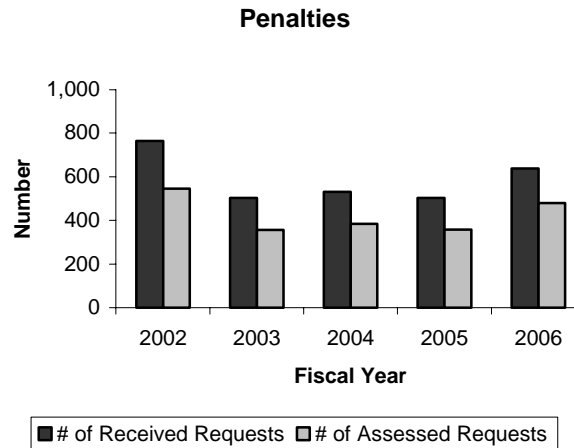
## LABOR AND INDUSTRY DEPT

Program: **WORKERS' COMPENSATION DIVISION**

Activity: **WC BENEFIT MANAGEMENT AND RESOLUTION**

Narrative

Each year, BMR reviews approximately 500 to 800 requests for possible penalties. These requests come from customers outside the department and staff members within the department, and do not include reviews done based on automatically generated lists.



### 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 e-mail 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: WORKERS COMPENSATION DIVISION**

Activity: WC BENEFIT MGMT & RESOLUTION

Budget Activity Summary

<i>Dollars in Thousands</i>					
	Current		Forecast Base		Biennium 2008-09
	FY2006	FY2007	FY2008	FY2009	
<b><u>Expenditures by Fund</u></b>					
<b>Direct Appropriations</b>					
Workers Compensation	2,741	2,868	2,957	2,957	5,914
<b>Statutory Appropriations</b>					
Misc Special Revenue	39	40	40	40	80
<b>Total</b>	<b>2,780</b>	<b>2,908</b>	<b>2,997</b>	<b>2,997</b>	<b>5,994</b>
<b><u>Expenditures by Category</u></b>					
Total Compensation	2,454	2,596	2,682	2,696	5,378
Other Operating Expenses	326	312	315	301	616
<b>Total</b>	<b>2,780</b>	<b>2,908</b>	<b>2,997</b>	<b>2,997</b>	<b>5,994</b>
<b>Full-Time Equivalents (FTE)</b>	<b>33.6</b>	<b>34.5</b>	<b>34.5</b>	<b>34.5</b>	

**Activity Description**

The Information Processing Center (IPC) ensures employers and insurers provide timely and accurate benefits by auditing workers' compensation files, registering vocational rehabilitation providers (qualified rehabilitation consultants, vendors, and firms), and providing critical administrative support services to the Workers' Compensation Division and its customers.

**Population Served**

IPC services benefit injured workers, employers, insurers, claims administrators, attorneys, health care and rehabilitation service providers, the Office of Administrative Hearings, the Workers' Compensation Court of Appeals, the state Supreme Court, and the employees of DLI.

**Activity at a Glance**

FY 2006

- ◆ Recovered 3.6 million in additional benefits to injured workers through file audits.
- ◆ Maintained more than 1.6 million workers' compensation claim files.
- ◆ Imaged more than 2.3 million pages of mail.
- ◆ Data-entered more than 200,000 forms.
- ◆ Processed 13,107 requests for copies of files.

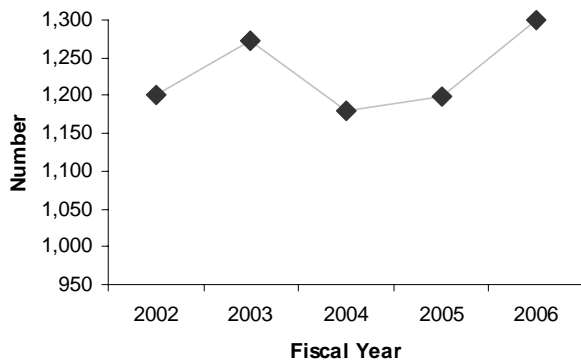
**Services Provided**

IPC audits all workers' compensation claims filed with the agency, seeks correction of improper payments, monitors the performance of all insurers of workers' compensation claims, registers rehabilitation providers and responds to requests for insurance verification information. In addition, it provides support services to the rest of the Workers' Compensation Division by imaging all workers' compensation claim file documents; coding and processing all First Report of Injury forms, including fatality claims; verifying and entering workers' compensation data into the database; maintaining workers' compensation files; processing all correspondence to make sure it gets to the intended recipient; processing requests for mandatory state employment posters; mailing employee rights brochures to injured workers; processing requests for copies of workers' compensation files to authorized clientele; and managing a quality assurance program that measures the accuracy and timeliness of all the information provided to customers.

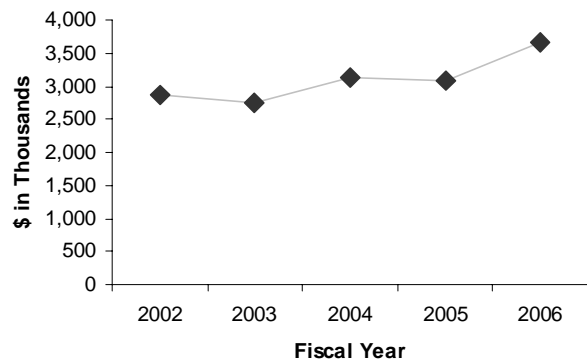
**Key Measures**

⇒ Each year, IPC reviews approximately 56,000 files looking for indemnity benefit payment mistakes made by insurers. When errors are found, IPC 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.

**Underpayments**



**Underpayment in Dollars**



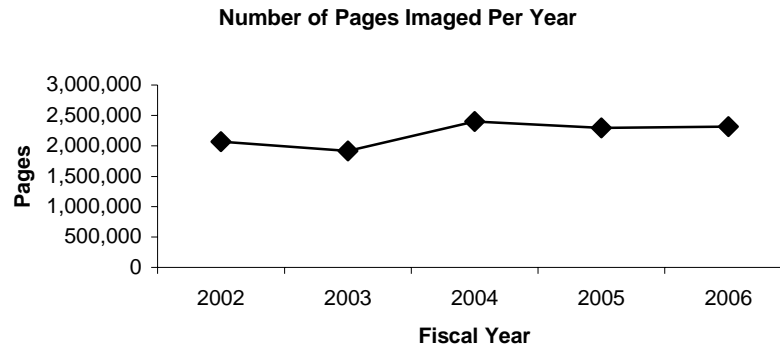
# LABOR AND INDUSTRY DEPT

Program: WORKERS' COMPENSATION DIVISION

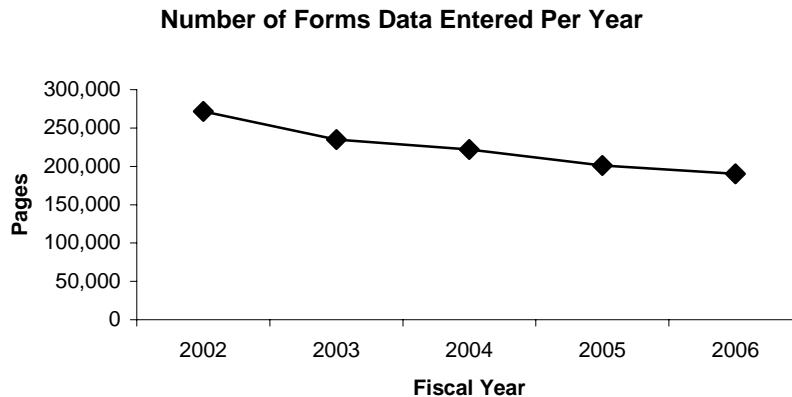
Activity: WC INFORMATION PROCESSING CENTER

Narrative

⇒ IPC ensures the timely and accurate imaging of workers' compensation documents.



⇒ IPC ensures the timely and accurate data-entry of workers' compensation data.



## Activity Funding

The IPC unit is financed by an appropriation from the workers' compensation fund. The activity recovers the cost of providing photocopies of claim files to requesting parties in workers' compensation cases. It also collects registration fees from rehabilitation providers.

## Contact

For more information, contact the Information Processing Center by phone at (651) 284-5467 or 1 (800)-DIAL-DLI (1 (800) 342-5354), by e-mail 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: WORKERS COMPENSATION DIVISION**

Activity: WC INFORMATION PROCESSING CTR

Budget Activity Summary

<i>Dollars in Thousands</i>					
	<b>Current</b>		<b>Forecast Base</b>		<b>Biennium</b>
	<b>FY2006</b>	<b>FY2007</b>	<b>FY2008</b>	<b>FY2009</b>	<b>2008-09</b>
<b><u>Expenditures by Fund</u></b>					
<b>Direct Appropriations</b>					
Workers Compensation	2,519	2,521	2,582	2,582	5,164
<b>Statutory Appropriations</b>					
Workers Compensation	265	273	270	270	540
<b>Total</b>	<b>2,784</b>	<b>2,794</b>	<b>2,852</b>	<b>2,852</b>	<b>5,704</b>
<b><u>Expenditures by Category</u></b>					
Total Compensation	2,402	2,373	2,453	2,470	4,923
Other Operating Expenses	382	421	399	382	781
<b>Total</b>	<b>2,784</b>	<b>2,794</b>	<b>2,852</b>	<b>2,852</b>	<b>5,704</b>
<b>Full-Time Equivalents (FTE)</b>	<b>41.0</b>	<b>40.5</b>	<b>40.5</b>	<b>39.5</b>	

**Activity Description**

The Vocational Rehabilitation unit (VRU) was established in 1983, by M.S. 176.104, 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. Ninety percent of injured workers receiving VRU services have disputed claims. During the approximate 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.

**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**

VRU is a direct provider of rehabilitation services as outlined in M.S. 176.102 and Minn. Rules 5220.0100-1900. Services provided by VRU include

- ⇒ Rehabilitation consultation — meeting with the employee and contacting the treating physician and employer to determine eligibility for rehabilitation services as defined by the statute.
- ⇒ Medical management — coordination of the employee's medical treatment with the return-to-work plan.
- ⇒ Job analysis — assessment of the physical and cognitive demands of the job duties at the worksite and opening the capacity of the injured worker to be successful given the medical restrictions.
- ⇒ Vocational testing and counseling — assessment of 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.
- ⇒ Job development and placement — identification of employers and job openings consistent with job goals. VRU employees help prepare the injured worker to seek work, assist with a resume, and provide job-seeking skills training, including application and interview assistance. They also contact employers for jobs, support and encourage the injured worker during the job search, and assist the injured worker with weekly job leads and the completion of job logs.
- ⇒ On-the-job training and retraining evaluation — coordination and monitoring of the training of an employee at a workplace. If an employee is unable to acquire suitable employment, a retraining plan is proposed in a formal educational setting to acquire knowledge and skills that will result in suitable employment.

**Activity at a Glance**

FY 2006

- ◆ 368 open files (monthly average)
- ◆ 354 plans completed
- ◆ 79% of date of injury wages were restored
- ◆ 88% positive outcomes

# LABOR AND INDUSTRY DEPT

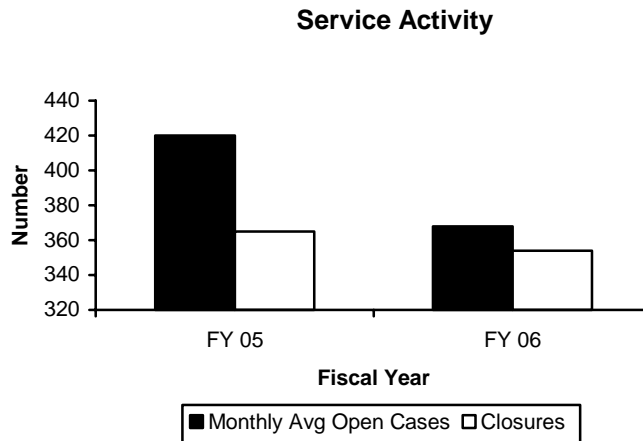
Program: **WORKERS' COMPENSATION DIVISION**

Activity: **WC VOCATIONAL REHABILITATION**

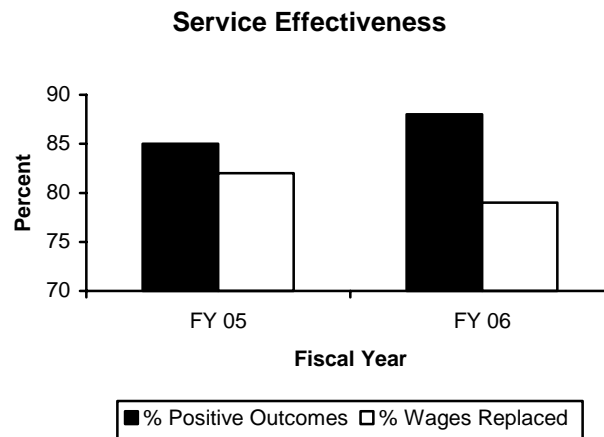
Narrative

## Key Measures

⇒ VRU measures of service activity include the average number of open files per month and the number of cases closed for the fiscal year. During FY 2006, fewer new cases were opened due to multiple vacancies within the unit.



⇒ VRU measures of service effectiveness include the percentage of completed cases that result in positive outcomes and the percentage of the pre-injury wages that are replaced at a new job. A positive outcome is defined as the full resolution of the workers' compensation rehabilitation benefits claim through return to work, settlement, or court order.



## 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 e-mail 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: WORKERS COMPENSATION DIVISION**

**Activity: WC VOCATIONAL REHABILITATION**

Budget Activity Summary

<i>Dollars in Thousands</i>					
	<b>Current</b>		<b>Forecast Base</b>		<b>Biennium</b>
	<b>FY2006</b>	<b>FY2007</b>	<b>FY2008</b>	<b>FY2009</b>	<b>2008-09</b>
<b><u>Expenditures by Fund</u></b>					
<b>Direct Appropriations</b>					
Workers Compensation	1,887	1,984	2,040	2,040	4,080
<b>Total</b>	<b>1,887</b>	<b>1,984</b>	<b>2,040</b>	<b>2,040</b>	<b>4,080</b>
<b><u>Expenditures by Category</u></b>					
Total Compensation	1,461	1,552	1,632	1,624	3,256
Other Operating Expenses	261	243	219	227	446
Payments To Individuals	35	39	39	39	78
Local Assistance	130	150	150	150	300
<b>Total</b>	<b>1,887</b>	<b>1,984</b>	<b>2,040</b>	<b>2,040</b>	<b>4,080</b>
<b>Full-Time Equivalent (FTE)</b>	<b>23.7</b>	<b>24.4</b>	<b>24.4</b>	<b>22.4</b>	

**Activity Description**

The Workers' Compensation Administration (WCA) activity provides leadership, support, and a framework for operations of the Workers' Compensation Division. The goal is to assure, in an equitable and impartial manner, the quick and efficient delivery of benefits to injured workers at a reasonable cost to employers.

**Activity at a Glance**

- ◆ Directs the activities of 129 division employees through four operating units.
- ◆ Administers division budget of \$84 million (FY 2007).

**Population Served**

This activity manages the four units of the Workers' Compensation Division, so stakeholders in the workers' compensation system — including employees, employers, insurers, attorneys, health care providers, and service vendors — receive prompt and efficient service.

**Services Provided**

The Workers' Compensation Division's administrative and regulatory activities help to keep Minnesota workers' compensation costs low by

- ◆ 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 coverage by employers; and
- ◆ providing funding for a variety of workplace safety programs to help employers reduce injuries.

In addition to providing leadership to the Workers' Compensation Division, the WCA activity supports the Workers' Compensation Advisory Council, the Medical Services Review Board, the Rehabilitation Review Panel, and the Workers' Compensation Insurers' Task Force.

- ⇒ 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.
- ⇒ 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 approval of rehabilitation consultants and vendors; advises the 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 not 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.

# LABOR AND INDUSTRY DEPT

Program: **WORKERS' COMPENSATION DIVISION**

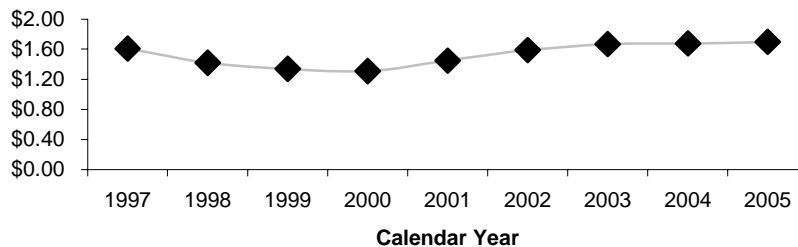
Activity: **WC ADMINISTRATION**

Narrative

## Key Measures

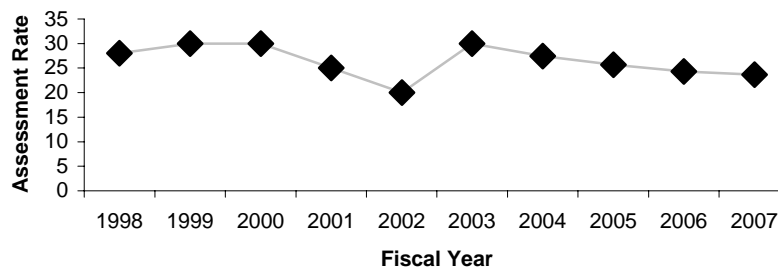
⇒ Workers' compensation costs are affected not only by the law, how the department administers the law, and how the various participants in the system, such as insurers and employers, behave (safety practices, claims administration, etc.), but also by nationwide fluctuations in the insurance industry. As part of a nationwide cycle, insurance rates have risen recently in all property/casualty lines, including compensation. The trends in costs relative to payroll are the net result of a falling claim rate (dropping 30% relative to the number of workers) and increasing benefits per claim (indemnity benefits fell 7% while medical benefits rose 9%).

**Workers' Compensation Cost to Employers Per \$100 Payroll**



⇒ 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 2007 is 23.69%, down from 30% in FY 2003.

**Workers' Compensation Fund Assessment**



## Activity Funding

The WCA unit is financed by an appropriation from the workers' compensation fund.

## 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 e-mail 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: WORKERS COMPENSATION DIVISION  
 Activity: WC ADMINISTRATION

Budget Activity Summary

<i>Dollars in Thousands</i>					
	Current		Forecast Base		Biennium 2008-09
	FY2006	FY2007	FY2008	FY2009	
<b><u>Expenditures by Fund</u></b>					
<b>Direct Appropriations</b>					
Workers Compensation	254	659	273	273	546
<b>Total</b>	<b>254</b>	<b>659</b>	<b>273</b>	<b>273</b>	<b>546</b>
<b><u>Expenditures by Category</u></b>					
Total Compensation	189	212	224	232	456
Other Operating Expenses	65	447	49	41	90
<b>Total</b>	<b>254</b>	<b>659</b>	<b>273</b>	<b>273</b>	<b>546</b>
<b>Full-Time Equivalents (FTE)</b>	<b>2.2</b>	<b>2.5</b>	<b>2.5</b>	<b>2.5</b>	

**Program Description**

The purpose of the Safety Codes and Services Division is to support Minnesota workplaces to be healthy by preventing injuries and illnesses and assuring construction of safe buildings and the qualifications of those who build them.

**Budget Activities**

This program includes the following budget activities:

- ⇒ MNOSHA Compliance
- ⇒ Workplace Safety Consultation
- ⇒ Construction Codes and Licensing
- ⇒ Safety Codes and Services Administration

**LABOR AND INDUSTRY DEPT**

Program: SAFETY CODES & SERVICES

Program Summary

*Dollars in Thousands*

	Current		Forecast Base		Biennium
	FY2006	FY2007	FY2008	FY2009	2008-09
<b><u>Direct Appropriations by Fund</u></b>					
<b>General</b>					
Current Appropriation	2,178	2,178	2,178	2,178	4,356
<b>Technical Adjustments</b>					
Transfers Between Agencies			562	562	1,124
<b>Forecast Base</b>	<b>2,178</b>	<b>2,178</b>	<b>2,740</b>	<b>2,740</b>	<b>5,480</b>
<b>State Government Spec Revenue</b>					
Current Appropriation	0	0	0	0	0
<b>Technical Adjustments</b>					
Transfers Between Agencies			1,831	1,831	3,662
<b>Forecast Base</b>	<b>0</b>	<b>0</b>	<b>1,831</b>	<b>1,831</b>	<b>3,662</b>
<b>Workforce Development</b>					
Current Appropriation	750	750	750	750	1,500
<b>Forecast Base</b>	<b>750</b>	<b>750</b>	<b>750</b>	<b>750</b>	<b>1,500</b>
<b>Workers Compensation</b>					
Current Appropriation	3,639	3,639	3,639	3,639	7,278
<b>Forecast Base</b>	<b>3,639</b>	<b>3,639</b>	<b>3,639</b>	<b>3,639</b>	<b>7,278</b>
<b><u>Expenditures by Fund</u></b>					
<b>Direct Appropriations</b>					
General	2,563	3,385	2,740	2,740	5,480
State Government Spec Revenue	1,533	2,129	1,831	1,831	3,662
Workers Compensation	3,363	3,915	3,639	3,639	7,278
<b>Statutory Appropriations</b>					
State Government Spec Revenue	16,721	18,323	18,304	18,170	36,474
Misc Special Revenue	1,698	1,680	1,877	1,877	3,754
Federal	4,864	5,035	5,166	5,321	10,487
Workers Compensation	2,637	3,205	2,890	2,890	5,780
<b>Total</b>	<b>33,379</b>	<b>37,672</b>	<b>36,447</b>	<b>36,468</b>	<b>72,915</b>
<b><u>Expenditures by Category</u></b>					
Total Compensation	15,771	17,381	17,910	18,432	36,342
Other Operating Expenses	15,989	18,047	16,593	16,092	32,685
Local Assistance	1,619	2,244	1,944	1,944	3,888
<b>Total</b>	<b>33,379</b>	<b>37,672</b>	<b>36,447</b>	<b>36,468</b>	<b>72,915</b>

**LABOR AND INDUSTRY DEPT**

Program: SAFETY CODES & SERVICES

Program Summary

*Dollars in Thousands*

	Current		Forecast Base		Biennium 2008-09
	FY2006	FY2007	FY2008	FY2009	
<b><u>Expenditures by Activity</u></b>					
Osha Compliance	7,207	7,758	7,664	7,790	15,454
Workplace Safety Consultation	3,560	4,179	3,882	3,911	7,793
Construction Codes & Licensing	22,447	25,365	24,591	24,457	49,048
Safety Codes & Services Admin	165	370	310	310	620
<b>Total</b>	<b>33,379</b>	<b>37,672</b>	<b>36,447</b>	<b>36,468</b>	<b>72,915</b>
<b>Full-Time Equivalentents (FTE)</b>	<b>221.8</b>	<b>237.0</b>	<b>234.5</b>	<b>228.5</b>	

**Activity Description**

The Minnesota Occupational Safety and Health Act (MNOSHA) program's mission is to ensure every worker in Minnesota has a safe and healthy workplace, by establishing and enforcing safety and health standards in Minnesota workplaces. Because Minnesota has received approval from federal OSHA to administer its own occupational safety and health program, MNOSHA addresses the unique safety issues of Minnesota's industries and businesses. The program achieves its mission by conducting safety and health inspections, and providing other services that are evaluated regularly by the federal OSHA program.

**Activity at a Glance**

- ◆ 2.6 million Minnesota workers covered
- ◆ 159,000 private and public-sector employers
- ◆ \$4 million in penalties assessed in FFY 2005
- ◆ 9,077 customer telephone calls received in FFY 2005

**Population Served**

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 are served by MNOSHA. Based on the current budget and staffing level, it would take more than 75 years for MNOSHA to inspect all employers within the state. Because of that, 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 recurrence;
- ◆ investigating complaints that employers have discriminated against employees for raising safety or health concerns;
- ◆ providing assistance with Homeland Security issues;
- ◆ providing customer education and outreach through information, seminars, and technical assistance; and
- ◆ responding to employee complaints as required by federal OSHA.

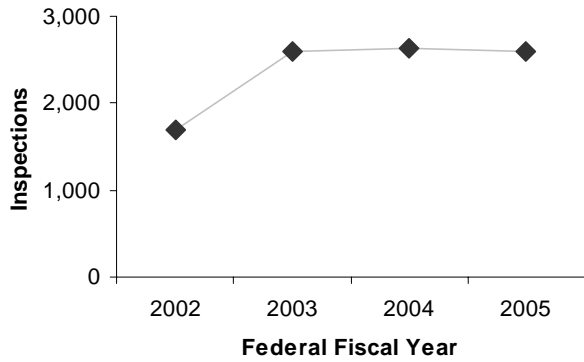
**Historical Perspective**

The MNOSHA program was established by the Minnesota legislature with the passage of the Minnesota Occupational Safety and Health Act of 1973, created by M.S. 182. The program became effective 8-1-73. Final approval of Minnesota's state-plan was obtained from federal OSHA 7-30-85. The U.S. Department of Labor, Occupational Health and Safety Administration, monitors the program's activities, progress, and expenditures monthly.

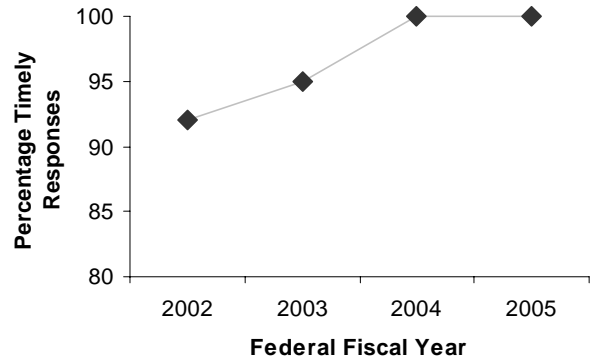


**Key Measures**

**OSHA Inspections Conducted**



**OSHA Imminent Danger Complaints**



**Activity Funding**

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 (800) DIAL-DLI (1 (800) 342-5354), by e-mail 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 CODES & SERVICES  
 Activity: OSHA COMPLIANCE

Budget Activity Summary

<i>Dollars in Thousands</i>					
	Current		Forecast Base		Biennium 2008-09
	FY2006	FY2007	FY2008	FY2009	
<b><u>Expenditures by Fund</u></b>					
<b>Direct Appropriations</b>					
Workers Compensation	3,255	3,669	3,462	3,462	6,924
<b>Statutory Appropriations</b>					
Misc Special Revenue	3	6	6	6	12
Federal	3,949	4,083	4,196	4,322	8,518
<b>Total</b>	<b>7,207</b>	<b>7,758</b>	<b>7,664</b>	<b>7,790</b>	<b>15,454</b>
<b><u>Expenditures by Category</u></b>					
Total Compensation	5,250	5,705	5,977	6,233	12,210
Other Operating Expenses	1,957	2,053	1,687	1,557	3,244
<b>Total</b>	<b>7,207</b>	<b>7,758</b>	<b>7,664</b>	<b>7,790</b>	<b>15,454</b>
<b>Full-Time Equivalents (FTE)</b>	<b>80.7</b>	<b>87.0</b>	<b>87.0</b>	<b>84.0</b>	

**Activity Description**

The Workplace Safety Consultation (WSC) unit provides a broad network of occupational safety and health services at no cost to small and medium-sized high-hazard industries that request assistance to voluntarily comply with the Minnesota Occupational Safety and Health Act (MNOSHA). This activity assists employers and employees to implement effective safety and health programs to prevent injuries and illnesses that may result from exposure to hazardous workplace conditions and work practices.

**Activity at a Glance**

FFY 2005

- ◆ \$4.4 million penalty savings for employers
- ◆ 642 outreach sessions and 20,065 participants
- ◆ 996 on-site consultation inspections
- ◆ 72,704 workers impacted by on-site consultation inspections

**Population Served**

Although efforts are targeted toward 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 are served by WSC.

**Services Provided**

The WSC unit provides many services by

- ◆ 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 at the employer's worksite and at other off-site locations throughout the state; and
- ◆ recommending employers and employees for partnership and recognition programs, such as Minnesota Star (MNSTAR) and Minnesota Safety and Health Achievement Recognition Program (MNSHARP).

Other WSC programs

- ⇒ **Loggers' Safety Education Program** – WSC administers M.S. 176.130 to ensure Minnesota loggers have the opportunity to obtain safety training. Funds are redistributed to logger employers, through an assessment collected from the wood mills, upon completion of safety training by their employees.
- ⇒ **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 and helps prevent workplace injuries.
- ⇒ **Safety Hazard Abatement Grant Program** – The assigned risk safety account was established to allow businesses to receive grants to assist in covering the cost of 1) obtaining safety equipment, 2) operating and maintaining equipment, or 3) purchasing or renting real property to meet criteria established by on-site safety inspections.
- ⇒ **Workplace Violence Prevention Program** – This program helps employers and employees deal with the increasing incidence of 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** – This program provides incentives and support to smaller, high-hazard employers to work with their employees to develop, implement, and continuously improve the effectiveness of their workplace safety and health programs. The goal of the program is to reduce injury and illness rates below the national average for their industry.
- ⇒ **Ergonomics Outreach Program** – This program offers assistance and resources to employers and employees focusing on the identification and elimination of workplace risk factors associated with work-related musculoskeletal disorders. Consultants work with employers and industry groups, conducting on-site ergonomics assessments and providing training to improve safety management techniques, workplace safety practices, and working conditions.

# LABOR AND INDUSTRY DEPT

Program: SAFETY CODES AND SERVICES DIVISION

Activity: WORKPLACE SAFETY CONSULTATION

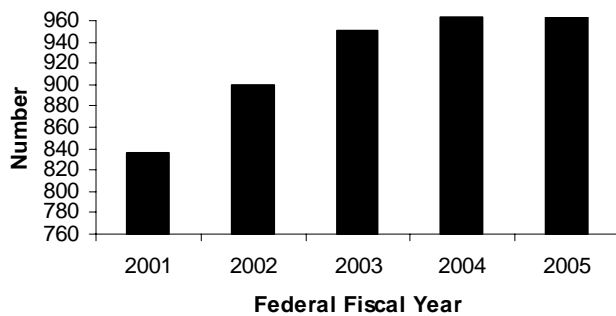
Narrative

⇒ **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.

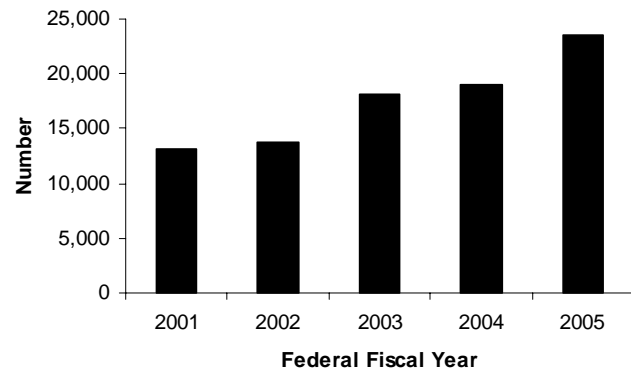
## Key Measures

WSC efforts have 1) resulted in greater voluntary safety and health efforts and improved worker protection through non-adversarial means; 2) led to better allocations of OSHA resources by minimizing duplications of work between enforcement and consultation staff; and 3) enabled MNOSHA consultants to concentrate on workplaces and to assist employers in controlling or eliminating hazards, establishing effective safety and health programs, and reducing workers' compensation costs.

**On-site Consultation Inspections**



**Number of Participants at Outreach Sessions**



## Activity Funding

WSC is financed by a federal grant that is 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 e-mail 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 CODES & SERVICES**  
**Activity: WORKPLACE SAFETY CONSULTATION**

Budget Activity Summary

<i>Dollars in Thousands</i>					
	<b>Current</b>		<b>Forecast Base</b>		<b>Biennium</b>
	<b>FY2006</b>	<b>FY2007</b>	<b>FY2008</b>	<b>FY2009</b>	<b>2008-09</b>
<b><u>Expenditures by Fund</u></b>					
<b>Statutory Appropriations</b>					
Misc Special Revenue	8	22	22	22	44
Federal	915	952	970	999	1,969
Workers Compensation	2,637	3,205	2,890	2,890	5,780
<b>Total</b>	<b>3,560</b>	<b>4,179</b>	<b>3,882</b>	<b>3,911</b>	<b>7,793</b>
<b><u>Expenditures by Category</u></b>					
Total Compensation	1,472	1,628	1,634	1,667	3,301
Other Operating Expenses	618	555	552	548	1,100
Local Assistance	1,470	1,996	1,696	1,696	3,392
<b>Total</b>	<b>3,560</b>	<b>4,179</b>	<b>3,882</b>	<b>3,911</b>	<b>7,793</b>
<b>Full-Time Equivalents (FTE)</b>	<b>19.4</b>	<b>19.0</b>	<b>19.0</b>	<b>19.0</b>	

**Activity Description**

The Construction Codes and Licensing Division (CCLD) promulgates and administers the accessibility, boiler, building, building conservation, electrical, elevator, energy, high-pressure piping, manufactured structures, plumbing and residential codes for new, remodeled and existing structures where designated in statute. The division also licenses and regulates boats-for-hire, boiler operators, electricians, elevator constructors, high-pressure-piping installers, manufactured-home installers, manufactured-home dealers, manufactured-home manufacturers, plumbers, residential building contractors, remodelers, and roofers, and certifies building officials. The division also reviews and approves construction plans and inspects buildings, equipment, and piping for compliance to adopted safety standards.

**Activity at a Glance**

- ◆ Issues 95,000 construction-related business and individual licenses, bonds, and certifications a year.
- ◆ Provides education and training programs for 8,000 construction-related individuals a year.
- ◆ Provides for more than 200,000 inspections a year.

**Population Served**

CCLD provides interpretations of the adopted codes, provides information regarding building materials, and consults with municipal officials, design professionals, building contractors, and the general public about all types of projects throughout the state. The division also licenses or certifies construction industry businesses, individuals and boats-for-hire.

**Services Provided**

- ⇒ **Education, Code Development and Rules** — This unit assists division clientele in interpreting and applying the state construction codes. It provides training and educational seminars for code officials, the design professions, and the construction industry. It also updates the state construction codes through the Administrative Procedure Act and amends specific sections to address legislative and geographic needs. During the past year, the unit maintained nine advisory committees, made up of members of the construction industry, to assist in updating the codes with the most recent model codes and assisted in providing state and local input about the national model code change process.
- ⇒ **Enforcement** — This unit investigates complaints and other allegations of statutory, code, and rule violations relating to contractors who are licensed by the agency or subject to the agency's authority. The unit works to resolve complaints and takes disciplinary action against licensees and unlicensed contractors when violations are proven. Investigators in this unit also respond to inquiries from the industry and consumers regarding a wide variety of subjects relating to construction matters.
- ⇒ **Licensing** — This unit administers 46 construction licenses of eight occupational disciplines by annually reviewing 15,000 personal and business license applications, administering 10,000 license examinations, monitoring fulfillment of continuing education requirements of some licensees, and renewing approximately 89,000 licenses. Additionally, the unit registers 8,000 surety bonds for those licensed contractors and businesses regulated by the division.
- ⇒ **Inspection** — This unit provides for inspections of boilers and pressure vessels, hobby boilers, boats-for-hire, high-pressure piping, electrical, and elevators. Inspections are performed through a permit process to assure safe operation and installation of equipment and piping. The unit's staff is located regionally to better serve the construction industry and other clientele.
- ⇒ **Plan Review and Inspections** — This unit reviews construction documents and performs on-site inspections to ensure conformance with requirements of the state building and plumbing codes. Regional staff members represent the division, assist municipalities, perform inspections, and monitor contract inspectors from locations throughout the state. This unit also regulates manufactured housing (mobile homes) and prefabricated buildings. It answers consumer inquiries and complaints regarding manufactured homes and prefabricated structures, and performs plant and dealer lot inspections.

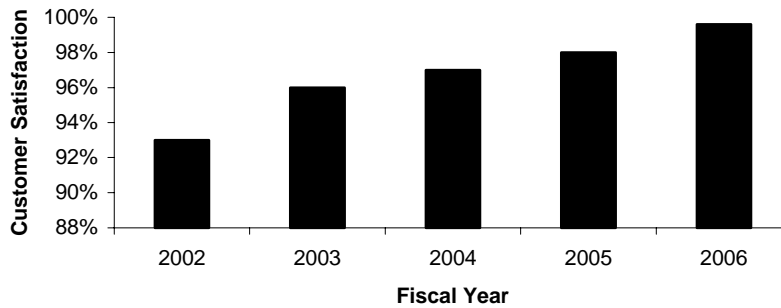
**Historical Perspective**

All of the various construction code and licensing functions have developed from the need to protect the building owners and public who work, play or own buildings in Minnesota. On 5/17/05, Governor Pawlenty signed Reorganization Order #193, consolidating construction-related codes and licensing units from four state agencies and the Board of Electricity into the Construction Codes and Licensing Division of the Department of Labor and Industry to provide a one-stop shop for the construction industry in Minnesota.

**Key Measures**

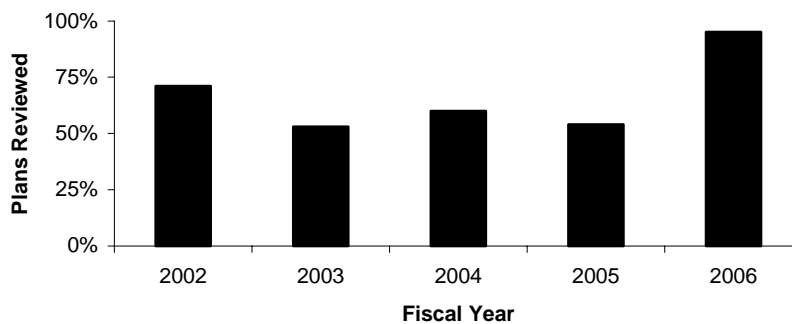
⇒ CCLD provides training and educational seminars to municipal officials, design professionals, state agencies and contractors. The education program conducted 115 seminars in the past year. Consistency and uniformity of construction and inspections is improved with expanded educational seminars, thus, requiring fewer corrections in the field. Seminar satisfaction ratings have remained consistently above the target performance goal of 98% with actual averages of 99% for the past year.

**Educational Seminars**



⇒ CCLD is required by statute to review submitted construction plans within 30 days. The division's goal is to have these plans reviewed within 21 days.

**Percentage of Plans Reviewd Within 21 Days**



## LABOR AND INDUSTRY DEPT

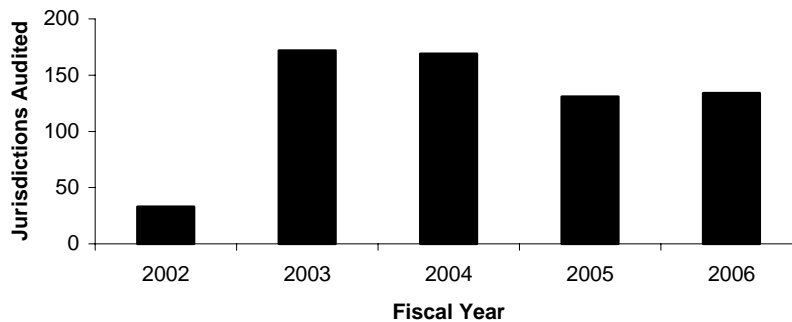
Program: SAFETY CODES AND SERVICES DIVISION

Activity: CONSTRUCTION CODES AND LICENSING

Narrative

⇒ There are approximately 485 jurisdictions enforcing the Minnesota State Building Code at the local level in the state. To maintain consistency and uniformity of enforcement, CCLD audits these local building departments. The CCLD goal is to audit 120 building departments annually. During FY 2006, 134 were audited.

### Administrative Services



### Activity Funding

CCLD is funded by two revenue sources. The electrical, building codes, and plumbing activities are financed through the special revenue fund. The boiler, high-pressure-piping, and residential contractor activities are financed by appropriations from the General Fund. The division's costs are recovered through the collection of license, inspection, permit, and seminar registration fees.

### 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 e-mail at [DLI.communications@state.mn.us](mailto:DLI.communications@state.mn.us) or online at [www.doli.state.mn.us/cclld](http://www.doli.state.mn.us/cclld).



LABOR AND INDUSTRY DEPT  
 Program: SAFETY CODES & SERVICES  
 Activity: CONSTRUCTION CODES & LICENSING

Budget Activity Summary

<i>Dollars in Thousands</i>					
	Current		Forecast Base		Biennium
	FY2006	FY2007	FY2008	FY2009	2008-09
<b><u>Expenditures by Fund</u></b>					
<b>Direct Appropriations</b>					
General	2,563	3,385	2,740	2,740	5,480
State Government Spec Revenue	1,533	2,129	1,831	1,831	3,662
<b>Statutory Appropriations</b>					
State Government Spec Revenue	16,664	18,199	18,171	18,037	36,208
Misc Special Revenue	1,687	1,652	1,849	1,849	3,698
<b>Total</b>	<b>22,447</b>	<b>25,365</b>	<b>24,591</b>	<b>24,457</b>	<b>49,048</b>
<b><u>Expenditures by Category</u></b>					
Total Compensation	8,902	9,821	10,058	10,288	20,346
Other Operating Expenses	13,396	15,296	14,285	13,921	28,206
Local Assistance	149	248	248	248	496
<b>Total</b>	<b>22,447</b>	<b>25,365</b>	<b>24,591</b>	<b>24,457</b>	<b>49,048</b>
<b>Full-Time Equivalents (FTE)</b>	<b>119.5</b>	<b>128.5</b>	<b>126.0</b>	<b>123.0</b>	

## LABOR AND INDUSTRY DEPT

**Program:** SAFETY CODES AND SERVICES DIVISION

**Activity:** SAFETY CODES AND SERVICES ADMINISTRATION

Narrative

### Activity Description

Safety Codes and Services Administration provides leadership and support to the division's activities as it works to prevent workplace injuries and illnesses and assure construction of safe buildings and the qualifications of those who build them.

### Activity at a Glance

- ◆ Directs the activities of 237 division employees through three operating units.
- ◆ Administers division budget of \$37 million (FY 2007).

### Population Served

This activity manages the three units of the Safety Codes and Services Division so that stakeholders — including employees, employers, and owners of buildings and those who build them — receive prompt and efficient service.

### Services Provided

The Safety Codes and Services Division's regulatory activities help to keep Minnesota citizens safe by

- ◆ issuing professional licenses and certifications;
- ◆ providing workplace and construction information and education to contractors, construction professionals, local building officials, employees, employers, and community-based and trade organizations; and
- ◆ conducting inspections to assure adherence to safety and health regulations and building codes and standards.

### Activity Funding

The activity is financed by appropriations from the general, special revenue, and workers' compensation funds.

### Contact

For more information, contact the Safety Codes and Services Division by phone at (651) 284-5018 or 1-800-DIAL-DLI (1-800-342-5354), by e-mail 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 CODES & SERVICES**

Activity: SAFETY CODES & SERVICES ADMIN

Budget Activity Summary

<i>Dollars in Thousands</i>					
	<b>Current</b>		<b>Forecast Base</b>		<b>Biennium</b>
	<b>FY2006</b>	<b>FY2007</b>	<b>FY2008</b>	<b>FY2009</b>	<b>2008-09</b>
<b><u>Expenditures by Fund</u></b>					
<b>Direct Appropriations</b>					
Workers Compensation	108	246	177	177	354
<b>Statutory Appropriations</b>					
State Government Spec Revenue	57	124	133	133	266
<b>Total</b>	<b>165</b>	<b>370</b>	<b>310</b>	<b>310</b>	<b>620</b>
<b><u>Expenditures by Category</u></b>					
Total Compensation	147	227	241	244	485
Other Operating Expenses	18	143	69	66	135
<b>Total</b>	<b>165</b>	<b>370</b>	<b>310</b>	<b>310</b>	<b>620</b>
<b>Full-Time Equivalents (FTE)</b>	<b>2.2</b>	<b>2.5</b>	<b>2.5</b>	<b>2.5</b>	

**Program Description**

The purpose of the Labor Standards and Apprenticeship program is to administer and enforce Minnesota employment laws affecting employee wages, child labor, prevailing wages, and fee employment agencies. The program also exists to promote, develop, approve, and monitor registered apprenticeship training programs in Minnesota workplaces. This program provides education and outreach activities to the population served. The program 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 2006

- ◆ Investigated 236 cases of labor law compliance and processed 142 wage claims.
- ◆ Responded to 24,725 calls and e-mail 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 program 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 program 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 program 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 program can result in either an enforcement action or an educational opportunity. Employment agencies complete a process for licensing. Surveys are conducted to set the prevailing-wage rates. The program also provides consultative services to all employers interested in developing and maintaining apprenticeship-training standards in Minnesota. The program 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 Measures**

The three key performance measures in the Labor Standards and Apprenticeship program are 1) the number of complaints investigated (minimum wage, overtime, child labor) and the number of wage claims processed; 2) the number of customer contacts; and 3) 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 program investigates complaints and processes wage claims (final paycheck disputes) in accordance with the Minnesota Fair Labor Standards Act (M.S. 177) and M.S. 181. To ensure the safety and well being of employed minors, the program investigates complaints and issues penalty violations in accordance with the Minnesota Child Labor Standards Act (M.S. 181A).

<b>Key Measure (1)</b>	<b><u>FY 2003</u></b>	<b><u>FY 2004</u></b>	<b><u>FY 2005</u></b>	<b><u>FY 2006</u></b>
Cases opened	285	334	270	236
Cases closed	282	353	273	215

# LABOR AND INDUSTRY DEPT

## Program: LABOR STANDARDS & APPRENTICESHIP

## Narrative

Wage claims opened	152	95	108	142
Wage claims closed	131	95	102	132

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

<b>Key Measure (2)</b>	<b><u>FY 2003</u></b>	<b><u>FY 2004</u></b>	<b><u>FY 2005</u></b>	<b><u>FY 2006</u></b>
Telephone calls and e-mail messages	28,915	25,119	29,843	24,725
Education and outreach activities (presentations, etc.)	114	22	30	121
Distribution of all (including translated) informational materials	41,540	29,692	23,571	53,000

⇒ 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 (3)</b>	<b><u>FY 2003</u></b>	<b><u>FY 2004</u></b>	<b><u>FY 2005</u></b>	<b><u>FY 2006</u></b>
Total apprentices in training	9,794	7,896	7,744	8,349
Total apprenticeship completions	1,512	2,102	1,609	1,343

### 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 e-mail 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>Forecast Base</b>		<b>Biennium</b>
	<b>FY2006</b>	<b>FY2007</b>	<b>FY2008</b>	<b>FY2009</b>	<b>2008-09</b>
<b><u>Direct Appropriations by Fund</u></b>					
<b>General</b>					
Current Appropriation	694	694	694	694	1,388
<b>Forecast Base</b>	<b>694</b>	<b>694</b>	<b>694</b>	<b>694</b>	<b>1,388</b>
<b><u>Expenditures by Fund</u></b>					
<b>Direct Appropriations</b>					
General	695	694	694	694	1,388
Workforce Development	687	813	750	750	1,500
<b>Statutory Appropriations</b>					
Federal	40	41	41	41	82
Miscellaneous Agency	8	10	10	10	20
<b>Total</b>	<b>1,430</b>	<b>1,558</b>	<b>1,495</b>	<b>1,495</b>	<b>2,990</b>
<b><u>Expenditures by Category</u></b>					
Total Compensation	952	996	991	1,003	1,994
Other Operating Expenses	378	462	404	392	796
Local Assistance	100	100	100	100	200
<b>Total</b>	<b>1,430</b>	<b>1,558</b>	<b>1,495</b>	<b>1,495</b>	<b>2,990</b>
<b><u>Expenditures by Activity</u></b>					
Labor Standards & Apprenticesp	1,430	1,558	1,495	1,495	2,990
<b>Total</b>	<b>1,430</b>	<b>1,558</b>	<b>1,495</b>	<b>1,495</b>	<b>2,990</b>
<b>Full-Time Equivalents (FTE)</b>	<b>14.0</b>	<b>14.0</b>	<b>14.0</b>	<b>13.5</b>	

**Program Description**

The General Support Division supports internal customers in six management areas 1) research and statistics; 2) information technology; 3) legal advice and litigation; 4) financial management; 5) communications; and 6) human resources.

**Population Served**

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

**Services Provided**

The *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 and telecommunications support to agency operations. Work includes hardware and software support for each of the agency's major applications and the equipment used by all 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. 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.

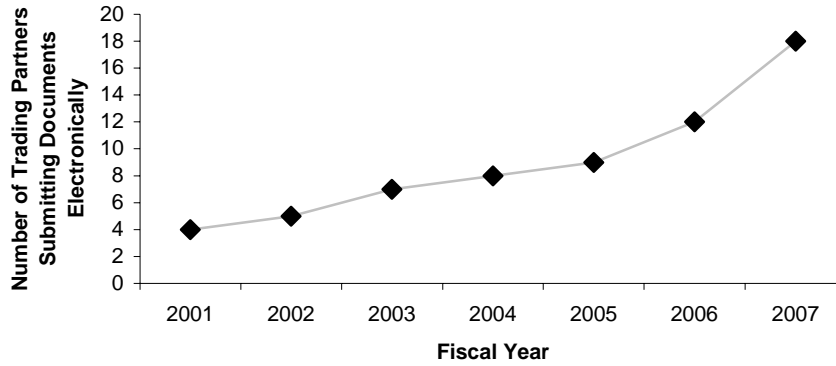
The *Human Resources* unit manages the following functions to ensure a productive and inclusive workforce and work environment exists: workforce and strategic planning, organizational development consultation, performance management, labor relations, contract administration and negotiation, employee development, recruitment and staffing, job evaluation and classification, compensation, benefits administration, employee safety and health, workers' compensation, and equal employment and affirmative action.

**Program at a Glance**

- ◆ Provides support to 462 agency employees located statewide
- ◆ Administers \$130 million budget (FY 2007)
- ◆ Facilitates 1,412,232 web site visits (FY 2006)
- ◆ 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

Key Measures

Expanding and Enhancing Use of Electronic Data Interchange and Submission



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 e-mail 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

*Dollars in Thousands*

	Current		Forecast Base		Biennium 2008-09
	FY2006	FY2007	FY2008	FY2009	
<b><u>Direct Appropriations by Fund</u></b>					
<b>Workers Compensation</b>					
Current Appropriation	5,287	5,287	5,287	5,287	10,574
<b>Technical Adjustments</b>					
Approved Transfer Between Appr			309	309	618
<b>Forecast Base</b>	<b>5,287</b>	<b>5,287</b>	<b>5,596</b>	<b>5,596</b>	<b>11,192</b>
<b><u>Expenditures by Fund</u></b>					
<b>Direct Appropriations</b>					
Workers Compensation	5,235	5,803	5,596	5,596	11,192
<b>Open Appropriations</b>					
Workers Compensation	243	256	256	256	512
<b>Statutory Appropriations</b>					
Misc Special Revenue	1,981	2,231	2,191	2,191	4,382
Federal	132	137	136	136	272
<b>Total</b>	<b>7,591</b>	<b>8,427</b>	<b>8,179</b>	<b>8,179</b>	<b>16,358</b>
<b><u>Expenditures by Category</u></b>					
Total Compensation	5,888	6,473	6,505	6,629	13,134
Other Operating Expenses	1,703	1,954	1,674	1,550	3,224
<b>Total</b>	<b>7,591</b>	<b>8,427</b>	<b>8,179</b>	<b>8,179</b>	<b>16,358</b>
<b><u>Expenditures by Activity</u></b>					
General Support Division	7,591	8,427	8,179	8,179	16,358
<b>Total</b>	<b>7,591</b>	<b>8,427</b>	<b>8,179</b>	<b>8,179</b>	<b>16,358</b>
<b>Full-Time Equivalents (FTE)</b>	<b>74.9</b>	<b>80.7</b>	<b>78.5</b>	<b>77.5</b>	

LABOR AND INDUSTRY DEPT

Agency Revenue Summary

*Dollars in Thousands*

	Actual FY2006	Budgeted FY2007	Current Law		Biennium 2008-09
			FY2008	FY2009	
<b><u>Non Dedicated Revenue:</u></b>					
<b>Departmental Earnings:</b>					
General	4,687	4,659	4,659	4,609	9,268
State Government Spec Revenue	2,381	2,381	2,381	2,381	4,762
Workers Compensation	607	606	606	606	1,212
<b>Other Revenues:</b>					
General	27	27	27	27	54
Workers Compensation	106,793	97,680	97,680	97,680	195,360
<b>Other Sources:</b>					
General	1	0	0	0	0
<b>Taxes:</b>					
General	16	0	0	0	0
<b>Total Non-Dedicated Receipts</b>	<b>114,512</b>	<b>105,353</b>	<b>105,353</b>	<b>105,303</b>	<b>210,656</b>
<b><u>Dedicated Receipts:</u></b>					
<b>Departmental Earnings:</b>					
State Government Spec Revenue	17,348	17,348	17,348	17,348	34,696
Misc Special Revenue	1,632	1,632	1,632	1,632	3,264
Workers Compensation	3,133	3,073	3,073	3,073	6,146
<b>Grants:</b>					
Federal	5,046	5,193	5,343	5,498	10,841
<b>Other Revenues:</b>					
State Government Spec Revenue	148	72	72	72	144
Misc Special Revenue	2,359	2,476	2,476	2,476	4,952
Workers Compensation	122	87	87	87	174
Miscellaneous Agency	0	10	10	10	20
<b>Total Dedicated Receipts</b>	<b>29,788</b>	<b>29,891</b>	<b>30,041</b>	<b>30,196</b>	<b>60,237</b>
<b>Agency Total Revenue</b>	<b>144,300</b>	<b>135,244</b>	<b>135,394</b>	<b>135,499</b>	<b>270,893</b>