

# MINNESOTA STATE AGENCY

MINNESOTA STATE DEPARTMENT

OF

LABOR AND INDUSTRY

## ACTION PLAN 1984-86

Executive Branch Policy Development Program  
1984-1985

## EXECUTIVE SUMMARY

This agency action plan is excerpted from the Strategic Plan of the Minnesota Department of Labor and Industry which has been prepared over a period of six months with input from all agency employees. The plan includes overall agency goals, strategies and objectives for every managerial employee in the agency.

The major areas of responsibility of the Department of Labor and Industry include:

1. Workers' Compensation administration.
2. Occupational Safety and Health Administration, enforcement and consultation.
3. Labor Standards enforcement.
4. Apprenticeship registration.
5. Boiler and Steamfitting code enforcement and licensing.

It is the responsibility of the Department of Labor and Industry to insure widespread compliance with state laws for the protection of Minnesota workers with minimum economic and regulatory burden to affected employers.

### Major Agency Objectives

1. Modify Workers' Compensation system to provide better service to injured workers at a cost to employers competitive with Wisconsin's as indicated by:
  - a. Major reform legislation passed by June 1, 1983.
  - b. Litigation down 20% by December 31, 1984.
  - c. Gap between Minnesota and Wisconsin average rates reduced 50% by July 1, 1986.
2. Develop and implement a public information program to explain the new w.a. law and win cooperation and confidence of business, labor, insurance and other key constituent groups by November 1, 1984.
3. Implement the Strategic Planning Process on a department wide basis including performance objectives for all managers and supervisors by July 1, 1984.
4. Develop a quality control system that will ensure public confidence in thoroughness, fairness and efficiency of departmental enforcement activities by December 31, 1984.
5. Monitor employee development needs and implement at least three internal employee development programs that will help employees to grow personally and professionally and further reward good job performance by December 31, 1984.
6. Earn the trust and confidence of key stakeholder groups so that the department can be relied on to vigorously enforce state laws for the protection of Minnesota workers, minimize regulatory burdens, assist employers to meet their obligations in the most efficient way possible and be scrupulously fair: as directed by,
  - a. Developing a meaningful way to measure stakeholder trust in the department by December 31, 1984.
  - b. Monitoring on an annual basis.

## Workers' Compensation Objectives

1. Reduce the number of petitions certified to the Office of Administrative Hearings by 20% by December 31, 1984, and by another 20% by December 31, 1985.
2. Develop internal timelines and schedules so that each unit and person in that unit has a clearer idea of the time within which their tasks are to be completed by December 31, 1984.
3. Develop and maintain more effective division-wide docketing and recordkeeping systems to assure that statutory and internal requirements are met by December 31, 1984.
4. Identify and recommend ways by which each unit can reduce unnecessary costs and "red tape" encountered by employees and employers, by December 31, 1984.
5. Develop and maintain a State Claims system that will be a "state of the art" insurance program which will provide prompt service to workers, institute effective return to work programs and increase communications between state agencies and the Department of Labor and Industry by September 30, 1985.
  - a. Implement the disability management team to help State agencies to control costs by September 30, 1984.
  - b. Identify pilot project to demonstrate modern techniques and determine processes to control costs and figure out what it will take for State agencies to implement them by September 30, 1984.
6. Develop a plan to get the Special Fund out of deficit condition by January 1, 1987. The plan shall include recommendations for improved accounting procedures, controlled outflow of funds and moderated assessment levels, by December 31, 1984.
7. Promulgate the following twelve sets of administrative Rules necessary to implement new Workers' Compensation law by July 1, 1985;  
Rehabilitation rules,  
Impairment schedules,  
Social Security offset (McClish Decision),  
Joint Rules of Practice (O.A.H.),  
Departmental Rules of Practice,  
Rehab Review Panel Rules of Practice,  
Medical Services Review Board,  
Medical Fee Rules,  
Independent Contractor Rules,  
Rehabilitation Assessment Rules,  
Special Fund Assessment Rules,  
Uniform Medical Report Forms.
8. Develop a system to assure prompt and equitable assessment of penalties for violation of law by July 1, 1984.
9. Effect the orderly development of case law consistent with legislative intent.
  - a. Review all cases appealed to the Supreme Court from the W.C. Court of Appeals within two weeks of receiving the cases.
  - b. Coordinate litigation to achieve department policy positions and effective representation.
10. Develop an indexing system for the Rehabilitation Review Panel and Medical Services Review Board and index decisions and orders (past and present) by October 1, 1984.
11. Develop and implement seminars to educate key constituents about the Workers' Compensation law by September 15:

- a. 1000 union officials.
  - b. 2,500 employers.
  - c. 40% of doctors, chiropractors, allied health professionals.
  - d. 30% of claim managers and adjusters in two 1985 updates.
12. Assist in the planning and development of a state wide wellness/back program through collection of information and literature by December 30, 1985.
  13. Plan and develop division's research activities, including identifying needs and resources and determining reporting methods, by October 30, 1984.
  14. Track results of the Workers' Compensation law through a monthly litigation report, identification and measurement of other factors, and comparisons with other states and national averages by November 30, 1984.
  15. Reach a 70% settlement rate on rehabilitation conferences and a 50% settlement rate on discontinuance conferences by January 1, 1985.
  16. Help rehabilitation program to achieve an 80% return to work rate by January 1, 1985.
  17. Develop an ongoing education program for rehabilitation specialists by January 1, 1985 that provides the equivalent of 15 hours required for continuing education of Q.R.C.
  18. Develop Mediation Services for Workers' Compensation by:
    - a. Successfully conciliate or holding a conference in 50% of the situations where we have request for mediation;
    - b. Settling 90% of all cases which have a mediation conference and,
    - c. Obtaining 50 settlements or conciliations per month by January 1, 1985.
  19. Develop procedures to provide prompt assistance to all telephone, correspondence, or in-person inquiries.
    - a. Immediate response to in-person or telephone inquiries and/or advise the person of the reasons for delay.
  20. Establish and implement procedures and schedules to review all files for compliance with the law by July 1, 1984.
  21. Increase the number of cases settled in settlement conferences by 50% by December 1, 1984 as compared to the rate of 1983.
  22. Develop a system for reviewing and settling a substantial portion of appeals to the Rehabilitation Review Panel and Medical Services Board by May 15, 1984.
  23. Implement the joint computerized insurance certification system with the Minnesota Workers' Compensation Insurance Association 90% effectively by September 30, 1984, and 100% effectively by December 31, 1984.
  24. Develop rules for medical monitoring system by identifying areas of quality assurance and standards of performance which may need rulemaking by December 31, 1985.

#### LABOR LAW ENFORCEMENT OBJECTIVES

1. Develop and implement a quality control system to monitor program activities and identify problems related to the delivery of service to clientele.
  - a. Present proposal to the Commissioner by June 30, 1984.
  - b. Implement by January 1, 1985.

2. Develop and implement a formal review process that will provide citizens a means of pursuing resolution of disputed issues or complaints.
  - a. Present proposal to the Commissioner by May 15, 1984.
  - b. Implement by July 1, 1984.
3. Develop, implement and maintain systems and methods of establishing priority and tracking the status of transactions.
  - a. Present proposal by December 30, 1984.
  - b. Implement by March 31, 1984.
4. Establish benchmarks for productivity measurement and accountability analysis.
  - a. Present proposal by June 30, 1984.
  - b. Implement 90 days after Federal approval.
5. Draft legislation and develop procedures for implementing of High Pressure Piping permits, increasing revenue and obtaining additional staff for the Code Enforcement Division.
  - a. Present to the Legislature during March 1984.
  - b. Implement by September 30, 1984.
6. Select and appoint a task force to review the current laws, rules and administrative procedures of the Minnesota Apprenticeship Program, and to seek recommendations for changes that will encourage increased participation by minorities and females by July 1, 1984.
7. Resolve constituent complaints and inquiries or provide an interim response within five working days.
8. Implement and maintain an Integrated Management Information System (IMIS) to monitor OSHA Compliance program activities and identify problems related to the delivery of service to clientele by October 1, 1984.
9. Schedule public workshops and seminars to provide information about the new Right-to-Know Law and the responsibilities of employers. The initial presentations to the metro and outstate areas will be completed by June 30, 1984.
10. Obtain final approval of the Minnesota OSHA State Plan by October 1, 1985.
11. Reduce our backlog of Labor Standards complaints by at least 20% by December 31, 1984.
12. Develop a manual to explain Prevailing Wage certification procedures by June 30, 1985.
13. Develop and implement a quality control system to monitor issuance of exemption certificates for insured boilers and pressure vessels by August 1, 1984.
14. Complete a new reporting and certification system for projects inspected by state inspectors by April 1, 1985.
15. Research and present a feasibility report on creating additional apprenticeship training programs with agencies of the State of Minnesota by December 31, 1984.

16. Increase awareness of our state's free consultation program among private-sector employers in high-hazard small businesses.
  - a. Propose mailing list data base development project by August 1, 1984 and implement 90 days after approval.
  - b. Contact six employer/trade associations by October 1, 1984 to make presentations or provide information and materials to be used in the promotion of our services among their members.

#### ADMINISTRATIVE OBJECTIVES

1. Complete all hiring specified in the Workers' Comp Law, consistent with funding and complement assigned, by April 30, 1984 with particular emphasis on these positions:
  - a. Training Officer redevelopment by May 15 - hire by August 30, 1984.
  - b. Mediator positions created by March 15 - hire by June 30, 1984.
  - c. State Claims Manager created by March 30 - hire by May 15, 1984.
  - d. Medical Consultant position hired by June 30, 1984.
2. Implement an organizational analysis of work flow and records management, and redevelop as necessary:
  - a. Complete data collection by April 1, 1984.
  - b. Complete analysis and review by June 30, 1984.
  - c. Implement revisions and report outcomes by August 30, 1984.
3. Redevelop and implement an ongoing management information reporting process by which agency management receives financial and personnel status and update information on a monthly basis. Timely, accurate and complete reports will be issued on a monthly basis to every division head, and all executive council members by April 30, 1984.
4. Develop and implement a management support system within the agency to facilitate and encourage effective communications, management and organization, via:
  - a. Needs analysis and review by May 30, 1984.
  - b. Design process and identify first phase activity by July 30, 1984.
  - c. Implement first phase activities by August 15, 1984.
  - d. Phase-one evaluation and redesign completed by December 30, 1984.
5. Manage the implementation of the agency-wide affirmative action program in all phases of personnel administration, with particular emphasis on meeting state-assigned hiring goals for supervisory and managerial positions and providing promotional and training opportunities consistent with achieving these goals for representation in the agency workforce:

UNIT	<u>MINORITY</u>	<u>FEMALE</u>	<u>VIET VET</u>	<u>HANDICAPPED</u>
Office/Clerical	8%	NONE	*	*
Technical	8%	45%	*	*
Professional	8%	25%	*	*
Supervisory	8%	45%	*	*
Managerial	8%	25%	*	*
Agency Overall	8%	50%	9%	8.2%

These goals are to be achieved by June 30, 1984.

\*These goals set at agency level only.

6. Develop a systematic method of soliciting suggestions for legislative changes from all employees by September 1, 1984.
7. Develop and implement internal methods which will insure compliance with State and Federal accounting guidelines as suggested by the last audit and improve current procedures to make financial reporting more accurate through routine SWA reports by June 30, 1984.
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  - a. Restructure the BLS system of accounts.
  - b. Further refine the OSHA Federal reporting system.
  - c. Institute additional checks and balances in the cash flow system.
  - d. Prepare a plan to work with the staff in the State Claims and Special Fund areas to tighten up their financial practices as well as develop systems to reduce the error rate during F.Y. 85.
8. Assure that all managers and supervisors have a one-year work plan which is grounded in the Labor and Industry mission and long-term goals with six to eight specific one-year work objectives by July 1, 1984.
9. Develop a plan for a comprehensive, agency-wide training and development process geared to all employees so that all employees increase their productivity and effectiveness by February 1, 1985.
10. Create a Labor and Industry Strategic Planning and Management Manual which outlines steps in the process, key terminology, examples, and how the process applies to the basic functions of management and work such as goal-setting, creating a positive work climate and performance appraisal by November 1, 1984.

#### LEGISLATIVE INITIATIVES

##### I. Fair Labor Standards

Problem: The Labor Standards Division, which is charged with enforcing the Minnesota Fair Labor Standards Act, currently has a substantial backlog of unresolved cases, resulting in severe criticism from organized labor.

Proposed Initiative:

The Department will recommend revisions in the Minnesota Fair Labor Standards Act to allow for more efficient case management and to provide simpler and more effective means of enforcement, such as the use of civil fines rather than cumbersome criminal penalties. This will include measures to make the entertainment agency licensing bill passed in 1984 more workable.

##### II. Occupational Safety and Health (OSHA)

A. Problem: Certain sections of the Minnesota Employee Right-to-Know Act provide less protection to employees than the Federal Hazard Communication Standard, scheduled to go into effect in November 1985. There is a strong possibility that the Minnesota Law will be pre-empted by the Federal standard unless changes are made in the Minnesota Law by the 1985 Legislature.

Proposed Initiative:

Amend the Minnesota Employee Right-to-Know Act as necessary to ensure that the Minnesota law is not pre-empted by the Federal Hazard Communication Standard.

B. Problem: There is a growing concern on the part of many labor organizations and health professionals regarding the effects of video display terminals (VDT's) on the health of workers, particularly pregnant workers, and legislation to address this issue is anticipated in 1985.

Proposed Initiative:

The DOLI will work with labor, employers, and other concerned groups to produce a workable piece of legislation to ensure that proper safety precautions are taken when video display terminals are used in the workplace.

C. Problem: Minnesota is on the verge of receiving final certification for our OSHA program, but we are not fully in compliance with Federal staffing requirements.

Proposed Initiative:

We may need to increase staffing levels slightly in order to comply with Federal standards and become certified.

III. Boiler Inspection

Problem: The boiler code contained in M.S. Chapter 183 is outdated and does not reflect recent changes in technology and industry practices.

Proposed Initiative:

Revise and update the boiler code to more accurately reflect current technology and industry practices.

IV. Apprenticeship

Problem: The Apprenticeship Division has been criticized by legislators and by representatives of women's groups and the minority community for not taking more aggressive action to raise the participation level of women and minorities in the apprenticeable trades.

Proposed Initiative:

The Department of Labor and Industry is currently studying the participation of women and minorities in apprenticeship programs, and may recommend legislation to facilitate increased participation.

V. Workers' Compensation

Problem: The "New Law" passed in 1983 will require constant monitoring, and housekeeping changes may be needed. The Department will also continue to respond to issues raised by the Business-Labor Workers' Compensation Advisory Council. Additionally, workers' compensation costs for state employees have risen dramatically in recent years and must be brought under control.

Proposed Initiative:

Reducing the state's own workers' compensation costs is now a priority, and actions required may include changes in the budget process, in union contracts, and additional support to state agencies. Legislation will be proposed as needed to respond to issues arising under the 1983 law and those raised by the Workers' Compensation Advisory Council.