

Department of Employment

Wyoming Quality of Life Results:

The Department of Employment (DOE) supports these Wyoming Quality of Life Results:

- Wyoming families and individuals live in a stable, safe, supportive, nurturing, and healthy environment.
- Wyoming has a diverse economy that provides a livable income and ensures wage equality.
- Wyoming state government is a responsible steward of state assets and effectively responds to the needs of residents and guests.

Contribution to Wyoming Quality of Life:

The Department of Employment supports these goals by providing information and quality services that promote economic security, fair employment and a safe work environment for our customers. The typical valued customers of the Department include employers, employees, medical providers and attorneys.

Basic Facts:

As of the State Fiscal Year (SFY) ending June 30, 2006, the Department had 331 authorized employees. Total budget for the Department ending SFY 2006 was \$32,988,028 of which \$1,510,208 was from the General Fund.

The Department is comprised of five (5) divisions:

- The Administration and Support Division (ASD) provides functional assistance to the other divisions in the Department including internal human resource functions and business analysis.
 - Also included within ASD is the Labor Standards program, which enforces all labor laws enacted for the protection of Wyoming workers.
- The duty of the Office of the Inspector of Mines (Mines) is to examine all mining operations in the state to enforce laws, rules and regulations relating to health and safety.
- The primary role of the Workers' Safety and Compensation Division (WSCD) is to provide necessary medical and indemnity compensation to workers injured during the course of employment. The Division must also ensure the collection of premium assessments from employers participating in coverage.
 - Workers' Safety (OSHA) is included within WSCD and this program attempts to assure safe and healthful working conditions for employers and employees that fall under the jurisdiction of this state administered program.

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- The Unemployment Insurance Division (UID) pays benefits to those workers who lose their job through no fault of their own, are seeking work, and meet definite requirements.
- The primary responsibilities of the Unemployment Tax Division (UTD) are establishing employer registrations, payroll reporting and tax collections for unemployment insurance.
 - The Research and Planning (R&P) program resides within UTD and is responsible for the collection and distribution of labor market statistics and information pertaining to Wyoming.

Three primary functions of the Department include:

Enforcement – provide wage claim and fair employment investigation; inspection of all mines and quarries; reduction in fatalities, injuries and illnesses through inspection, consultation and training.

Benefits – utilize paid premiums or taxes of participating employers to stabilize the quality of life for the workers while incapacitated due to injury or while unemployed; provide trends in current labor market information to employers to assist with economic development.

Collections – initiate employer registration, collect payroll information and ensure remittance of proper payments into the workers' compensation and unemployment insurance funds, and capture data for development into labor market information.

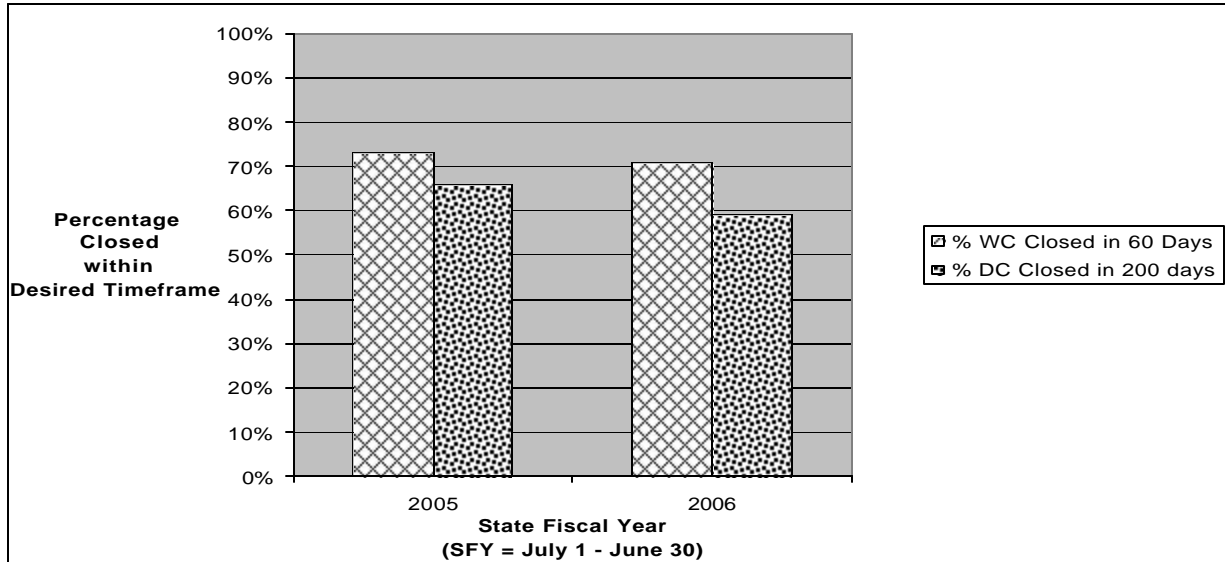
Together, these primary functions of the Department processed 32,193 employee claims (Labor, UI, WSCD) totaling over \$148 million and had approximately 475,000 contacts (UTD, UID, OSHA, Mines, WSCD) from clientele during SFY 2006. Inclusive to the clientele contacts were inquiries either by phone, fax, email, interactive voice response or Internet.

Performance Measures:

The following performance measures are the most important to the Department of Employment:

Performance Measure #1: Labor Standards –Percentage of Wage Claims (WC) and Discrimination Charges (DC) Closed by Desired Timeframe by State Fiscal Year

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Story Behind the Last Year of Performance:

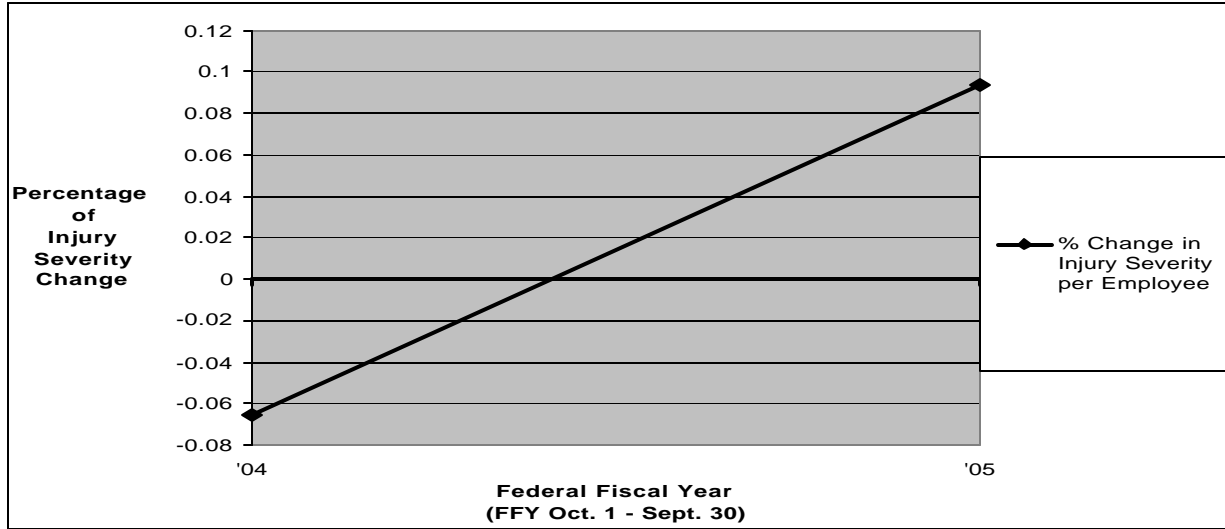
#1: The most important function of the Labor Standards program is the efficient completion of cases involving the collection of wages for employees, and the monetary benefit recovery for victims of employment discrimination. The Labor Standards program strives to process and complete the investigation of 75% of wage claims in 60 days or less, and 75% of discrimination charges in 200 days or less. Labor Standards has had a downward trend in the percentage of cases closed within the desired timeframes. For SFY '05 the percentage of wage claims closed within 60 days or less was 73% and for SFY '06 the percentage of wage claims closed within 60 days or less fell to 71%. Discrimination charges closed within 200 days or less in SFY '06 fell to 60%, down from 66% in SFY '05. The primary reason for percentage decreases in SFY 2006 is because the program was short two compliance staff for almost the entire fiscal year. In addition, the number of new cases increased in the past state fiscal year. In SFY '06 the number of wage claims increased 8% and discrimination charges increased by 9%. Currently the program is fully staffed again.

What has been Accomplished?

#1: The priority for the Labor Standards program to improve performance in the next fiscal year is to remain fully staffed. Since the program is of such small size, the loss of just one employee can have significant impact on the services provided to the public. By remaining fully staffed, the program will seek to increase its ability to process claims and charges in a more efficient manner. The standard of closing 75% of claims and charges within 60 and 200 days may be increased.

However, even though the percentage of case closures is down, the amount of benefits collected for employees and victims of employment discrimination set a record in SFY '06. The program collected benefits in the amount of \$1,289,268. This represents a 3% increase in wage claim collections, and an 11% increase in the benefits collected in employment discrimination cases over last the fiscal year.

Performance Measure #2: OSHA-Compliance Inspections & Consultation Surveys Effect on Injury Severity (Pre-visit vs. Post Visit) per Federal Fiscal Year



Story Behind the Last Year of Performance:

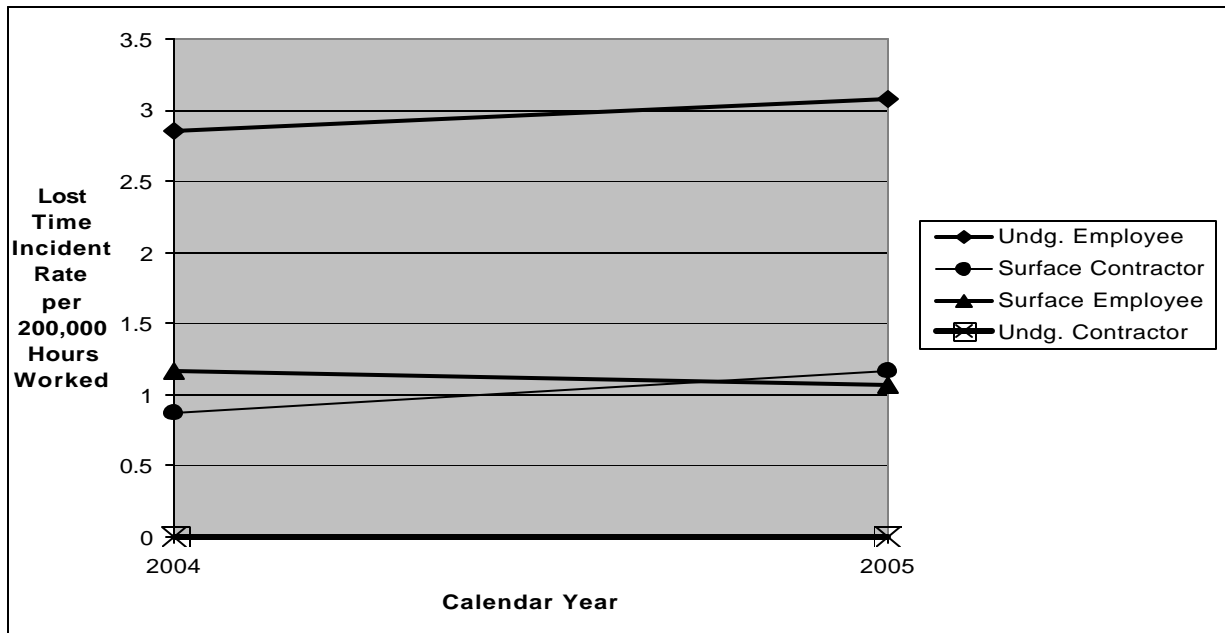
#2: Vital to the Wyoming Workers’ Safety (OSHA) program strategy, reduction of workplace fatalities, injuries and illnesses, is the ability to access workers’ compensation information and use it to assess injury frequency and severity rates before and after visitation by program personnel. Reduction had been the norm post-visitation in previous years. Federal fiscal year (FFY) 2005 showed mixed results for injury frequency (number) and injury severity (cost) in the pre-visit versus post-visit statistics. In the 624 companies inspected or consulted, post-visit injuries rose 40, or 0.8%, over their pre-visit number. However, the number of employees in these companies increased 24%, resulting in an 18.8% decrease in the rate of claims filed per employee. On the severity side, costs on those injuries increased 10.2%, or a 9.4% increase in the cost per injury rate. No definitive reason for this increase has been determined; however, inspections were numerous in primarily high hazard industries, such as construction and oil field activities. Also, mild weather during FFY ’05 allowed the usually seasonal, high-hazard, work to continue unabated through the winter when ordinarily bad weather would decrease activity.

What has been Accomplished?

#2: Access to company specific workers’ compensation data has allowed Workers’ Safety (OSHA) to provide cost benefit analysis information to employers, develop sensible inspection targeting criteria, and monitor the impact of interventions with companies that were inspected or consulted. The various computer programs used to gather and develop data have undergone several transformations over the years, resulting in improved and more pertinent information. Training and education will continue to be the foundation of efforts to reduce fatalities and injuries in Wyoming workplaces. While the program currently presents training on many topics, a ten-hour construction safety course has been added to the available training.

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Performance Measure #3: Office of the Inspector of Mines-Lost Time Accident Incident Rate per 200,000 Hours Worked by Type of Work per Calendar Year



Story Behind the Last Year of Performance:

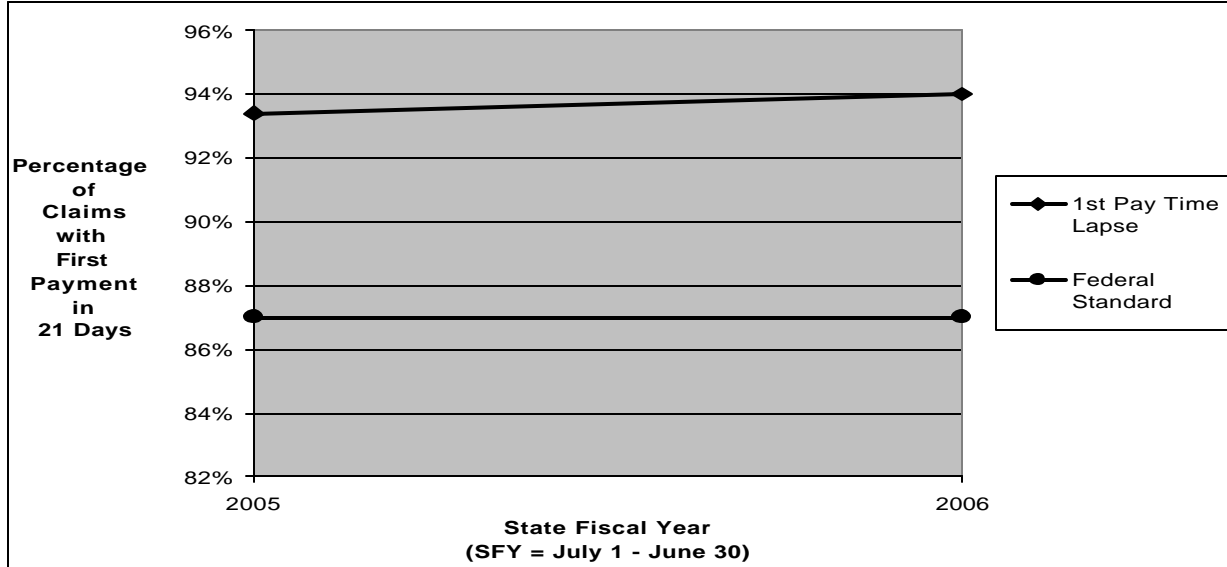
#3: The Office of the Inspector of Mines considers lost time accidents (LTAs) a primary indicator of work safety on mine sites. Lost time accidents at surface and underground mines had decreased in CY 2004 to 123 down from 125. However, the overall lost time accident rate increased in 2005 to 134. This can be attributed to an increase in contractor employee accidents and a 123% increase in the reported contractor employees. The long-term goal of this program is to maintain the lowest accident level possible. Future inspection activities will focus on lowering the overall accident level.

What has been Accomplished?

#3: The Office of the Inspector of Mines has identified two types of accidents which have a high incident rate. The types of accidents identified involve lifting and pulling by employees and slips and falls by employees. This Division will give additional emphasis to these areas during enforcement and training activities. We have also identified companies with a higher than average incident rate in these two accident categories. Additional inspections and training are planned for these companies.

Performance Measure #4: Unemployment Insurance-Percentage of Claims with 1st Payment in 21 Days by State Fiscal Year

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Story Behind the Last Year of Performance:

#4: The Unemployment Insurance Division has consistently delivered services to customers in a timely and accurate manner. An indication of this performance is that the Division has exceeded the federal core performance measures of the Department of Labor constantly over the past several years.

The First Pay Time Lapse process measures the number of days taken to make the first payment in a claim series. The federal Acceptable Level of Performance (ALP) was lowered to 87% in 2005. This ALP measures the payments within 21 days for all types of claims. Wyoming's UI Division exceeded the ALP by 6.4% in SFY '05 and 7% in SFY '06.

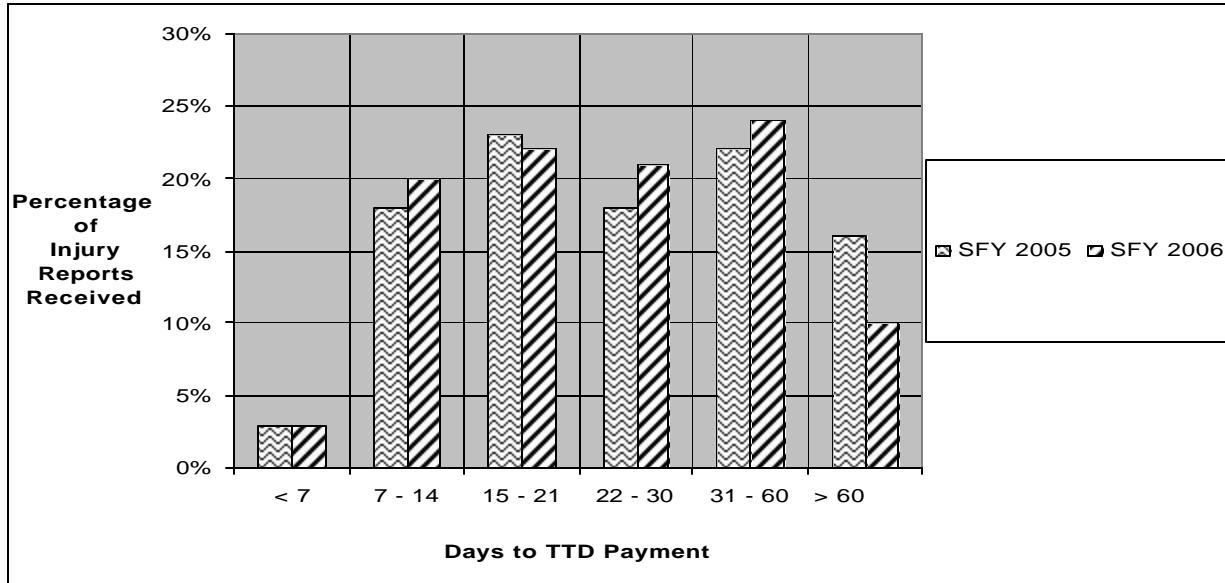
The Nonmonetary Determination Time Lapse measures the amount of time to resolve an issue. Wyoming exceeded the 80% ALP with SFY 2005 and 2006 annual averages 16-17% above the ALP.

What has been Accomplished?

#4: The quality of Adjudication determinations and Appeals decisions has exceeded federal standards in both years. In SFY 2005, Adjudication quality exceeded the federal standard by over 16%, at 91.2, and by over 17%, at 92.6, in SFY 2006. Appeals quality, at 96% in SFY 2005, exceeded the federal standard by over 16%, and in SFY 2006 exceeded by over 12%.

Performance Measure #5: Workers' Compensation-Percentage of Injury Reports Received to Day of First Total Temporary Disability Paid within Timeline Specified by State Fiscal Year

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Story Behind the Last Year of Performance:

#5. The Claims Unit has continued efforts towards providing quality and efficient service to injured workers by paying their TTD indemnity benefits in a timely manner. For SFY 2006, the number of injured workers who were paid Temporary Total Disability benefits within 30 days was 66% of the total cases. For SFY 2006, the number receiving payments beyond 60 days was only 10% of total cases.

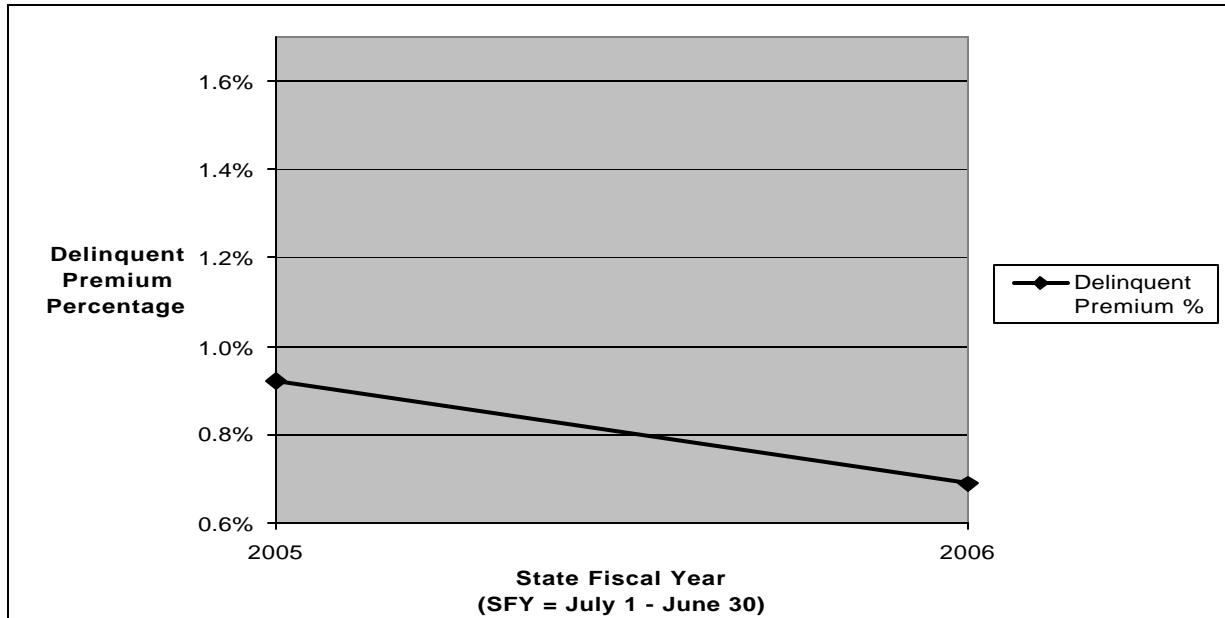
What has been Accomplished?

#5. In March 2005, WSCD created and filled a Customer Service position. During SFY '06, the Customer Service Representative (CSR) created five new brochures designed to educate both injured workers and employers regarding workers' compensation and benefits, edited the new Safety Matters newsletter as a responsibility of participating in the Department of Employment's Safety Awareness Campaign Committee, and redesigned four applications for benefits to improve clarity and ease of use.

The CSR has also been responsible for the creation or redesign of 8 power point presentations which were presented to more than 17 different groups. Over 2,000 telephone contacts have been provided by the CSR for general information ranging from Workers' Compensation Statutes, Rules and Regulations; provided coverage and the creation of accounts for employers; and benefits for injured workers. This position will continue to develop and provide educational presentations to employer or employment groups.

Even with the loss of 5 claims analysts in SFY '06 and the investment of time to hire and train new personnel, the Claims Unit still conducted personal visits to 67 employers throughout the state. The Division continues to operate with 48 claims analysts although each individually manages caseloads that exceed the industry standard.

Performance Measure #6: Workers' Compensation-Percentage of Delinquent Premium in Relation to Total Paid Premium by State Fiscal Year



Story Behind the Last Year of Performance:

#6: A crucial component for the administration of the workers' compensation fund is the collection of delinquent premium by the Workers' Safety and Compensation Division. Uncollected premium is socialized to all employers, thus penalizing those employers paying in accordance with the requirements. The delinquent amount analyzed was premium due only and did not include case cost liability penalties or interest. Improvement occurred between SFY 2005 and SFY 2006 with a percentage decrease from 0.92% to 0.69% respectively. More significant than the percentage is the decrease in the delinquent premium amount from June 30, 2005 through June 30, 2006. The delinquent premium amount as of June 30, 2005 was \$1,786,526 and has decreased to \$1,558,500 as of June 30, 2006.

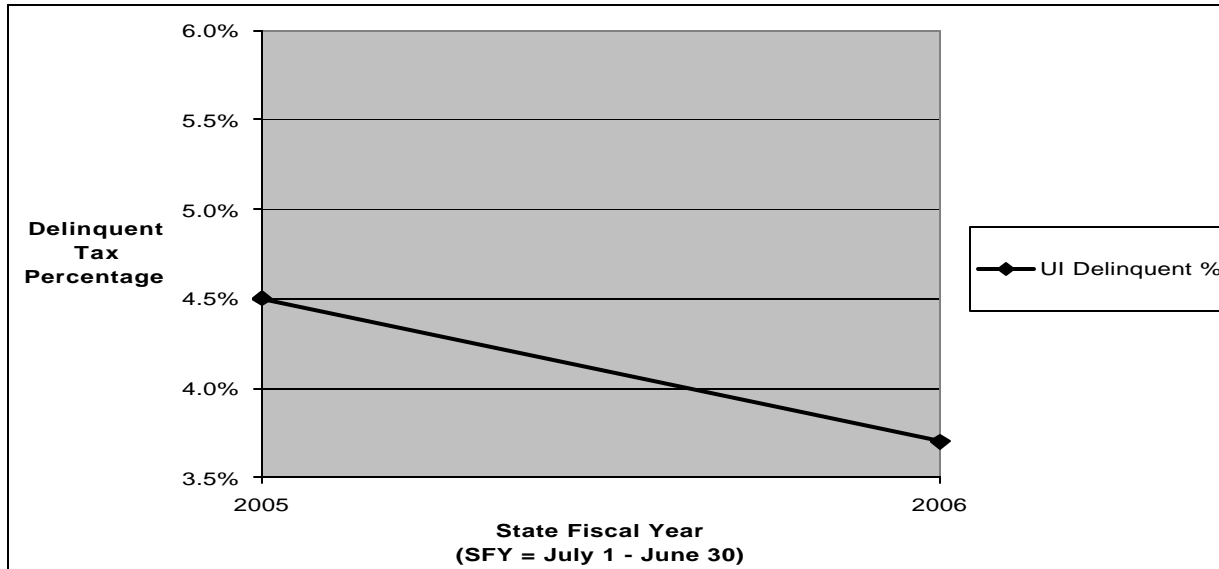
What has been Accomplished?

#6: These improvements are due to a number of activities that the Division began implementing. Employers were notified as soon as possible if premium was under paid or due. This action allows faster resolution and does not create an inordinate delay collecting the premium outstanding. Another major activity was an increased focus on collections by Division field personnel. Field personnel directed more of their daily activity on contacting delinquent employers in person and collecting the amount owed. The field staff also performed intense group collection efforts in two different communities. The effort in both of these communities has realized a collection of well over \$300,000 in unpaid premium, interest, and penalties to date. Additionally, the Division implemented an automated lien filing process. This allows the Division to notify a delinquent employer that a lien will be filed on their property unless the debt is settled. If the delinquency is not resolved in the 15 days allowed to settle, the Division then works with county clerks to file liens in counties where the delinquent employer operates. To

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increase collections from delinquent employers, the Division will continue to focus their field efforts on delinquency. The Division will also pursue additional legal remedies, such as lawsuits by working closely with personnel from the Attorney General's office.

Performance Measure #7: Unemployment Tax - Percentage of Delinquent Tax in Relation to Total Paid Tax by State Fiscal Year



Story Behind the Last Year of Performance:

#7: Crucial to the performance of the Unemployment Tax Division is the collection of delinquent premium for unemployment insurance. Uncollected taxes are socialized to all employers, thus penalizing those employers paying in accordance with the requirements. For SFY 2006, the delinquency percentage compared to overall tax revenue was 3.7%, a decrease from SFY 2005 of 4.5%. The delinquency amounts do not include bankrupt accounts or any estimated jeopardy assessments, which is consistent with federal reporting standards. The tax revenue excludes penalties, interest, and investment income from the fund.

The decrease in delinquencies is primarily attributed to an increase in the SFY 2006 revenue collected as the actual dollar amount of delinquencies increased slightly during this period (\$281,275 increase). A reorganization, effective July 1, 2005, changed field staff levels and job duties impacting the Division's ability to meet required federal audit levels, forcing a concentration on audit training. In addition, the Division had three vacant field positions during 2006.

What has been Accomplished?

#7: Field staff duties were changed and as a result, all field staff now performs audits and collections. Training was increased, in group sessions and one-on-one, to address educational needs related to the changes, improving their knowledge of the Unemployment Insurance program. Two new field positions were added, one in Casper that was filled in February 2006

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and one in Cheyenne that was vacant as of June 30, 2006. The individual hired to fill this position starts August 14, 2006. A field position in Gillette that was vacant for six months was filled in January 2006. The Rock Springs auditor resigned in June 2006; the new individual in this position starts August 7, 2006.

The number of employers using the Division's WIRE (Wyoming Internet Reporting for Employers) program increased by 22.4% for the first quarter of 2006 reporting period, over the first quarter of 2005 reporting period. Slightly over 33% of Wyoming's active Unemployment Insurance employers used WIRE to file their first quarter 2006 reports.

Supplemental Budget Implications :

None.