

Department of Employment

General Information

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Statutory References:

Administration and Support Division

W.S. 9-2-2002

W.S. 27-2-104 through W.S. 27-2-113

Labor Standards Program

Wyoming Constitution, Article 1, Section 22

W.S. 27-4-101 through W.S. 27-4-508

W.S. 27-5-101 through W.S. 27-5-110

W.S. 27-6-101 through W.S. 27-6-116

W.S. 27-7-101 through W.S. 27-7-115

W.S. 27-8-101 through W.S. 27-8-111

W.S. 27-9-101 through W.S. 27-9-108

W.S. 16-6-101 through W.S. 16-6-206

Workers' Safety and Compensation Division

Wyoming Constitution, Article 10, Section 4

W.S. 27-14-101 through W.S. 27-14-805

W.S. 27-11-101 through W.S. 27-11-114

Unemployment Tax Division

Social Security Act, as amended, 42 U.S.C. §§301 et seq.

Internal Revenue Code Provisions - Chapter 23, Federal Unemployment Tax Act

Unemployment Insurance W.S. 27-3-101 through W.S. 27-3-705

Wyoming Constitution, Article 10, Section 4

Workers' Compensation W.S. 27-14-202

Labor Market Information

W.S. 27-2-105

Wagner Peyser Act of 1933, as amended (29 U.S.C. 49)

Workforce Investment Act of 1998 (P.L. 105-220)

Unemployment Insurance Division

W.S. 27-3-101 through W.S. 27-3-705

Social Security Act, as amended, 42 U.S.C. §§301 et seq.

Internal Revenue Code Provisions – Chapter 23, Federal Unemployment Tax Act

Trade Act of 1974 Enacted by the Trade Act of 2002 (*TRA*)

Robert T. Stafford Disaster Relief & Emergency Assistance Act (*DUA*)

TEUC Act of 2002 (P.L. 108-11)

Mining Exams

Wyoming Constitution, Article 9, Section 1

W.S. 30-2-307

W.S. 30-2-309

State Inspector of Mines

Wyoming Constitution, Article 9, Section 1

W.S. 30-2-101 through W.S. 30-2-607

W.S. 30-3-101 through W.S. 30-3-509

Unemployment Insurance Revenue

W.S. 27-3-207

Clients Served: Employers, employees, medical providers, attorneys, and the general public

Budget Information: Expenditures totaled \$35.1 million for FY08

Report Narrative

This report covers the period for FY08 (July 1, 2007 through June 30, 2008)

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.

Basic Facts:

The Department has 322 authorized employees and operates with a State Fiscal Year (SFY) 07-08 biennium budget of \$68.7 million.

- The funding sources for the budget are \$3.5 million from general funds, \$19.5 million from federal funds and \$45.7 million primarily from premium and tax sources.

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 State 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.
- 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 workers while incapacitated due to injury or while unemployed; provide trends in current labor market information to employers to assist with economic development.

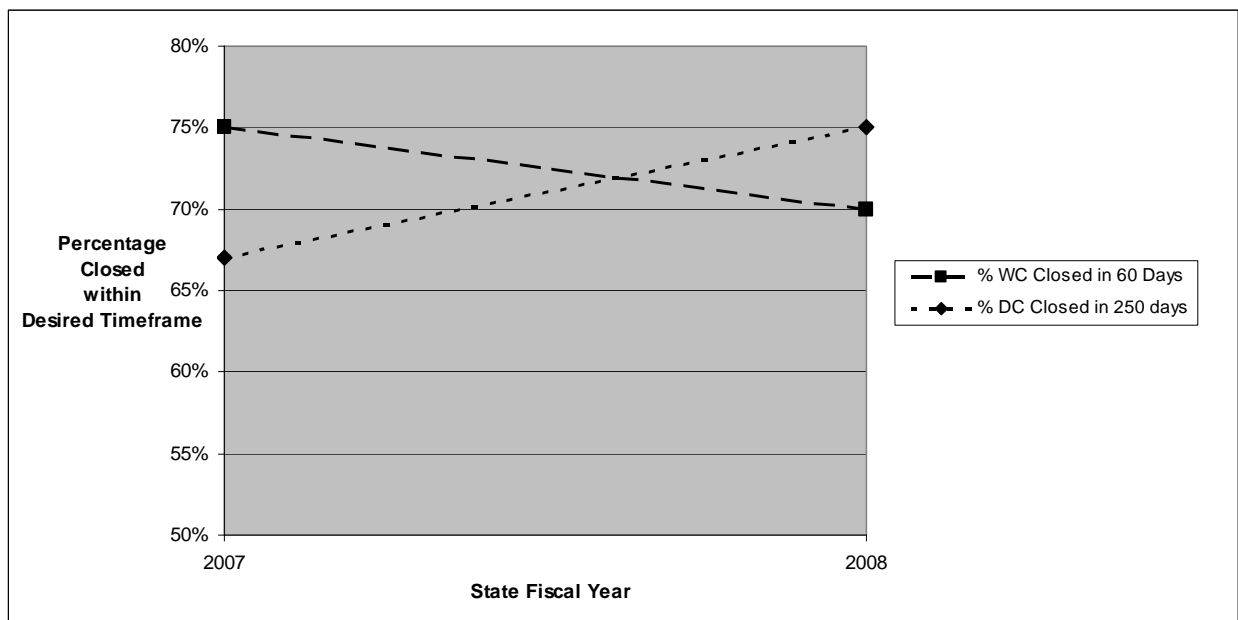
Collections – initiate employer registration, collect payroll information and ensure remittance of proper payments into the workers’ compensation and unemployment insurance funds, and capture data for development into labor market information.

Together, these primary functions of the Department processed 39,598 employee claims (Labor, UI, and WSCD) totaling over \$176 million.

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



Story Behind the Last Year of Performance:

#1: The most important function of the Labor Standards program is to receive, process and investigate claims of unpaid wages and charges of employment discrimination. For the number of wage claims and charges of discrimination closed in a given state fiscal year (SFY), the Labor Standards program strives to complete and close 75 percent of wage claims in 60 days or less after assignment to a Compliance Officer, and 75 percent of discrimination charges closed in 250 days or less after assignment to a Compliance Officer. For FY08 the percentage of wage claims closed within 60 days or less was down slightly from the previous fiscal year from 75 percent to 70 percent. Discrimination charges closed within 250 days or less for FY08 were up significantly from the previous fiscal year from 67 percent to 75 percent. The primary reason for the slight

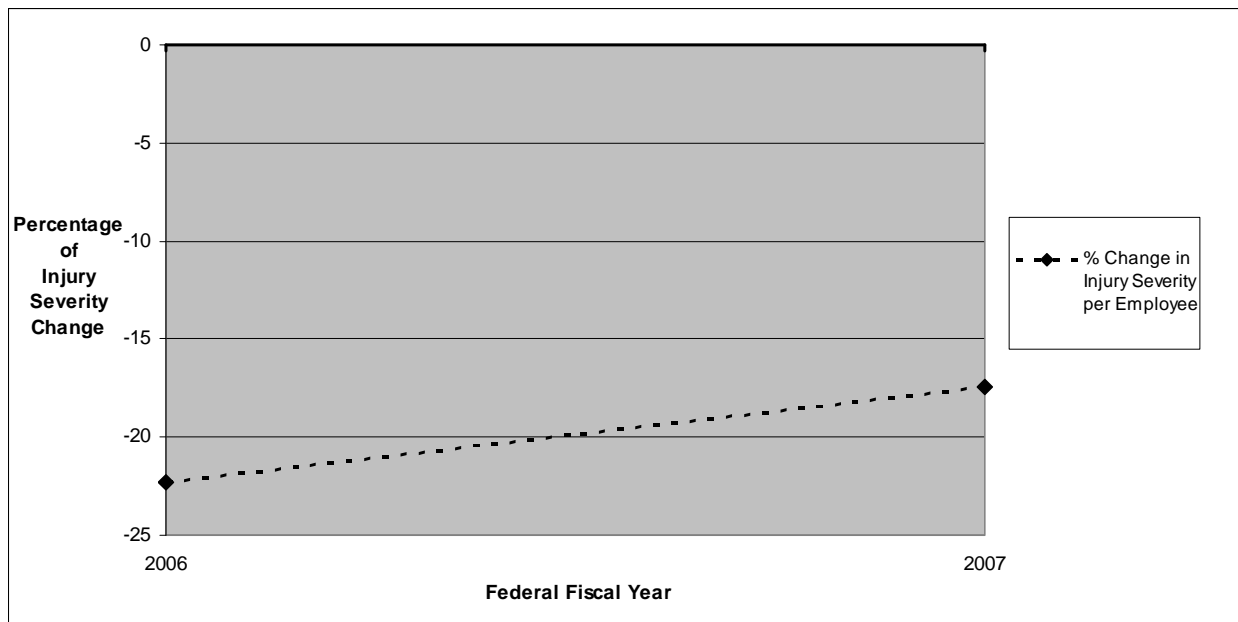
percentage decrease in the number of wage claims closed within 60 days or less is due to special emphasis being placed on the processing of discrimination cases during FY08. Since the Compliance Officers conduct both wage claim and discrimination investigations and with the emphasis being placed on processing more discrimination cases, the wage claim totals were down slightly.

What has been Accomplished?

#1: The priority for the Labor Standards program to remain fully staffed has proven to be valuable. Since the program was fully staffed for most of FY08, the number of discrimination closures was significantly increased. 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 percent of claims and charges within 60 and 250 days of being assigned to a Compliance Officer may increase.

Even though the percentage of case closures is down for wage claims, the amount of benefits collected for employees and victims of employment discrimination stayed consistent with prior years. The program collected benefits in the amount of \$973,634 for FY08. Over the past two state fiscal years, the program has collected approximately \$2 million dollars in unpaid wages and benefits for workers in Wyoming. This is money that otherwise would not have found its way into the State's economy.

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



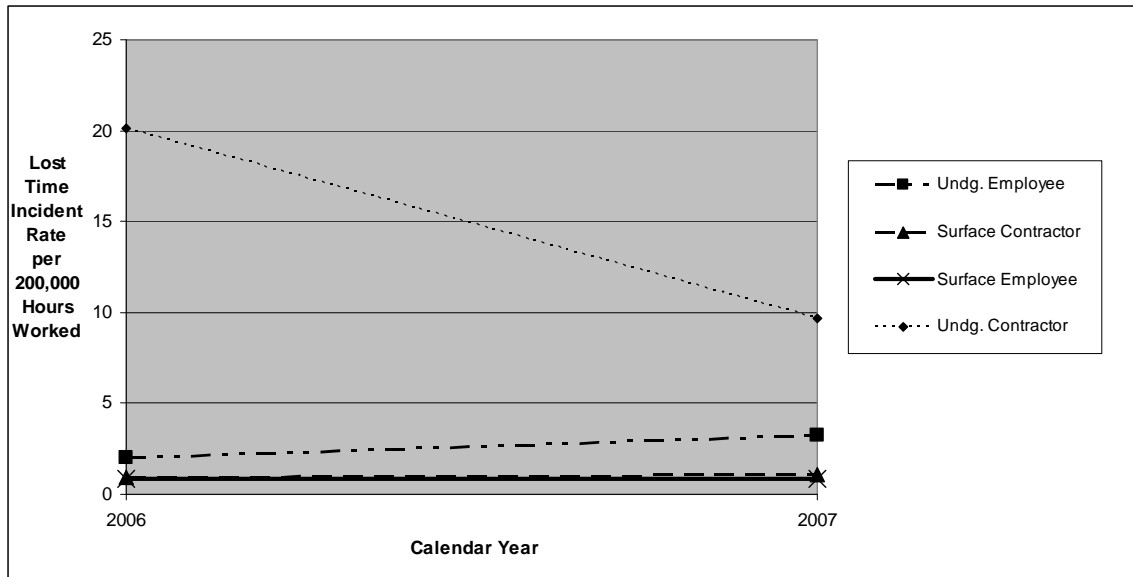
Story Behind the Last Year of Performance:

#2: Vital to the Wyoming Workers' Safety (Wyoming OSHA) program strategy for the 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 has been the norm post-visitation trend in previous years. Federal fiscal year (FFY) 2006 showed mixed results in the injury frequency (number) and injury severity (cost) in the pre-visit and post-visit data. In the 646 companies inspected/visited, post-visit injuries decreased by 33, or 0.6 percent, over their pre-visit number. However, the injury claims per employee rate increased 21.4 percent because the number of employees in these companies decreased by 18.2 percent. In regard to severity in FFY06, the total cost for injuries decreased 22.7 percent with a 22.3 percent decrease (\$1018) in the cost per injury rate. The FFY07 information showed excellent results. While the number of post-visit claims for the 516 companies decreased by 10.4 percent, the number of employees increased 21.5 percent, resulting in injury claims per employee decreasing 26.2 percent. Excellent results were also observed regarding the severity rate. Claim costs were reduced \$5.96 million, or 25.9 percent, and the resultant cost per case also showed a decrease of 17.4 percent, or \$832 per claim. While the reduction in the cost per claim for FFY2007 (-17.4 percent) was not as much as it was in FFY06 (-22.3 percent), and thus the upward slope of the two year trend in the chart above, FFY07 still showed an excellent reduction in the cost per claim from the affected companies' previous year. Due to the timeframe of the federal fiscal year (October through September), information is incomplete for FFY08. Definitive reasons for the fluctuations in injury frequency and severity cannot be determined, but the trend in severity has continued to decline.

What has been Accomplished?

#2: Access to company specific workers' compensation data has allowed Workers' Safety (OSHA) to provide cost benefit 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 information 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. Since 2005, the Workers' Safety program has actively promoted a statewide safety awareness campaign, "Embrace Safety for Life." Actions and events utilized for this campaign have included various media advertising promoting the value of safety, the Governor's Safety Conference, meetings, newsletters and youth outreach.

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



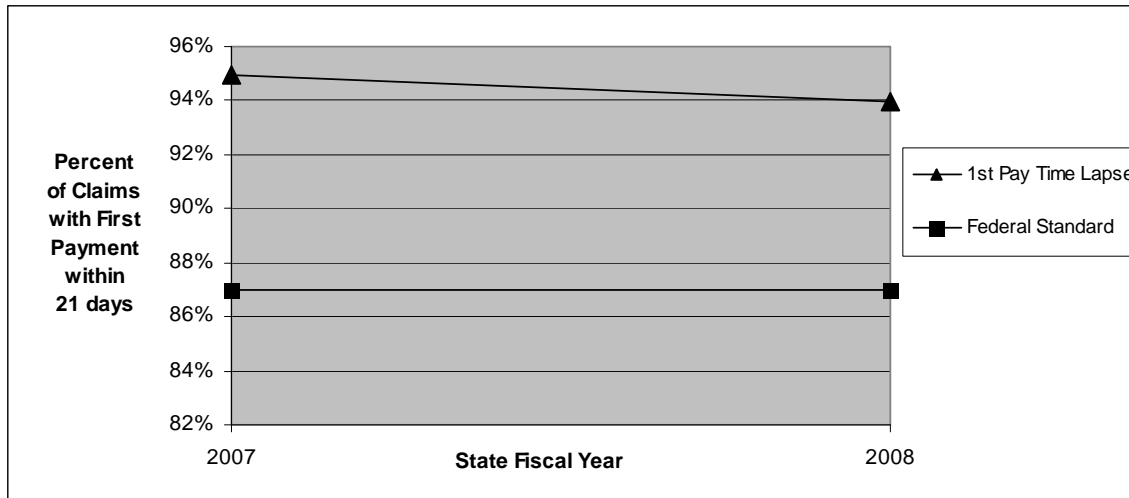
Story Behind the Last Year of Performance:

#3: The Office of the State Inspector of Mines considers lost time incidents (LTIs) a primary indicator of worker safety on mine sites. Lost time incidents at surface and underground mines increased from 126 in 2006 to 144 in 2007. The number of mine employees increased from 10,834 in 2006 to 11,433 in 2007. The long-term goal of this program is to achieve “zero” lost time work day incidents in the mining industry. Future programs and inspection activities will focus on types of injuries and mechanism of injuries to help achieve this goal.

What has been Accomplished?

#3: The Office of the State Inspector of Mines has identified several areas of concern regarding injuries. Underground mine employees had the largest increase in injuries in 2007. As a result of this finding, more time will be spent at underground operations during our inspection activities to observe work practices. Again, the number one mechanism of injuries is slips, trips and falls. A major focus will be good housekeeping and removing slip and fall hazards from the workplace.

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



Story Behind the Last Year of Performance:

#4: The Unemployment Insurance (UI) 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 U.S. Department of Labor constantly over the past several years.

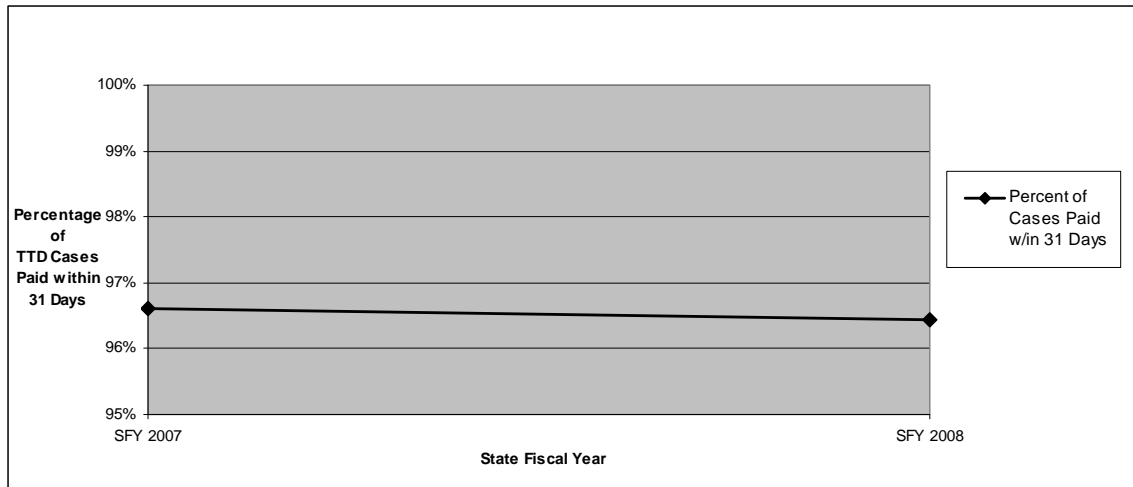
The first pay time lapse process measures the number of days taken to make the first payment in a claim series. The federal Acceptable Level of Performance (ALP) for the number of first pay time lapse is set at 87 percent. Wyoming's UI Division exceeded the ALP by 8 percent in FY07 and 7 percent in FY08.

The nonmonetary determination time lapse measures the amount of time to resolve an issue with a claim. Wyoming exceeded the 80 percent ALP for FY08 separation and non-separation issues with combined annual averages of 17.8 percent above the ALP.

What has been Accomplished?

#4: The quality of adjudication determinations and appeals decisions continues to exceed federal standards. In FY07, adjudication quality exceeded the federal standard by over 19 percent, at 94.4, and by 20 percent, at 95.0, in FY08. At 94.8 percent in FY07 and 94.9 percent in FY08, appeals quality exceeded the federal standard by over 14 percent for both years.

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



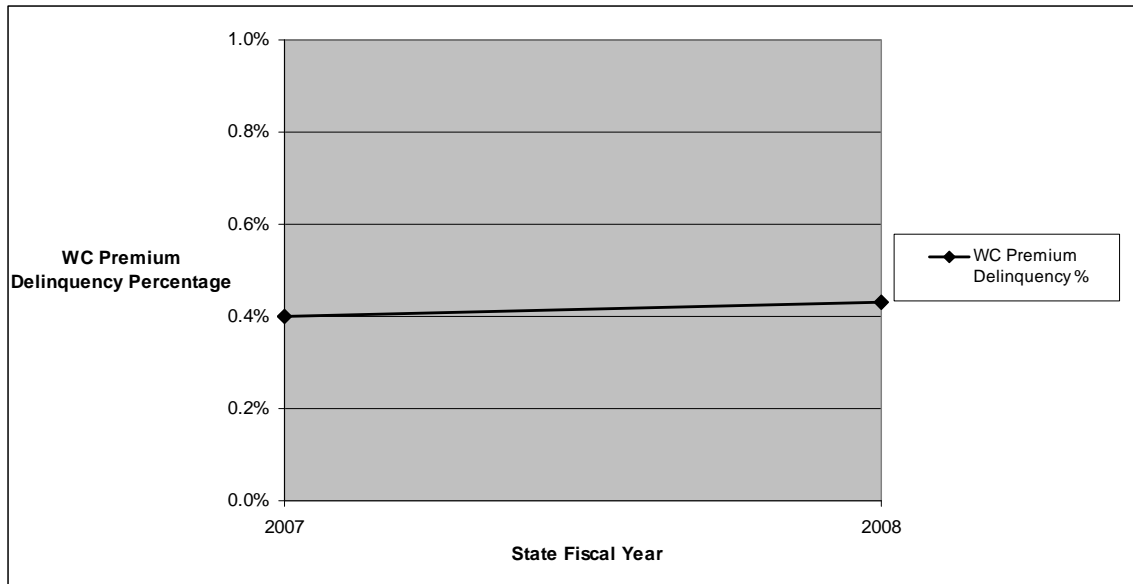
Story Behind the Last Year of Performance:

#5: Making timely payment of temporary total disability (TTD) indemnity benefits to injured workers is an essential element of the quality of service commitment of the Workers' Safety and Compensation Division. The timeliness of the first payment within 31 days after receipt of the injury report has remained the same as last year's, at about 97 percent. Also, first payments made in excess of 60 days have decreased from 1.38 percent in FY07 to 0.88 percent in FY08.

What has been Accomplished?

#5: Determining compensability as quickly as possible is still one of the major factors in making timely payment of compensable benefits. This process is carefully reviewed and analysts are held accountable for the timeliness of their compensability decisions. One change that is being considered is to shorten the time line for final determination on compensability from 60 to 45 days. This change will allow for the earlier payment of all types of benefits, including TTD, reimbursements and medical claims.

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:

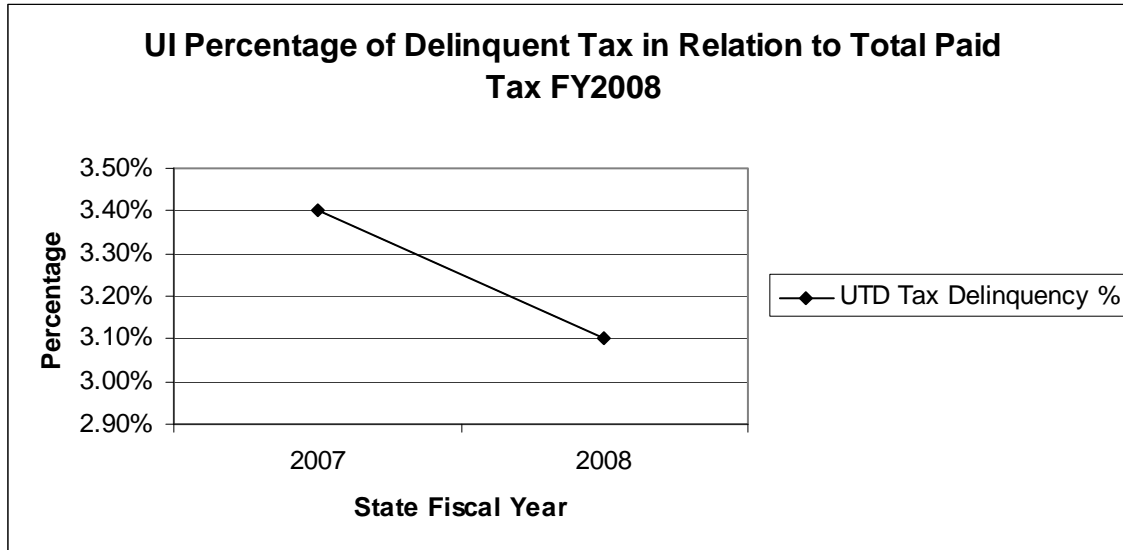
#6: A crucial component for the administration of the workers' compensation fund is the collection of delinquent premium by the Workers' Safety and Compensation Division. Uncollected premium is socialized to all employers, thus penalizing those employers paying in accordance with the requirements. For this measure, the delinquent amount was premium due only and the premium revenue total did not include case cost liability penalties or interest income. The running delinquency amount versus premium paid decreased yearly from 1.55 percent at the end of FY03 to 0.40 percent in FY07. In FY08, the ratio was 0.43 percent, the first time the Division has seen an increase since this performance measure began. The delinquent premium also increased from \$1 million in 2007 to \$1.1 million or 9 percent. The Division has focused on conducting more audits of employers in FY08. Placing more focus on conducting audits and taking time away from collecting delinquent premiums could have contributed to the increase in the delinquency percentage.

What has been Accomplished?

#6: In FY08, the Division's personnel were trained to take delinquent employers to small claims court to collect the delinquent premium from those employers ignoring the Division's efforts to collect. Currently, the Division is establishing procedures with the Attorney General's office to take further legal action on these delinquent employers. The Division will reassign the areas of responsibility for field staff in an effort to concentrate on higher delinquency areas. The Division intends to pursue legal action against the delinquent employers.

The Division has also increased the field staff by one position through the reclassification process. The Division intends to use this one position to assist in meeting its goals for audits as well as decreasing the premium delinquency.

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 unemployment insurance taxes. Uncollected taxes are socialized to all employers, thus penalizing those employers paying in accordance with the requirements. Total delinquencies at the end of FY08 were \$1.7 million, a reduction of 7.4 percent from FY07 delinquencies which totaled \$1.8 million. Total tax paid for FY08 was \$53.5 million, an increase of 1.9 percent from FY07 when \$52.5 million was paid. The delinquency percentage compared to overall tax revenue was 3.1 percent, down 8.8 percent from FY07. The delinquency amounts do not include bankrupt accounts or estimated jeopardy assessments, which is consistent with federal reporting standards. The tax revenue excludes penalties, interest, and investment income from the fund.

Even though Wyoming's strong economy has resulted in low unemployment rates, the strong economy has resulted in an increase in the number of active employers (up 3.3 percent from FY07) and an increase in overall wages, increasing the amount of taxes collected (up 1.9 percent from FY07). This economy provides a fertile environment for start-up businesses, increasing staff workloads in registrations, accounts receivable, collections and fraudulent employer investigations. Coinciding with the increased workloads, the Division's tax and field sections experienced a 31.8 percent staff turnover rate during FY08; as of June 30, 2008, only 36.4 percent of the tax and field staff had more than 5 years experience in the unemployment insurance program. The reduction in the number of delinquencies and the increase in the amount of taxes collected is contributed to the Division's staff. This reduction was accomplished even though workloads increased and resources were dedicated to the development and implementation of a self-service electronic process for employers. Training also consumed considerable amounts of staff time.

What has been Accomplished?

#7: Training for all staff was increased, in group sessions and one-on-one, to address educational needs. The Division continued to encourage use of its electronic reporting program, WIRE (Wyoming Internet Reporting for Employers) and received 46 percent of the first quarter 2008 reports electronically. The Division implemented an Internet Registration program in April 2008, on a limited basis, and will realize additional time savings when this program is in full production (projected completion date is September 30, 2008). Self-service electronic processes for employers reduce staff workloads and allow the Division to allocate additional staff hours to collection and fraudulent employer functions.

State of Wyoming

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