

Industrial Commission

Analyst: Smith

Historical Summary

OPERATING BUDGET	FY 2020 Total App	FY 2020 Actual	FY 2021 Approp	FY 2022 Request	FY 2022 Gov Rec
BY PROGRAM					
Compensation	6,737,300	5,796,700	12,082,400	13,012,400	12,950,300
Rehabilitation	4,254,800	3,952,800	4,342,800	4,322,800	4,283,200
Crime Victims Compensation	4,889,200	4,188,800	5,019,400	5,170,300	5,158,600
Adjudication	2,478,500	2,231,700	0	0	0
Total:	18,359,800	16,170,000	21,444,600	22,505,500	22,392,100
BY FUND CATEGORY					
General	297,000	154,800	294,000	294,000	294,000
Dedicated	16,862,800	14,815,200	19,950,600	21,011,500	20,898,100
Federal	1,200,000	1,200,000	1,200,000	1,200,000	1,200,000
Total:	18,359,800	16,170,000	21,444,600	22,505,500	22,392,100
Percent Change:		(11.9%)	32.6%	4.9%	4.4%
BY OBJECT OF EXPENDITURE					
Personnel Costs	9,639,700	9,075,300	9,923,100	10,227,900	10,114,500
Operating Expenditures	3,513,800	2,885,100	6,314,700	7,271,900	7,271,900
Capital Outlay	84,300	68,800	201,100	0	0
Trustee/Benefit	5,122,000	4,140,800	5,005,700	5,005,700	5,005,700
Total:	18,359,800	16,170,000	21,444,600	22,505,500	22,392,100
Full-Time Positions (FTP)	132.25	132.25	133.25	133.25	133.25

Department Description

The Industrial Commission was established in 1918 to ensure the Idaho's Workers' Compensation Law is impartially and efficiently administered. The commission encourages safe working environments, prompt and accurate benefit payments, timely dispute resolution, and vocational rehabilitation services.

The COMPENSATION PROGRAM includes employer compliance, benefits administration, management services, and adjudication. The program evaluates property and casualty insurers applying to write workers' compensation insurance and employers requesting to become self-insured; ensures that adequate securities are held in the state treasury to pay outstanding workers' compensation liabilities in case of insolvency; enforces the requirements of the workers' compensation law to ensure timely, accurate payment to injured workers; ensures that employers are providing statutory coverage to all eligible workers; and resolves disputes between claimants, insurers, and employers on non-litigated claims. [Statutory Authority: Chapter 5, Title 72, Idaho Code]

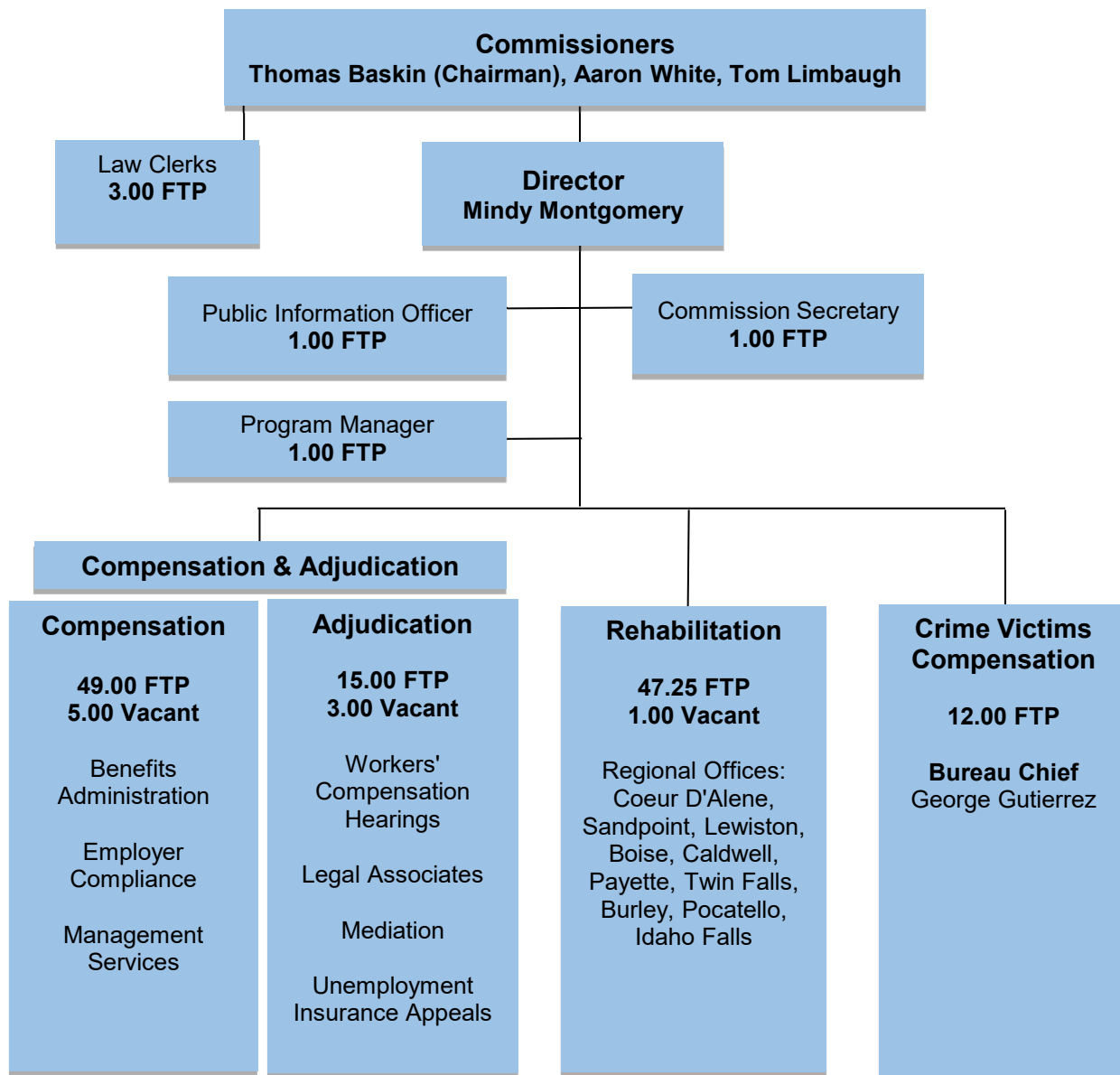
The REHABILITATION PROGRAM was created in 1978 by the Legislature to reduce the duration of temporary disability resulting from an industrial injury. To the extent possible, this program strives to help injured workers obtain employment at a wage that is comparable to their pre-injury status. Consultants serve injured workers from 10 field offices across the state. [Statutory Authority: Section 72-501A, Idaho Code]

The CRIME VICTIMS COMPENSATION PROGRAM was established in 1986 to provide financial assistance to innocent victims of crime. Benefits are paid for costs such as medical and mental health care, examinations, funeral expenses, and lost wages that result from a crime, up to a maximum of \$25,000 per victim, per crime. Benefits are not payable for property damage. Funding comes from fines and penalties assessed on criminal convictions and a federal grant. Certain restitution and prison payment programs are also directed to the fund. [Statutory Authority: Chapter 10, Title 72, Idaho Code]

The ADJUDICATION PROGRAM was consolidated into the Compensation Program in FY 2021. Adjudication includes three commissioners appointed by the Governor whose staff hear and adjudicate disputed workers' compensation claims, unemployment insurance appeals, medical fee disputes, and disputed determinations made by the Crime Victims Compensation Program.

Industrial Commission Organizational Chart

Analyst: Smith



Total Authorized FTP: 133.25
Vacant FTP: 9.00
 (as of 12/31/2020)

Part II – Performance Measures

Performance Measure		FY 2017	FY 2018	FY 2019	FY 2020	FY 2021
Agency Goal 1						
<i>Enforce the statutory and regulatory requirements of the Idaho Workers' Compensation Law</i>						
1. Number of employers who obtained insurance as a result of Employer Compliance investigation.	actual	1,821	1,816	2,142	1,789	-----
	target	1,700	1,700	1,700	2,000	
Agency Goal 2						
<i>Provide timely dispute resolution arising out of workers' compensation, unemployment appeals, and crime victims compensation cases</i>						
2. Issue workers' compensation decisions within an average of 90 days from date of final submission.	actual	82	144*	89	98	-----
	target	< 90 day average	< 90 day average	<90 day average	<90 day average	
3. Successfully resolve 90% of mediated workers' compensation cases.	actual	96.3%	95.6%	95.1%	94.69%	-----
	target	90% resolved	90% resolved	90% resolved	90% resolved	
4. Average age of pending unemployment appeals at less than 40 days.	actual	9	22	20	19	-----
	target	< 40 day average	< 40 day average	<40 day average	<40 day average	
Agency Goal 6						
<i>Provide vocational rehabilitation services focused on restoring injured workers to gainful employment and minimizing loss for employers</i>						
5. Percentage of rehabilitation cases returned to pre-injury employment/wage.	actual	74.41%	70%	70.75%	72.74%	-----
	target	60%	60%	60%	65%	
6. Percentage of rehabilitated workers maintaining at least 90 percent of their pre-injury status and wage.	actual	93.66%	93%	92.51%	94.83%	-----
	target	90%	90%	90%	90%	
Crime Victims Compensation Division Goal 1						
<i>Administer benefits in a timely and efficient manner</i>						
7. Determine eligibility of CV applications within 30 days of receipt of required documentation.	actual	39	45	27	33 days	-----
	target	<30 days	< 30 days	< 30 days	< 30 days	
8. Pay eligible victims claims within 120 days of the date the application was received.	actual	180	146	137	159	-----
	target	<120 days	< 120 days	< 120 days	< 120 days	
9. Maintain a benefit utilization rate of 72% on crime victims' cases.	actual	63%	58%	63%	63%	-----
	target	72%	72%	72%	72%	

Performance Measure Explanatory Notes

- Due to an unforeseen absence in FY 2018 and an unwillingness of parties to allow for case reassignment, the average workers' compensation decisions timeframe to issuance shifted up to a 144 day average. This was an outlier, and the issue has been rectified. It is anticipated to return to its trend of <90 days in FY 2019.

Industrial Commission

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FY 2020 Actual Expenditures by Division

		FTP	PC	OE	CO	T/B	LS	Total
0.30 FY 2020 Original Appropriation								
0001-00	Gen	0.00	0	0	0	300,000	0	300,000
0300-00	Ded	119.25	8,793,400	2,933,100	78,300	1,185,100	0	12,989,900
0312-00	Ded	0.00	8,600	3,800	0	156,100	0	168,500
0313-00	Ded	13.00	855,900	531,900	6,000	2,000,000	0	3,393,800
0349-00	Ded	0.00	0	45,000	0	0	0	45,000
0348-00	Fed	0.00	0	0	0	1,200,000	0	1,200,000
Totals:		132.25	9,657,900	3,513,800	84,300	4,841,200	0	18,097,200
0.43 Supplementals								
0300-00	Ded	0.00	0	0	0	283,800	0	283,800
Totals:		0.00	0	0	0	283,800	0	283,800
0.44 Rescissions								
0300-00	Ded	0.00	(16,600)	0	0	0	0	(16,600)
0313-00	Ded	0.00	(1,600)	0	0	0	0	(1,600)
Totals:		0.00	(18,200)	0	0	0	0	(18,200)
0.45 Omnibus Decisions								
0001-00	Gen	0.00	0	0	0	(3,000)	0	(3,000)
Totals:		0.00	0	0	0	(3,000)	0	(3,000)
1.00 FY 2020 Total Appropriation								
0001-00	Gen	0.00	0	0	0	297,000	0	297,000
0300-00	Ded	119.25	8,776,800	2,933,100	78,300	1,468,900	0	13,257,100
0312-00	Ded	0.00	8,600	3,800	0	156,100	0	168,500
0313-00	Ded	13.00	854,300	531,900	6,000	2,000,000	0	3,392,200
0349-00	Ded	0.00	0	45,000	0	0	0	45,000
0348-00	Fed	0.00	0	0	0	1,200,000	0	1,200,000
Totals:		132.25	9,639,700	3,513,800	84,300	5,122,000	0	18,359,800
1.21 Net Object Transfer								
0300-00	Ded	0.00	(100,000)	94,400	5,600	0	0	0
Totals:		0.00	(100,000)	94,400	5,600	0	0	0
1.41 Receipt to Appropriation								
0300-00	Ded	0.00	0	13,900	1,100	0	0	15,000
Totals:		0.00	0	13,900	1,100	0	0	15,000
1.61 Reverted Appropriation								
0001-00	Gen	0.00	0	0	0	(142,200)	0	(142,200)
0300-00	Ded	0.00	(425,700)	(707,600)	(19,400)	(187,800)	0	(1,340,500)
0312-00	Ded	0.00	(7,800)	(3,100)	0	(140,300)	0	(151,200)
0313-00	Ded	0.00	(30,900)	(13,600)	(2,800)	(510,900)	0	(558,200)
0349-00	Ded	0.00	0	(12,700)	0	0	0	(12,700)
Totals:		0.00	(464,400)	(737,000)	(22,200)	(981,200)	0	(2,204,800)

Industrial Commission

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FY 2020 Actual Expenditures by Division

		FTP	PC	OE	CO	T/B	LS	Total
2.00	FY 2020 Actual Expenditures							
0001-00	Gen	0.00	0	0	0	154,800	0	154,800
	General		0	0	0	154,800	0	154,800
0300-00	Ded	119.25	8,251,100	2,333,800	65,600	1,281,100	0	11,931,600
	Industrial Administration		8,251,100	2,333,800	65,600	1,281,100	0	11,931,600
0312-00	Ded	0.00	800	700	0	15,800	0	17,300
	Peace Officer and Detention Officer Temporary Disability		800	700	0	15,800	0	17,300
0313-00	Ded	13.00	823,400	518,300	3,200	1,489,100	0	2,834,000
	Crime Victims Compensation		823,400	518,300	3,200	1,489,100	0	2,834,000
0349-00	Ded	0.00	0	32,300	0	0	0	32,300
	Miscellaneous Revenue		0	32,300	0	0	0	32,300
0348-00	Fed	0.00	0	0	0	1,200,000	0	1,200,000
	Federal Grant		0	0	0	1,200,000	0	1,200,000
Totals:		132.25	9,075,300	2,885,100	68,800	4,140,800	0	16,170,000

Difference: Actual Expenditures minus Total Appropriation

0001-00	Gen		0	0	0	(142,200)	0	(142,200)
	General		N/A	N/A	N/A	(47.9%)	N/A	(47.9%)
0300-00	Ded		(525,700)	(599,300)	(12,700)	(187,800)	0	(1,325,500)
	Industrial Administration		(6.0%)	(20.4%)	(16.2%)	(12.8%)	N/A	(10.0%)
0312-00	Ded		(7,800)	(3,100)	0	(140,300)	0	(151,200)
	Peace Officer and Detention Officer Temporary Disability		(90.7%)	(81.6%)	N/A	(89.9%)	N/A	(89.7%)
0313-00	Ded		(30,900)	(13,600)	(2,800)	(510,900)	0	(558,200)
	Crime Victims Compensation		(3.6%)	(2.6%)	(46.7%)	(25.5%)	N/A	(16.5%)
0349-00	Ded		0	(12,700)	0	0	0	(12,700)
	Miscellaneous Revenue		N/A	(28.2%)	N/A	N/A	N/A	(28.2%)
0348-00	Fed		0	0	0	0	0	0
	Federal Grant		N/A	N/A	N/A	0.0%	N/A	0.0%
Difference From Total Approp			(564,400)	(628,700)	(15,500)	(981,200)	0	(2,189,800)
Percent Diff From Total Approp			(5.9%)	(17.9%)	(18.4%)	(19.2%)	N/A	(11.9%)

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Comparative Summary

Decision Unit	Agency Request			Governor's Rec		
	FTP	General	Total	FTP	General	Total
FY 2021 Original Appropriation	133.25	294,000	21,444,600	133.25	294,000	21,444,600
Executive Holdback	0.00	(14,700)	(14,700)	0.00	(14,700)	(14,700)
FY 2021 Estimated Expenditures	133.25	279,300	21,429,900	133.25	279,300	21,429,900
Removal of Onetime Expenditures	0.00	0	(3,240,000)	0.00	0	(3,240,000)
Restore Rescissions	0.00	14,700	14,700	0.00	14,700	14,700
FY 2022 Base	133.25	294,000	18,204,600	133.25	294,000	18,204,600
Benefit Costs	0.00	0	224,700	0.00	0	31,900
Statewide Cost Allocation	0.00	0	(3,900)	0.00	0	(3,900)
Change in Employee Compensation	0.00	0	80,100	0.00	0	159,500
FY 2022 Program Maintenance	133.25	294,000	18,505,500	133.25	294,000	18,392,100
1. IT Modernization - Year 2	0.00	0	4,000,000	0.00	0	4,000,000
FY 2022 Total	133.25	294,000	22,505,500	133.25	294,000	22,392,100
Change from Original Appropriation	0.00	0	1,060,900	0.00	0	947,500
% Change from Original Appropriation		0.0%	4.9%		0.0%	4.4%

Industrial Commission

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Budget by Decision Unit	FTP	General	Dedicated	Federal	Total
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FY 2021 Original Appropriation					
The Legislature funded five line items for FY 2021: These included \$3,298,000 for year one of a business and technology modernization project; 1.00 FTP and \$77,000 for a program analyst/auditor; 1.00 FTP and \$58,100 for a technical records specialist; a net-zero transfer to combine two budgeted programs; and \$7,800 for a 2% salary increase for the three commissioners.					
	133.25	294,000	19,950,600	1,200,000	21,444,600

Executive Holdback				Crime Victims Compensation	
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This adjustment reflects a 5% temporary reduction in General Fund spending authority (holdback) for FY 2021 issued through Executive Order No. 2020-14. This reduction is restored as a base adjustment in FY 2022, below.

Agency Request	0.00	(14,700)	0	0	(14,700)
Governor's Recommendation	0.00	(14,700)	0	0	(14,700)

FY 2021 Estimated Expenditures					
Agency Request	133.25	279,300	19,950,600	1,200,000	21,429,900
Governor's Recommendation	133.25	279,300	19,950,600	1,200,000	21,429,900

Removal of Onetime Expenditures

Amounts appropriated on a onetime basis in FY 2021 for replacement items (\$196,600) and onetime line items (\$3,043,400) are removed before calculating the FY 2022 Base.

Agency Request	0.00	0	(3,240,000)	0	(3,240,000)
Governor's Recommendation	0.00	0	(3,240,000)	0	(3,240,000)

Restore Rescissions

This adjustment restores the 5% General Fund holdback removed as a current year expenditure adjustment, above.

Agency Request	0.00	14,700	0	0	14,700
Governor's Recommendation	0.00	14,700	0	0	14,700

FY 2022 Base					
Agency Request	133.25	294,000	16,710,600	1,200,000	18,204,600
Governor's Recommendation	133.25	294,000	16,710,600	1,200,000	18,204,600

Benefit Costs

Employer-paid benefit changes include an 11% increase (or \$1,280 per eligible FTP) for health insurance, bringing the total appropriation to \$12,930 per FTP. Also included is a restoration of the unemployment insurance rate, a partial restoration of the unused sick leave rate, and adjustments to workers' compensation that vary by agency.

Agency Request	0.00	0	224,700	0	224,700
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The Governor recommends no increase for health insurance due to fewer claims than expected and a one-year holiday for employers who contribute to the PERSI-managed sick leave plan.

Governor's Recommendation	0.00	0	31,900	0	31,900
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Statewide Cost Allocation

This request includes adjustments to recover the cost of services provided by other agencies in accordance with federal and state guidelines on cost allocation. Attorney General fees will increase by \$2,100, risk management costs will decrease by \$6,500, State Controller fees will increase by \$400, and State Treasurer fees will increase by \$100, for a net reduction of \$3,900.

Agency Request	0.00	0	(3,900)	0	(3,900)
Governor's Recommendation	0.00	0	(3,900)	0	(3,900)

Industrial Commission

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Budget by Decision Unit	FTP	General	Dedicated	Federal	Total
Change in Employee Compensation					
For calculation purposes, agencies were directed to include the cost of a 1% salary increase for permanent and temporary employees.					
Agency Request	0.00	0	80,100	0	80,100
<i>The Governor recommends a 2% increase in employee compensation, distributed on merit. He does not recommend a compensation increase for group and temporary positions.</i>					
Governor's Recommendation	0.00	0	159,500	0	159,500

FY 2022 Program Maintenance					
Agency Request	133.25	294,000	17,011,500	1,200,000	18,505,500
Governor's Recommendation	133.25	294,000	16,898,100	1,200,000	18,392,100

1. IT Modernization - Year 2

Compensation, Crime Victims Compensation

The Industrial Commission requests a total of \$4,000,000 onetime from dedicated funds for year two of its business and technology modernization project, which is anticipated to be completed in three to four years. The costs will be split between two of the commission's programs and their respective dedicated funds as follows: \$3,520,000 from the Industrial Administration Fund for the Compensation Program, and \$480,000 from the Crime Victims Compensation Fund for the Crime Victims Compensation Program. The modernization will eliminate much of the paper-based processes and record-keeping in the agency and allow for electronic filing, which will mirror the process used by the courts. The project's goals are to upgrade all business applications into one system, establish web portals that allow authenticated parties to submit and retrieve documents securely, allow crime victims to electronically apply for benefits, allow injured workers or their representation to electronically file complaints for workers' compensation cases, and create an electronic indexed document repository that will replace microfilm archiving. In FY 2021, the Legislature appropriated \$3,298,000 for year one of the project. The agency is currently in the process of contracting with an IT integrator to configure Microsoft Dynamics/Azure to meet the agency's workflow, portal, and document storage requirements. The agency anticipates that a contract will be awarded and work on the project will begin by the end of calendar year 2020, at which point the ongoing timeline and budget for future years will be established.

Agency Request	0.00	0	4,000,000	0	4,000,000
Governor's Recommendation	0.00	0	4,000,000	0	4,000,000

FY 2022 Total					
Agency Request	133.25	294,000	21,011,500	1,200,000	22,505,500
Governor's Recommendation	133.25	294,000	20,898,100	1,200,000	22,392,100

Agency Request

Change from Original App	0.00	0	1,060,900	0	1,060,900
% Change from Original App	0.0%	0.0%	5.3%	0.0%	4.9%

Governor's Recommendation

Change from Original App	0.00	0	947,500	0	947,500
% Change from Original App	0.0%	0.0%	4.7%	0.0%	4.4%