

Industrial Commission of Arizona

JLBC: Steve Grunig
 OSPB: Karen Fallstrom

Subcommittee: Health & Welfare

DESCRIPTION	FY 2002	FY 2003	FY 2004		FY 2005	
	ACTUAL	ESTIMATE	OSPB	JLBC	OSPB	JLBC
PROGRAM BUDGET						
Industrial Commission of Arizona	14,591,700	15,983,500	16,265,100	16,094,500	16,265,100	16,094,500
Occupational Safety and Health Review Board	1,000	4,800	4,800	4,800	4,800	4,800
AGENCY TOTAL	14,592,700	15,988,300	16,269,900	16,099,300	16,269,900	16,099,300

OPERATING BUDGET						
<i>Full Time Equivalent Positions</i>	282.0	282.0	282.0	282.0	282.0	282.0
Personal Services	8,492,600	9,190,500	9,190,500	9,190,500	9,190,500	9,190,500
Employee Related Expenditures	1,896,100	2,214,300	2,375,500	2,194,000	2,375,500	2,194,000
Professional and Outside Services	1,166,700	1,262,000	1,262,000	1,262,000	1,262,000	1,262,000
Travel - In State	257,400	278,200	278,200	278,200	278,200	278,200
Travel - Out of State	15,000	18,400	18,400	18,400	18,400	18,400
Other Operating Expenditures	2,492,300	2,769,700	2,890,100	2,901,000	2,890,100	2,901,000
Equipment	272,600	255,200	255,200	255,200	255,200	255,200
AGENCY TOTAL	14,592,700	15,988,300	16,269,900	16,099,300	16,269,900	16,099,300

FUND SOURCES						
General Fund	1,000	4,800	4,800	4,800	4,800	4,800
<u>Other Appropriated Funds</u>						
Administrative Fund	14,591,700	15,983,500	16,265,100	16,094,500	16,265,100	16,094,500
SUBTOTAL - Other Appropriated Funds	14,591,700	15,983,500	16,265,100	16,094,500	16,265,100	16,094,500
SUBTOTAL - Appropriated Funds	14,592,700	15,988,300	16,269,900	16,099,300	16,269,900	16,099,300
<u>Other Non-Appropriated Funds</u>						
Other Non-Appropriated Funds	32,977,500	21,147,300	NA	19,409,600	NA	19,409,600
Federal Funds	3,475,200	4,226,800	NA	4,238,500	NA	4,238,500
TOTAL - ALL SOURCES	51,045,400	41,362,400	NA	39,747,400	NA	39,747,400

CHANGE IN FUNDING SUMMARY	FY 2003 to FY 2004 JLBC		FY 2003 to FY 2005 JLBC		Biennial
	\$ Change	% Change	\$ Change	% Change	\$ Change
General Fund	0	0	0	0	0
Other Appropriated Funds	111,000	0.7%	111,000	0.7%	222,000
Total Appropriated Funds	111,000	0.7%	111,000	0.7%	222,000

AGENCY DESCRIPTION — *The Industrial Commission regulates the workers' compensation insurance industry. The commission is also responsible for child labor issues, occupational safety and health issues, wage claim dispute resolutions, licensing of private employment agencies and providing workers' compensation coverage for claimants of uninsured and self-insured employers or insolvent carriers.*

PERFORMANCE MEASURES	FY 2002	FY 2002	FY 2003	FY 2004
	Appropriation	Actual	Appropriation	Recommend.
• Claims for workers' compensation processed	156,637	138,839	160,553	--
• Hearings conducted by the Administrative Law Judge Division	6,600	6,650	6,983	--
• Average number of days to resolve a case by the Administrative Law Judge Division	126	125	129	125

PERFORMANCE MEASURES (Continued)	FY 2002 Appropriation	FY 2002 Actual	FY 2003 Appropriation	FY 2004 Recommend.
• % of worker's compensation claims processed within 5 days (NEW)		97		99
• Safety violations found	1,832	1,448	1,878	1,878
• Child labor law violations investigated	359	259	368	--
• % of agency staff turnover	9.0	12.5	9.0	9.0
• Administration as a % of total cost	10	9.1	10	9.1
• Customer satisfaction rating for Workers' Compensation Program (Scale 1-8)	6.0	7.0	6.0	7.0

Comments: The agency did not submit information for any measure labeled as "NA."

RECOMMENDED CHANGES FROM FY 2003

JLBC RECOMMENDED FORMAT — Lump Sum by Agency. The OSHA Review Board would appear as a separate budget unit in the General Appropriation Act.

Standard Changes	OF	<u>FY 2004</u> \$111,000	<u>FY 2005</u> \$111,000
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SUMMARY OF FUNDS	FY 2002 Actual	FY 2003 Estimate
Administrative (ICA2177/A.R.S. § 23-1081)		Appropriated
Source of Revenue: Annual tax on workers' compensation premiums that can not exceed 3%.		
Purpose of Fund: For all expenses of the Industrial Commission in carrying out its powers and duties.		
Funds Expended	14,720,300	16,038,500
Year-End Fund Balance	10,558,600	9,411,100
Federal Grants (ICA2000/A.R.S. § 35-142)		Non-Appropriated
Source of Revenue: Federal grants.		
Purpose of Fund: To enforce occupational safety and health standards in all industries in Arizona except businesses relating to mining and smelting, businesses located on Indian reservations and federal agencies.		
Funds Expended	3,475,200	4,226,800
Year-End Fund Balance	1,758,200	630,100
Revolving (ICA2002/A.R.S. § 35-142)		Non-Appropriated
Source of Revenue: Charges for claims education seminars and training materials, charges for medical fee schedules and other miscellaneous revenue.		
Purpose of Fund: To fund an annual seminar on workers' compensation for insurance carriers and self-insured employers; to print a medical fee schedule for workers' compensation; and to provide a holding account for money owed to employees by their employers for back wages.		
Funds Expended	208,900	219,100
Year-End Fund Balance	226,800	159,200
Special (ICA9003/A.R.S. § 23-1065)		Non-Appropriated
Source of Revenue: Earnings on investments, rent proceeds, and reimbursement of the cost of benefits provided to injured employees of uninsured employers.		
Purpose of Fund: To provide medical benefits in excess of original policy limits on claims occurring prior to a 1973 law change requiring unlimited statutory medical benefits; to provide compensation benefits resulting from second injuries; to provide vocational rehabilitation benefits; and to provide benefits on claims against uninsured employers and insolvent insurance carriers.		
Funds Expended	32,768,600	20,928,200
Year-End Fund Balance	573,000	523,100

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