

**DEPARTMENT OF CONSUMER AND BUSINESS SERVICES
ANNUAL PERFORMANCE PROGRESS REPORT (APPR)
FOR FISCAL YEAR 2006-07**

2007-09 Budget Form 107BF04c

Due: September 30, 2007

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Agency Mission

To protect and serve Oregon's consumers and workers while supporting a positive business climate in the state.

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ABOUT THIS REPORT

ABOUT THIS REPORT

Purpose of Report

The purpose of this report is to summarize the agency's performance for the reporting period, how performance data are used, and to analyze agency performance for each key performance measure legislatively approved for the 2007-09 biennium. The intended audience includes agency managers, legislators, fiscal and budget analysts, and interested citizens.

1. PART I: EXECUTIVE SUMMARY defines the scope of work addressed by this report and summarizes agency progress, challenges and resources used.
2. PART II: KEY MEASURE ANALYSIS analyzes agency progress in achieving each performance measure target and any corrective action to be taken. The bulk of this report is in this section and shows performance data in table and chart form.
3. PART III: USING PERFORMANCE DATA identifies who participates in the agency's performance measure development process and how the agency manages their results, training staff, and communicating performance data.

KPM = Key Performance Measure

The abbreviation "KPM" is used throughout this report to indicate **Key Performance Measures. Key performance measures are those highest-level, most outcome-oriented performance measures that are used to report externally to the legislature and interested citizens. Key performance measures communicate in quantitative terms how well the agency is achieving its mission and goals. Agencies may have additional, more detailed measures for internal management.**

Consistency of Measures and Methods

Unless noted otherwise, performance measures and their method of measurement are consistent for all time periods reported.

Agency Name: Department of Consumer & Business Services

TABLE OF MEASURES

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I. EXECUTIVE SUMMARY

Contact: Greg Malkasian, Deputy Director	Phone: 503-947-7872
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PART I: EXECUTIVE SUMMARY

1. SCOPE OF REPORT

Agency programs/services addressed by key performance measures:

- **Workers’ Compensation Division.** The Workers’ Compensation Division administers, monitors, and enforces Oregon’s workers’ compensation laws and protects injured workers’ rights and benefits. It facilitates injured workers’ early return to work and offers alternative dispute resolution services for medical, vocational, and disability disputes.
- **Oregon Occupational Safety & Health Division.** Oregon OSHA enforces the state’s workplace safety and health rules and works to improve workplace safety and health for all Oregon workers by inspecting worksites, investigating workplace fatalities and serious injuries, responding to complaints, recognizing safety and health excellence, and providing consultation, training and technical services, and safety and health recognition programs.
- **Building Codes Division.** The Building Codes Division ensures safe and effective building construction by adopting and administering statewide building codes, certifying inspectors and licensing trade professionals, providing code and rule interpretation and dispute resolution, and enforcing license, code, and permit requirements.
- **Insurance Division.** The Insurance Division helps ensure the financial soundness of insurers, the fair treatment of consumers, and the affordability and availability of insurance products by authorizing and examining companies, licensing producers, investigating alleged violations of insurance laws and enforcing them, reviewing insurance products, helping resolve consumer complaints, and educating the public and industry.
- **Division of Finance and Corporate Securities.** The Division of Finance and Corporate Securities helps ensure that a wide range of financial products and services are available to Oregonians and helps protect consumers from financial fraud and abuse. It does that by licensing financial institutions and service providers, regulating the sale of securities in Oregon, investigating complaints and alleged violations of financial-service laws, and providing education and other resources to consumers.
- **Workers’ Compensation Board.** The board provides impartial resolution of disputes arising under workers’ compensation law and the Oregon Safe Employment Act.
- **Office of Regulatory Streamlining.** The office conducts activities across and beyond state agencies to help reduce the regulatory burden borne by Oregon businesses while maintaining protections for citizens and the state. Although the office itself is not measured directly by any KPMs, it influences many of the KPMs that involve streamlining, such as #7, #8, #10, and #12.
- **Office of Minority, Women, and Emerging Small Business.** This office certifies minority-owned, women-owned, and emerging small businesses to ensure they have access to public and private contracting opportunities.
- **Ombudsman offices.** DCBS has an Ombudsman for Injured Workers and a Small Business Ombudsman to serve as resources for injured workers and small employers in dealing with the workers’ compensation system.

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I. EXECUTIVE SUMMARY

Agency Mission: To protect and serve Oregon's consumers and workers while supporting a positive business climate in the state.

2. THE OREGON CONTEXT

DCBS' work has a major impact on the economic vitality and quality of life in Oregon. Through its diverse divisions, DCBS protects and serves Oregon's consumers and workers while supporting a positive business climate.

Many of its performance measures and outcomes align with Oregon Benchmark #9, Oregon's national rank in the cost of doing business. For example, DCBS sets the workers' compensation "pure" premium insurance rate; since 1990, Oregon employers have saved \$14.5 billion due to rate reductions. This significantly lowers the cost of doing business in Oregon and helps retain and attract businesses. Improved workplace safety through OR-OSHA programs has been a key contributor to keeping rates down. At the same time, the department has been able to improve benefits for injured workers through its Workers' Compensation Division. The Building Codes Division has worked to streamline processes for contractors through projects such as the minor label (KPM #10) and e-permitting programs which make it more efficient for businesses to acquire necessary documents. The Building Codes Division is the first in the nation to develop a statewide e-permitting system, which will allow contractors to do permitting and other building department business 24 hours a day, seven days a week.

Consumer protection is another high-level outcome that DCBS divisions contribute to. The Division of Finance and Corporate Securities and the Insurance Division regulate financial and insurance companies to make sure they are financially sound and offer suitable products to consumers. The divisions also protect consumers from fraud and abuse through education and enforcement.

The department frequently works with other state agencies and government entities. DCBS works with all state agencies on simplifying business regulations through the Office of Regulatory Streamlining. The office serves as a clearinghouse for streamlining efforts. The Building Codes Division partners with local governments in the delivery of services to Oregonians.

3. LEGISLATIVE UPDATES

During the 2007 Legislative session, DCBS requested and received approval to make several modifications to its previously reported Key Performance Measures. These included the deletion of six measures and the addition of three others, as well as direction to study other potential measures. The changes and their justifications are summarized below.

Deletions:

Medical Insurance Pool (*Number of Oregon Medical Insurance Pool enrollees*). This measure is an output measure rather than an outcome measure. There are a number of variables that can impact the actual number of enrollees that don't necessarily relate to the outcomes of this program's intended purpose, which is reducing the uninsured rate by providing health insurance options to people who would otherwise be without coverage.

Injured Worker Benefits (*Percent of injured workers who receive timely and accurate benefits*). This measure is replaced by two separate measures — one on timeliness and one on accuracy — to provide better focus on both aspects of worker benefits.

Employer Safety & Health Recognition Programs (*Number of Oregon employers who have voluntarily implemented outstanding safety and health programs and as a result are members of one or two OR-OSHA self-sufficiency programs, the Voluntary Protection or the Safety and Health Achievement Recognition Program*). The new occupational injury and illness rate measure is a more appropriate high-level outcome. DCBS will continue to track these data as a management tool.

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Workers' Benefit Fund Reimbursements (*Percent of Workers' Benefit Fund expenditure requests determined to be eligible*). This measure is a utilization activity more than an outcome. DCBS' existing return-to-work measures, Wage Recovery for Injured Workers, and Reemployment for Injured Workers, support higher-level outcomes than this measure.

Stakeholder Input for Rules (*Percent of permanent rules developed with stakeholder input*). This performance measure was designed to influence the department's strategy to seek input from stakeholders and the public. DCBS performed at more than 90 percent for this measure since its adoption and performed at 100 percent for 2005 and 2006. The expectation of performance is fully adopted within the culture at DCBS.

Alternative Dispute Resolution (ADR) (*Percent of cases closed that use alternative dispute resolution*). This measure seemed very appropriate at the time of adoption. However, there is a fundamental weakness with this measure: not all cases are appropriate for alternative dispute resolution. The ADR is encouraged as an option to achieve collaborative outcomes and compliance whenever appropriate. This practice is fully adopted within the culture at DCBS. The ADR increased the percentage of cases from 67 percent in 2000 to more than 90 percent during 2004-2006.

Additions:

Occupational Injury and Illness Incidence Rates (*Number of occupational injury and illness cases per 100 full-time workers*). A primary part of DCBS' mission is to protect workers in Oregon. The highest-level outcome, as it relates to the department's efforts in preventing worker injuries and illnesses, is the reported rate of workplace injury and illness.

Timely Worker Benefits (*Percent of injured workers who receive timely benefits from insurers*) and **Accurate Worker Benefits** (*Percent of injured workers who receive accurate benefits from insurers*). Previously, DCBS measured Timely Worker Benefits and Accurate Worker Benefits as one performance measure. This measure (Injured Worker Benefits) was replaced with two separate measures. These two important aspects of benefits to injured workers deserve individual focus so that DCBS can consider and report its efforts with respect to these outcomes separately.

In addition to the additions and deletions, DCBS recommended evaluation of several potential measures in the interim period prior to the next session.

Interim Work:

Reconsideration of Current Performance Measure (*Percent of regulated entities operating at desirable levels of acceptability or soundness*). This is currently a composite measure that combines information on licensed financial institutions (e.g. banks, credit unions), financial services companies (e.g. consumer finance companies, mortgage lenders, pawn shops), and workers' compensation insurers. While acceptability and soundness of these entities can be seen as proxies for consumer protection outcomes, there are enough differences in the desired outcomes, as well as in how the entities operate and are regulated, to make interpreting the results of a combined measure difficult. It may be appropriate to consider splitting this measure into multiple separate measures, with each focusing on its own related outcome. Another challenge with this measure, is that the department has moved to risk-based exams, which means it is examining companies that are more likely to have regulatory issues. This may result in more entities operating below desired levels in the short-term, but increase overall compliance in the long term.

Oregon's Workers' Compensation Costs. DCBS conducts a study each biennium that produces state rankings of premium rates; this is one possible way to measure the cost of the system. The department is considering this or possibly other appropriate methods of measuring this high-level outcome.

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Workers' Compensation Benefits for Injured Workers. Determining benefit level performance is complex, especially when doing state-to-state comparisons. Some options under consideration for benefits include: comparing states on statutory benefit levels (either directly, or control for wage levels in each state); comparing states on the average cost per case; and determining the percentage of lost wages in Oregon that are replaced by benefits. Each option has advantages and disadvantages that need further examination before proposing a performance measure for injured worker benefit levels.

4. PERFORMANCE SUMMARY

DCBS is at or above target achievement in the majority of its key performance measures. The agency's performance has contributed to a number of positive outcomes for businesses, workers, and consumers in Oregon. Workers' compensation costs have not risen in 18 years and are lower than Oregon's neighboring states. Workplace injury and illness incidence rates decreased 50 percent between 1988 and 2007, and, in 2006, Oregon saw the lowest compensable worker fatality rate ever recorded in its history. The Workers' Compensation Division's return-to-work programs are getting injured workers back to work faster and workers are receiving higher wages and benefits (KPMs #2 and #11). Nearly 42 percent of DCBS' transactions with customers were done electronically in 2007 — saving time and money for customers and stakeholders.

Many of the KPMs that are not at target are expected to improve in the next few years. For example, the Workers' Compensation Division has raised its expectations for insurers providing timely benefits to workers. We expect those efforts to result in workers receiving benefits on an even timelier basis. In addition, the department is taking a "risk-based" approach to examinations, which we expect to lead to more regulated entities in compliance with the law.

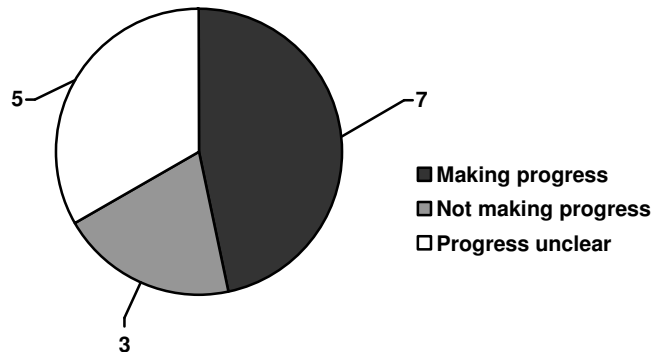
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I. EXECUTIVE SUMMARY

Agency Mission: To protect and serve Oregon’s consumers and workers while supporting a positive business climate in the state.

KPM Progress Summary	Key Performance Measures (KPMs) with Page References	# of KPMs
KPMs MAKING PROGRESS or trending toward target achievement	Wage Recovery for Injured Workers, Insurance Consumer Relief, Customer Service, Upheld Workers’ Compensation Decisions, E-Transactions for Customers, Permits for Minor Construction Work, Reemployment for Injured Workers	7
KPMs NOT MAKING PROGRESS Not meeting or trending toward target achievement	Regulatory Condition, Workers’ Compensation Coverage, Timely Worker Benefits	3
KPMs – PROGRESS UNCLEAR Steady or improved performance, but not meeting target	On-time Work, Consultations with Safety Committees, Streamlined Building Codes, Occupational Injury and Illness Incidence Rates, Accurate Worker Benefits	5
Total Number of Key Performance Measures (KPMs)		15

Key Performance Measures Progress Summary



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I. EXECUTIVE SUMMARY

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5. CHALLENGES

Many of DCBS' key performance measures are affected by the strength or weakness of the economy. For example, the recent slowing in the construction industry may be affecting the number of minor permits sold (KPM #10). The strength of the economy also impacts the job opportunities available to injured workers, which could affect KPMs #2 and #11.

DCBS is a very diverse agency with divisions that have different, yet sometimes related, functions and stakeholder groups. As a result, some of the performance measures that comprise several divisions are complex and difficult to gauge. Data collection, refinement, and analysis continue to be a challenge. Diversity, however, is beneficial to the agency in developing best practices.

Many measures are necessarily "proxy" measures, meaning that they give an indirect picture of progress toward a fundamental goal that resists direct measurement. In most cases, the agency is comfortable with proxy measures as a reliable indicator of performance.

6. RESOURCES USED AND EFFICIENCY

DCBS' operating budget for 2005-2007 biennium was \$177,519,614. Six of DCBS' key performance measures measure efficiency.

- KPM #7, On-time Work, measures timeliness in department activities such as closing complaints, completing applications, responding to inquiries, and issuing orders. This measure is below the target of 95 percent, but many of the timeliness standards we impose are stricter than statutory requirements.
- KPM #8, E-Transactions for Customers, measures the percentage of customer transactions completed electronically. Electronic transactions save time for DCBS and its customers and stakeholders. DCBS has surpassed its target since it started tracking this measure.
- KPM #10, Permits for Minor Construction Work, tracks the number of permits DCBS sells that can be used by contractors in multiple jurisdictions for small projects. This streamlines the permit process for contractors and DCBS. The department continues to exceed its target, but growth has slowed.
- KPM #12, Streamlined Building Codes, aims to lower the number of Oregon-specific building codes modifications made to the national codes. Fewer Oregon-specific codes means contractors and inspectors will need less training because codes do not vary from state to state. For the first time, DCBS is not meeting its target for this measure, but this is primarily due to the three-year code revision cycle which was just completed in 2007.
- Finally, KPM #14 and KPM#15, Timely Worker Benefits and Accurate Worker Benefits, measure the degree to which injured workers are receiving workers' compensation payments in an efficient manner. These measures were previously combined into a single measure, but to better determine the effectiveness of the agency's efforts at overseeing the workers' compensation insurance process, they were separated into individual measures. While the department is below the target on each of these measures, it maintains consistent high levels of performance overall.

II. KEY MEASURE ANALYSIS

Agency Mission: To serve and protect Oregon’s consumers and workers while supporting a positive business climate in the state.

PART II: KEY MEASURE ANALYSIS

KPM #1	REGULATORY CONDITION	Measure since: 2000
Goal	Percent of regulated entities operating at desirable levels of acceptability or soundness.	
Goal	DCBS Goal #1: Protect consumers and workers in Oregon.	
Oregon Context	Oregon Benchmark #9: Oregon’s national rank in the cost of doing business.	
Data source	DFCS data systems, WCD Claims Information System, and WCD Field Audit Unit Quarterly Claims Processing Performance Audit data.	
Owners	Sally Coen, Manager, Field Audit Unit, Workers’ Compensation Division, 503-947-7687 Shelley Greiner, Budget and Legislative Coordinator, Division of Finance and Corporate Securities, 503-947-7484	

1. OUR STRATEGY

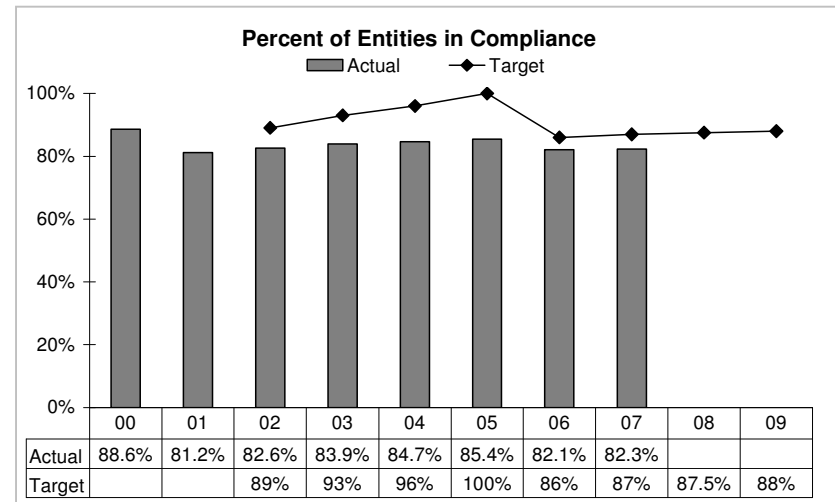
Achieve efficient regulation through risk-based examinations and redesigned insurer regulation based upon key performance indicators.

2. ABOUT THE TARGETS

This measure is a composite of the performance of mortgage lenders, banks and trusts, consumer finance companies, credit unions, and pawnbrokers regulated by the Division of Finance and Corporate Securities (DFCS), plus workers’ compensation insurers regulated by the Workers’ Compensation Division (WCD). It shows the percentage of regulated entities we have examined that operate at or above desirable levels of performance or soundness, defined in accordance with relevant regulatory criteria.

In addition to industry timeliness and conduct toward customers, the measure includes many factors that depend on the state of the economy, such as financial soundness, management strength, and asset quality. Because of the economic effect and our focus on risk-based examinations, a 100 percent compliance target is not feasible. Targeting steady improvement in the 80 percent range is a more realistic expectation.

We have decreased our targets to reflect the fact that we have moved to “risk-based” regulation. Risk-based means exams and audits focus on companies and industry segments where there is more risk for noncompliance. Taking this approach, we are more likely to examine low-performing institutions. Therefore, this measure is no longer measuring the overall compliance of the industry; it is instead measuring a subset of that industry that is less likely to be performing at acceptable levels.



Agency Name: Department of Consumer & Business Services

II. KEY MEASURE ANALYSIS

Agency Mission: To serve and protect Oregon's consumers and workers while supporting a positive business climate in the state.

3. HOW WE ARE DOING

Between 2001 and 2005, the department saw a steady increase in this measure. However, performance has declined in the most recent two years, down to 81.7 percent in 2007, largely from the focus on risk-based exams. Another factor is that we raised our performance standard for insurers from 80 percent to 90 percent, so fewer insurers are meeting this new threshold.

4. HOW WE COMPARE

Oregon's financial institutions and entities perform above national averages in this measure. As of June 30, 2007, 97.6 percent of Oregon-chartered banks were rated a "1" or "2" (the two highest rankings), compared with 94.8 percent of all FDIC-insured institutions and 94.8 percent of FDIC-insured banks in the San Francisco region. And 100 percent of Oregon credit unions are rated a "1" or "2" compared with 83 percent in our 13-state region. Mortgage lenders saw a substantial increase from 64.5 percent in 2006 to 77.2 percent in 2007. In addition, the Workers' Compensation Research Institute has indicated that Oregon has one of the highest percentage rates for timely payment of benefits to injured workers.

5. FACTORS AFFECTING RESULTS

Results for regulated financial entities can depend on variables such as the state of the economy and increasing numbers of new licensees. For example, because of the growth in the housing market, DFCS has seen an increasing number of complaints about mortgage lending, so it is conducting more for-cause exams in that industry. The department's risk-based approach to regulation also has affected the results and may mean that the data does not reflect the intent of this measure. Focusing on areas of greater risk is more effective, and the department expects it will result in more compliance with laws and regulations. In addition, the Workers' Compensation Division has increased its performance standards for insurers, requiring them to provide timely and accurate benefits 90 percent of the time instead of 80 percent of the time. This change has pushed down compliance levels in the short-term, but the department expects the move to increase compliance in the long-term.

6. WHAT NEEDS TO BE DONE

The department will continue to focus on risk-based and for-cause exams and audits so it can identify common problems and provide education for a specific entity or industry segments. The 2007 Legislature passed several consumer bills that affect financial institutions; the department will work on new rules related to that legislation and continue to identify statutory and administrative rule changes needed to clarify regulatory requirements. The Workers' Compensation Division will closely monitor data to determine the effect of increasing the performance thresholds on insurers and the workers' compensation system. It will continue to educate insurers about the changes and look for ways to streamline regulations.

In addition, the department is looking at potential changes in this measure in the interim, including splitting it up so it does not cover such a wide range of regulated activities.

7. ABOUT THE DATA

The reporting cycle is each fiscal year. Data are derived from examination results of banks, credit unions, mortgage lenders, consumer finance companies, and pawnbrokers based on an established rating system within each program. Data for the workers' compensation insurers comes from the claims information database.

II. KEY MEASURE ANALYSIS

Agency Mission: To serve and protect Oregon’s consumers and workers while supporting a positive business climate in the state.

KPM #2	WAGE RECOVERY FOR INJURED WORKERS Percentage difference in wage recovery for workers who use return-to-work programs versus workers who do not.	Measure since: 1999
Goal	DCBS Goal #1: Protect consumers and workers in Oregon.	
Oregon Context	Oregon Benchmark #9: Oregon’s national rank in the cost of doing business.	
Data source	Information Management Division, Research & Analysis Section using Employment Department and WCD data files.	
Owner	Jerry Rutherford, Manager, Reemployment Assistance Unit, Workers’ Compensation Division, 503-947-7575	

1. OUR STRATEGY

Restore injured workers physically and economically to a self-sufficient status in an expeditious manner and to the greatest extent possible.

2. ABOUT THE TARGETS

This measure comprises data from three return-to-work programs: the Vocational Assistance Program, the Preferred Worker Program, and the Employer-at-Injury Program. The data represents wages attained by injured workers 13 quarters after the date of injury who were using these program benefits compared to those who do not use any of these benefits. A higher number is desired because that would indicate a better wage recovery for workers using the return-to-work programs compared with those who do not. To set targets, we consider current return-to-work activities and legislative and program activities during the years of injury and when the worker entered the return-to-work program because the data represents wages attained by eligible injured workers 13 quarters after the date of injury.

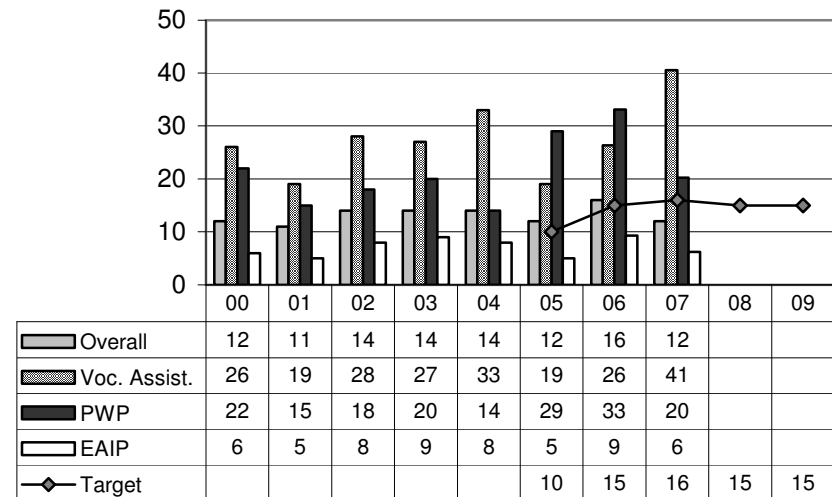
3. HOW WE ARE DOING

Data consistently shows that injured workers who use return-to-work programs maintain wages at a higher rate than workers who do not use these programs. In 2006, there was a 16 percentage-point difference in wage recovery for eligible workers using the return-to-work programs versus those who did not, the highest difference in 10 years. Much of that was driven by the high use of the Preferred Worker Program, which saw a record-high 33 percentage-point wage difference in 2006. The overall percentage point difference dropped back to 12 in 2007.

4. HOW WE COMPARE

Oregon’s return-to-work programs are nationally recognized and unique to Oregon. Many other jurisdictions have sought to introduce these programs in their jurisdictions due to the successes in Oregon.

Wage Recovery for Injured Workers



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II. KEY MEASURE ANALYSIS

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5. FACTORS AFFECTING RESULTS

Influences of the Oregon economy or changes in business practices may impact this measure by reducing or increasing opportunities for job openings. Another factor that affects results is changes in laws, rules, or WCD initiatives during the various times employees and employers trigger the use of these programs. Finally, the number of participants in these programs can skew the results of this measure. For example, participation in the Employer-At-Injury Program is much higher than the other two programs, so its low wage differential has a significant impact on the overall measure.

6. WHAT NEEDS TO BE DONE

WCD will continue to provide education and outreach that promotes use of the reemployment assistance programs, and dispute resolution services for vocational assistance matters. In addition, WCD will continue efforts to better serve injured workers through increased partnerships with vocational providers.

7. ABOUT THE DATA

To establish credible return-to-work wage results, it is necessary to observe over time the injured workers' wage after they return to employment. The data represents wages attained by eligible injured workers 13 quarters after the date of injury who were using vocational assistance, Preferred Worker, or Employer-at-Injury program benefits compared to those who do not use any of these benefits. This data is an annual summary of the most recent Oregon fiscal year of employment statistics comparing workers who participated in the return-to-work programs to those who did not. Data for this measure is reported each fiscal year (July 1–June 30).

II. KEY MEASURE ANALYSIS

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KPM #3	INSURANCE CONSUMER RELIEF Percent of confirmed complaints resolved with relief for the consumer.	Measure since: 2001
Goal	DCBS Goal #1: Protect consumers and workers in Oregon.	
Oregon Context	DCBS Mission: To protect and serve Oregon's consumers and workers while supporting a positive business climate in the state.	
Data source	Insurance consumer complaint data stored in the Complaints subsystem of the INSLIC data system.	
Owner	Ron Fredrickson, Manager, Consumer Advocacy Unit, Insurance Division, 503-947-7277	

1. **OUR STRATEGY**

Ensure consumers receive the benefits they are entitled to under the terms of their insurance contract and applicable laws by facilitating communication between the consumer and insurer.

2. **ABOUT THE TARGETS**

The Insurance Division uses the target to encourage prompt and thorough advocacy for consumers. The 70 percent target reflects the fact that not every person filing a confirmed complaint has a basis for an ultimate resolution in his or her favor.

3. **HOW WE ARE DOING**

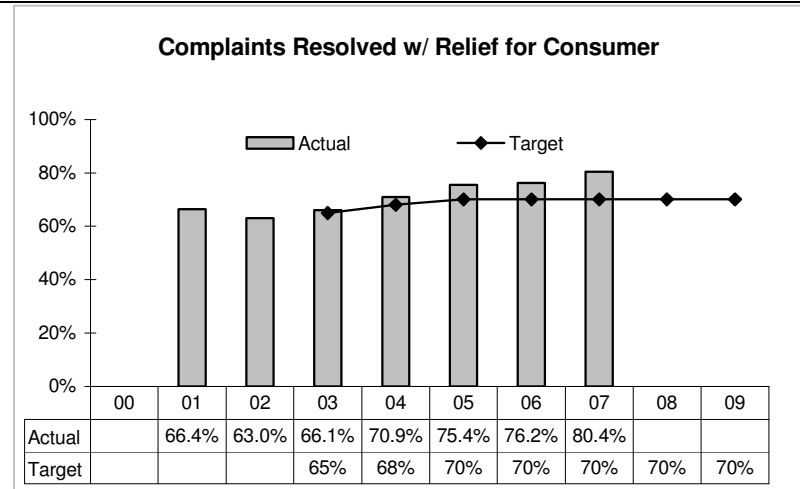
The Consumer Advocacy Unit has increased the number of complaints resolved and met its target each year since 2003. At more than 80 percent in 2007, the unit is performing above the normal range for this measure.

4. **HOW WE COMPARE**

We do not know of any comparable data. While other states collect data, it is too different to use as a comparison.

5. **FACTORS AFFECTING RESULTS**

The unit’s improved processes have resulted in our ability to process more complaints and improve performance. For example, the unit allows consumers to file complaints online and encourages the use of e-mail and electronic responses. In addition, the training and experience of the advocacy team affects results. We have maintained an experienced staff and have managed workloads to allow for sound analysis and follow-up. The Consumer Advocacy Unit has received more exposure through outreach efforts and, as a result, has been receiving complaints earlier in the process, making them more likely to be resolved. Externally, changes in policies and procedures by insurers can affect results. For example, changes in insurer policies related to credit scoring or total loss of a vehicle can affect the outcome of a consumer complaint.



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6. **WHAT NEEDS TO BE DONE**

We need to continue to deliver quality results to consumers by anticipating and addressing trends in the industry, such as timely payment of benefits and suitability of insurance products. We also must continuously improve our processes; we are researching additional electronic processes to eliminate as much paperwork as possible.

7. **ABOUT THE DATA**

The reporting cycle is fiscal year. More detailed data – identifying the type of insurance, the nature of the dispute, and the disposition – are available on request.

II. KEY MEASURE ANALYSIS

Agency Mission: To serve and protect Oregon’s consumers and workers while supporting a positive business climate in the state.

KPM #4	WORKERS’ COMPENSATION COVERAGE Number of claims against employers without workers' compensation coverage per 1,000 total claims.	Measure since: 1999
Goal	DCBS Goal #1: Protect consumers and workers in Oregon.	
Oregon Context	DCBS Mission: To protect and serve Oregon's consumers and workers while supporting a positive business climate in the state.	
Data source	Counts maintained in the Workers’ Compensation Division's Claims Information System.	
Owner	Reg Gregory, Manager, Employer Compliance Unit, Workers’ Compensation Division, 503-947-7665 Claims Unit Supervisor, Workers’ Compensation Division, 503-947-7619	

1. **OUR STRATEGY**

Ensure all employers in Oregon have workers’ compensation insurance coverage by using education and enforcement, improving data reporting, and partnering with other agencies.

2. **ABOUT THE TARGETS**

This measure is a proxy for identifying the number of employers operating without workers’ compensation insurance coverage, which helps the Workers’ Compensation Division measure its regulatory influence on employers. The target is based upon historical patterns of performance and can be greatly influenced by Oregon’s economy and other external factors. A lower number is desired for this measure because it indicates fewer noncomplying employers.

3. **HOW WE ARE DOING**

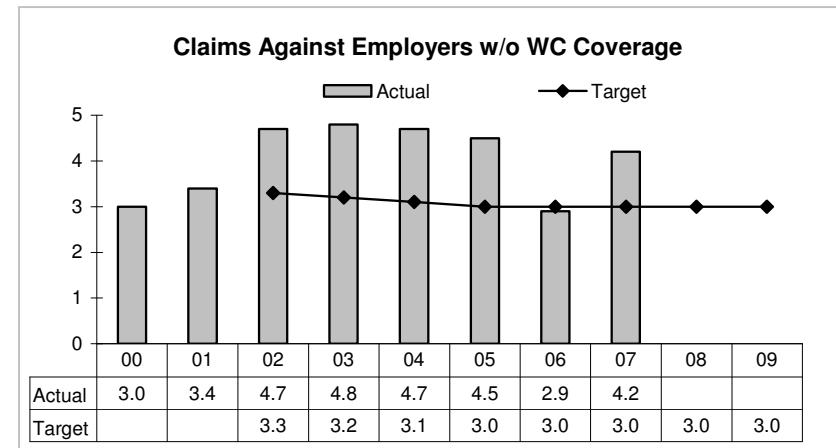
With the exception of an unusually low number in 2006, this rate has stayed steady for a long period while the economy has grown, indicating a stable workers’ compensation system in Oregon.

4. **HOW WE COMPARE**

We do not have comparable data from other jurisdictions.

5. **FACTORS AFFECTING RESULTS**

WCD records and monitors workers' compensation coverage for about 89,000 Oregon employers. WCD’s staff investigates claims and complaints, and tracks policy cancellations to ensure all subject employers have their required insurance. If an employer does not obtain compliance voluntarily, WCD initiates enforcement action. Small changes in the raw data of noncomplying employer claims also could significantly alter the results. Other factors include changes in investigation process, complaints, insurance requirements, insurance costs, and the economy.



Agency Name: Department of Consumer & Business Services

II. KEY MEASURE ANALYSIS

Agency Mission: To serve and protect Oregon's consumers and workers while supporting a positive business climate in the state.

6. WHAT NEEDS TO BE DONE

To reduce the number of Oregon employers at risk of no coverage, WCD is expanding education and enforcement efforts and partnering with other agencies in enforcement. Improving our investigation practices also is key to our success. WCD has partnerships with the Employment Department, Department of Revenue, Construction and Landscape Contractors Boards, Bureau of Labor and Industries, as well as local government entities regarding employers' workers' compensation insurance information.

7. ABOUT THE DATA

This key performance measure has a monthly data collection and an Oregon fiscal year reporting cycle. Data from 1994 to 2004 shows a steady decline in the number of disabling claims in the system while the operating level of the noncomplying employer claims have remained relatively steady. This is a "proxy" measure. The number 4.2 represents that only 4.2 out of every 100 workers' compensation claims filed are from employees of businesses that do not have workers' compensation insurance coverage.

II. KEY MEASURE ANALYSIS

Agency Mission: To serve and protect Oregon’s consumers and workers while supporting a positive business climate in the state.

KPM #5	CUSTOMER SERVICE Percent of customers rating their satisfaction with the agency’s customer service as “good” or “excellent”: overall customer service, timeliness, accuracy, helpfulness, expertise, and availability of information.	Measure since: 2007
Goal	DCBS Goal #3: Be accountable to the public we serve, with excellent service to our customers.	
Oregon Context	Oregon Benchmark #9: Oregon’s national rank in the cost of doing business.	
Data source	Customer service survey results are maintained in the DCBS Internet Survey Tool and various spreadsheets at the division level.	
Owner	Greg Malkasian, DCBS Deputy Director, 503-947-7872	

1. **OUR STRATEGY**

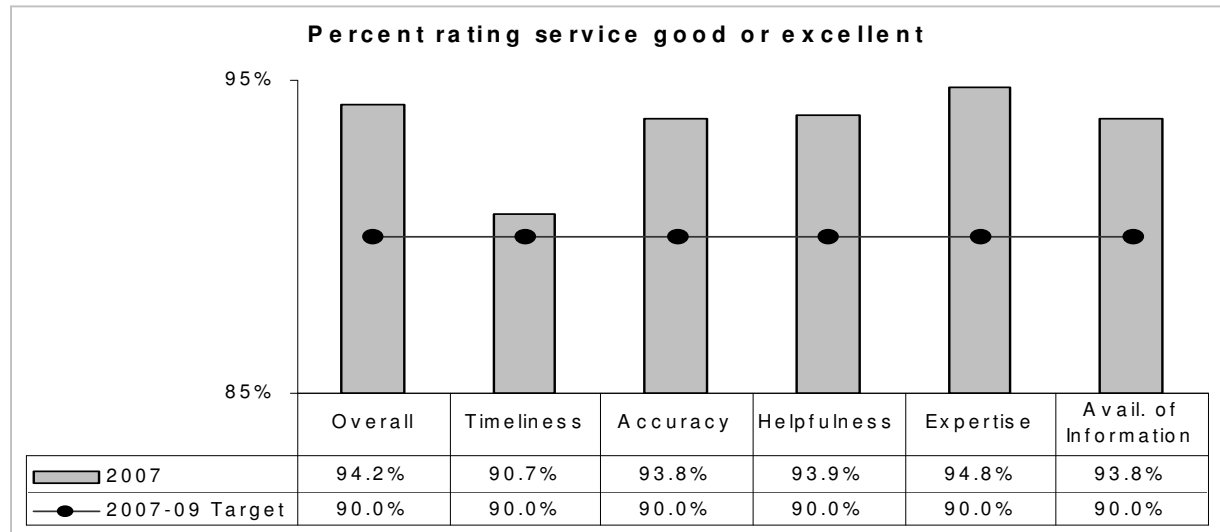
Provide excellent service in every customer interaction by making customer service a strategic initiative and investing in staff training.

2. **ABOUT THE TARGETS**

DCBS set very aggressive targets because excellent customer service is a high priority.

3. **HOW WE ARE DOING**

More than 94 percent of those surveyed rated our Overall Customer Service as “Good” or “Excellent” in 2007, which we believe is exceptional for a regulatory organization.



4. **HOW WE COMPARE**

There is limited comparison information at this time. In previous years, we used different questions and response categories that are not comparable to those reported here. Like DCBS, other agencies are just starting to measure customer service levels using the DAS-required questions.

5. **FACTORS AFFECTING RESULTS**

Many of these survey respondents are entities we regulate. This sets up a slightly different dynamic from the typical customer group that receives services.

6. **WHAT NEEDS TO BE DONE**

The department plans to continue education and training of employees in customer service and use feedback from the surveys to show areas where improvement is appropriate. Our goal is to make every interaction with Oregonians a learning experience for all parties. For example, OR-OSHA focuses on partnering with business and labor to create safe workplaces and expects every encounter with industry to be a learning experience that improves safety.

Agency Name: Department of Consumer & Business Services

Agency Mission: To serve and protect Oregon's consumers and workers while supporting a positive business climate in the state.

II. KEY MEASURE ANALYSIS

7. ABOUT THE DATA

DCBS uses an assortment of surveys to collect these data. Each of the department's major divisions is responsible for collecting its data independently and then reporting it as part of this overall measure. For 2007, four of the agency's divisions and several of their sub-units provided data for the measure, based on surveys of their customers. Participating divisions were Oregon OSHA, Insurance, Workers' Compensation, and the Division of Finance and Corporate Securities.

II. KEY MEASURE ANALYSIS

Agency Mission: To serve and protect Oregon’s consumers and workers while supporting a positive business climate in the state.

KPM #6	UPHELD WORKERS’ COMPENSATION DECISIONS Percent of Workers’ Compensation Board decisions affirmed on appeal to the Judiciary.	Measure since: 2000
Goal	DCBS Goal #3: Be accountable to the public we serve, with excellent service to our customers.	
Oregon Context	Oregon Benchmark #9: Oregon’s national rank in the cost of doing business.	
Data source	Data captured from Court of Appeals slip opinions and entered into an Access database maintained by R&A staff.	
Owner	Abbie Herman, Chair, Workers’ Compensation Board, 503-378-3308	

1. **OUR STRATEGY**

Achieve a high rate of affirmation on appealed decisions by conducting an objective review of the record and the parties’ arguments to consistently apply controlling statutes, administrative rules, and case precedent.

2. **ABOUT THE TARGETS**

WCB has consistently surpassed previously established targets for court affirmation rates. We have continued to raise the target even though a single court reversal can dramatically impact the affirmation rate, if that decision involves a significant issue common to many appealed decisions. We will continue to monitor the measurement, particularly taking into account the potential effects of court decisions concerning significant issues that may impact a number of cases.

3. **HOW WE ARE DOING**

WCB has consistently exceeded its targets, and the affirmation rate in 2007 was at the highest level since the division began collecting data for this measure.

4. **HOW WE COMPARE**

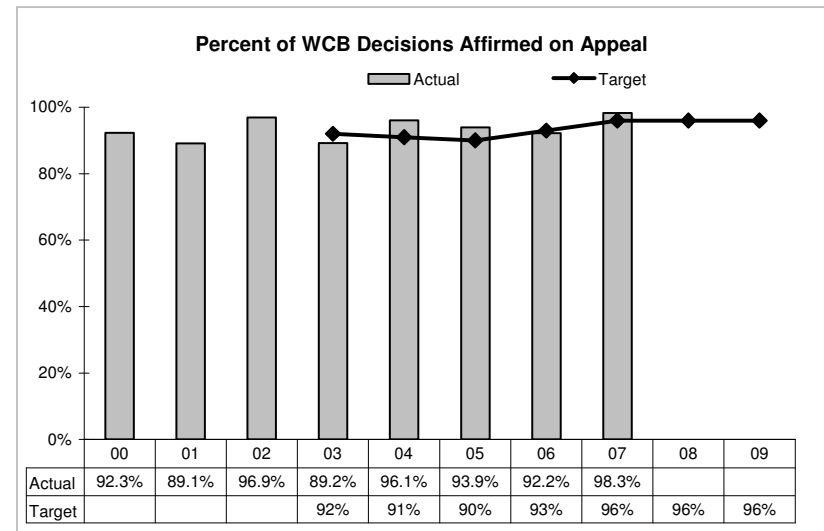
There is limited data available because every jurisdiction has slightly different systems for resolving disputes in its workers’ compensation system.

5. **FACTORS AFFECTING RESULTS**

The court reviews WCB decisions for errors of law and to determine whether substantial evidence and reason supports WCB’s factual findings and conclusions. These factors can affect the court’s affirmation rate. In addition, because the number of cases is limited (64 cases in 2006, 80 cases in 2005), a different decision in a few cases could have a significant effect on the affirmation rate.

6. **WHAT NEEDS TO BE DONE**

WCB and its staff will remain vigilant in adhering to the effective methods that it has developed for performing its appellate review duties and in issuing impartial decisions in an expeditious manner. The staff will continue to provide a complete appellate record to the court in a timely manner and accurately



Agency Name: Department of Consumer & Business Services

II. KEY MEASURE ANALYSIS

Agency Mission: To serve and protect Oregon's consumers and workers while supporting a positive business climate in the state.

compile statistical information regarding court dispositions of appealed WCB decisions.

7. ABOUT THE DATA

The reporting cycle is per fiscal year. Data are gathered directly from court decisions and monitored in a monthly report. A link to the court's decisions is available on WCB's external Web site <http://www.cbs.state.or.us/wcb/contents/coa.htm>.

II. KEY MEASURE ANALYSIS

Agency Mission: To serve and protect Oregon’s consumers and workers while supporting a positive business climate in the state.

KPM #7	ON-TIME WORK Percent of timelines for key department activities that are met.	Measure since: 2000
Goal	DCBS Goal #3: Be accountable to the public we serve, with excellent service to our customers.	
Oregon Context	Oregon Benchmark #9: Oregon’s national rank in the cost of doing business.	
Data source	Composite of several division-level measures. See “About the Data” for sources.	
Owner	Greg Malkasian, DCBS Deputy Director, 503-947-7872	

1. OUR STRATEGY

Provide timely service to customers. To increase this measure, we have evaluated work processes to determine efficiency opportunities and use of technology. We also have focused on responsiveness and timely work during customer service training sessions.

2. ABOUT THE TARGETS

DCBS has set optimistic targets for this measure to encourage improvement in activities such as closing complaints, completing applications, responding to inquiries, and issuing orders.

3. HOW WE ARE DOING

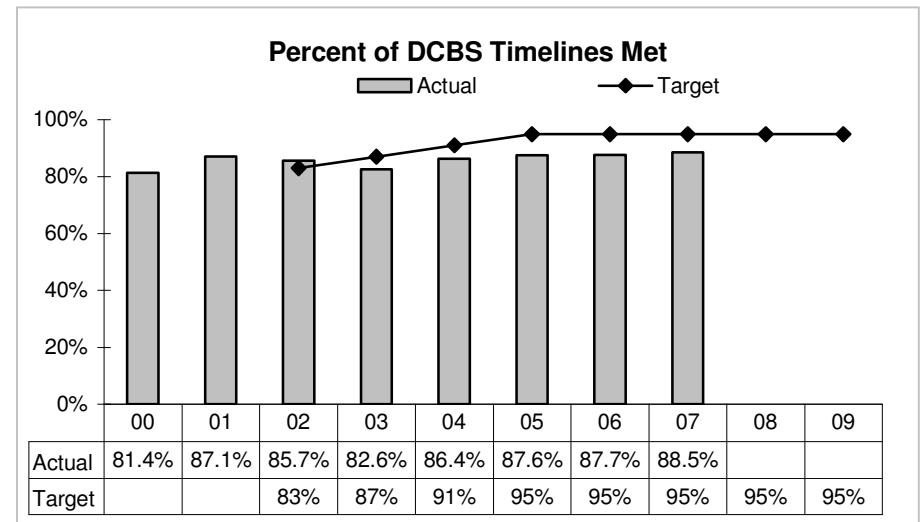
DCBS has been able to maintain relatively high performance levels after seeing a steady increase between 2000 and 2004. While short of the targeted 95 percent, performance on this measure still reflects substantially improved service to Oregonians. In several cases, our timeliness standards are stricter than the statutory requirements.

4. HOW WE COMPARE

Statistics for public or private industry standards on timeliness are not available for comparison to key activities for any division contributing to this measure.

5. FACTORS AFFECTING RESULTS

Improvement toward the target is challenging. We have an expectation of continuous improvement and hold ourselves to a stricter standard for timeliness than required by law. We evaluate whether faster processing time would benefit our customers; if so, we strive to achieve more aggressive timeliness. We have made significant strides in this area already. For example, several units in the Workers’ Compensation Division have achieved significant improvement through use of alternative dispute resolution, which has dramatically improved the time it takes to resolve disputes. Staffing levels can directly affect timeliness results.



Agency Name: Department of Consumer & Business Services

II. KEY MEASURE ANALYSIS

Agency Mission: To serve and protect Oregon's consumers and workers while supporting a positive business climate in the state.

6. **WHAT NEEDS TO BE DONE**

We need to continue to develop and implement processes for improvement and streamlining and apply best practices that are observed in various areas of the department.

7. **ABOUT THE DATA**

Data for this measure is on a fiscal year basis and represent more than 20 key agency activities, such as issuing workers' compensation orders and filing insurance complaints. Data is available at the division and program levels by contacting DCBS.

II. KEY MEASURE ANALYSIS

Agency Mission: To serve and protect Oregon’s consumers and workers while supporting a positive business climate in the state.

KPM #8	E-TRANSACTIONS FOR CUSTOMERS Percent of customer transactions completed electronically.	Measure since: 2000
Goal	DCBS Goal #3: Be accountable to the public we serve, with excellent service to our customers.	
Oregon Context	Oregon Benchmark #9: Oregon’s national rank in the cost of doing business.	
Data source	A query in the DCBS database calculates the percent for each main entity table in all applicable data subsystems.	
Owner	Royce Trammell, Deputy Administrator, Information Management Division, 503-947-7361	

1. OUR STRATEGY

Invest resources in priority projects that allow an increasing number of customers to conduct e-business with the department.

2. ABOUT THE TARGETS

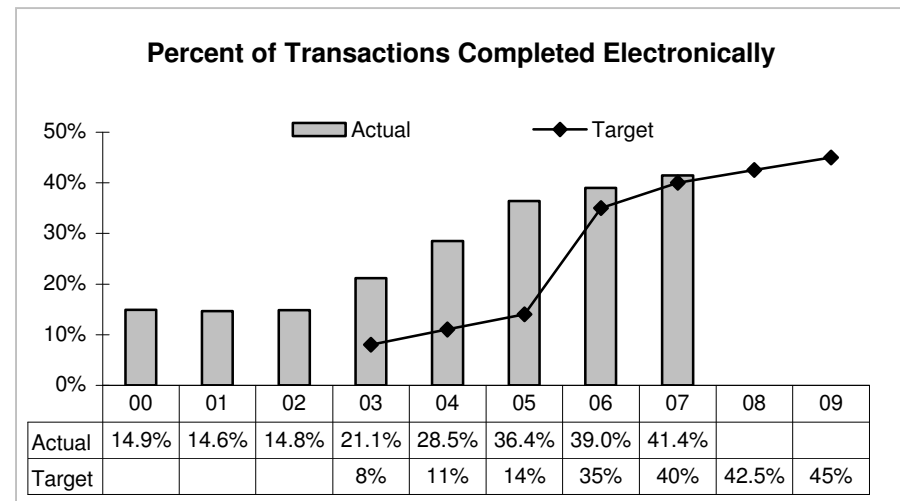
The Governor targeted regulatory streamlining as a key initiative in the 2003-05 biennium and DCBS aggressively implemented online systems for licensing and permitting. Without historical data to go on, the initial targets set for this measure proved to be low and the department easily beat the targets. We subsequently increased the targets based on the new data, and are on track to meet a very progressive goal of 45 percent in 2009. From this point forward, incremental improvements on this established base will be much more challenging to achieve.

3. HOW WE ARE DOING

DCBS has been increasing the percent of transactions completed electronically and consistently meeting its targets each year. There are two contributing factors to this measure – 29 systems targeted for electronic transaction capabilities and the usage rates for each of those systems. First, the percentage of systems that enable customers to perform electronic transactions has remained constant this past year at 69 percent. Several projects are currently under way, but are not yet in production. Second, customers’ use of those systems has increased over time. Of those systems that support electronic transactions, 65.7 percent of all transactions are conducted electronically, which is up from 62.7 percent in 2006.

4. HOW WE COMPARE

Oregon’s quality and quantity of online services were ranked 17th this year among other state governments in an annual study conducted by Brown University’s Taubman Center for Public Policy. That is down 14 spots from third last year. Positively, the study cited the unified look of Oregon.gov as well as the number of online services available. User rates for online services have generally not increased greatly this past year; overall, the United States lags many other countries.



Agency Name: Department of Consumer & Business Services

II. KEY MEASURE ANALYSIS

Agency Mission: To serve and protect Oregon's consumers and workers while supporting a positive business climate in the state.

5. FACTORS AFFECTING RESULTS

Citizens' confidence in the security of their information provided online is influenced by events outside of our control, such as identity theft incidents. Other significant influencing factors are often beyond our control, such as customer decisions to use the Internet instead of regular mail as a method of doing very occasional business (e.g. renewing a license once every three years).

6. WHAT NEEDS TO BE DONE

We will continue to focus on developing more opportunities for customers, with an emphasis on ease of use and security, and continue to pay attention to customer feedback to ensure that the sites are user-friendly. DCBS has built-in customer surveys and e-mail feedback systems to receive this information.

7. ABOUT THE DATA

These data represent only DCBS systems that conduct a minimum of at least 5,000 electronic transactions annually. Other smaller projects exist within the department, but because of their relative size compared to the department's other systems, the impact of these projects on this measure is difficult to demonstrate. As a result, they are not included. Instead of using a pure calculation of percent of transactions, we have used an average of division averages. This was done to minimize the impact of a few systems that have extremely large number of transactions.

The data represent averages for the Oregon fiscal year. Data are based on queries against many live DCBS data systems. DCBS' Information Management Division can reproduce the detailed query results for interested parties.

II. KEY MEASURE ANALYSIS

Agency Mission: To serve and protect Oregon’s consumers and workers while supporting a positive business climate in the state.

KPM #9	CONSULTATIONS WITH SAFETY COMMITTEES Percent of OR-OSHA employer consultations where the consultant works actively with employee safety committees.	Measure since: 2002
Goal	DCBS Goal #2: Regulate in a manner that supports a positive business climate.	
Oregon Context	DCBS Mission: To protect and serve Oregon’s consumers and workers while supporting a positive business climate in the state.	
Data source	OR-OSHA Consultations database	
Owner	Suzanne Kailey, Consultation and Public Education Manager, OR-OSHA, 503-378-3272	

1. **OUR STRATEGY**

Creating employer self-sufficiency in workplace safety and health by educating employers on the value of employee safety committees.

2. **ABOUT THE TARGETS**

Target percentages increase through 2009 to an 88 percent threshold. The target percentage reflects the expectation that approximately 12 percent of the companies that receive a consultation visit focus on specific areas where safety committee involvement would not be productive.

3. **HOW WE ARE DOING**

In general, actual percentages have closely followed our targets. Annual percentages have increased approximately 2 percent from Oregon fiscal year 2005 to 2007, and we expect the figures to continue to hold steady.

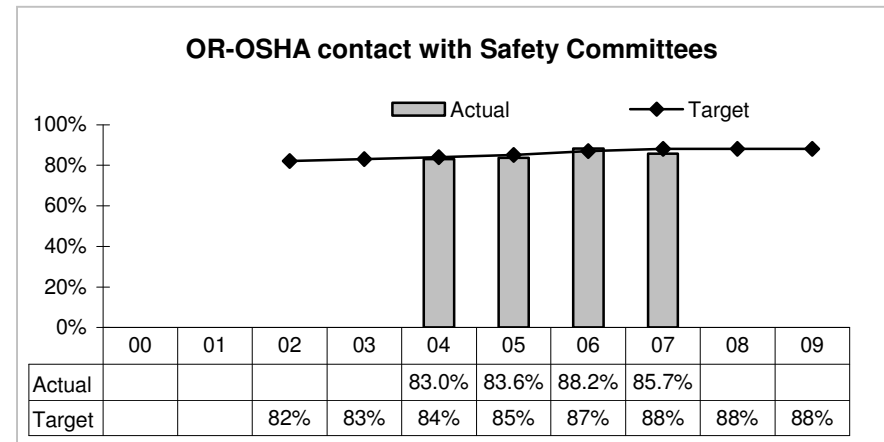
4. **HOW WE COMPARE**

It is difficult to compare Oregon OSHA’s performance with other states because only about 20 percent of states have a safety committee requirement and we do not know of any other states that track this data.

5. **FACTORS AFFECTING RESULTS**

The percentage varies per quarter based on the type of consultation and the need for safety committee involvement. Consultants may visit the same employer over time to address specific safety and health issues. In these cases, the consultant may not work with the safety committee during each visit. This is particularly true if the employer already has an active and effective safety committee or has had previous consultant interactions related to safety committee roles and responsibilities.

House Bill 2222, which passed the 2007 Legislature, may affect this measure in the coming years. The bill changed the safety committee requirements, particularly as they relate to small employers.



Agency Name: Department of Consumer & Business Services

II. KEY MEASURE ANALYSIS

Agency Mission: To serve and protect Oregon's consumers and workers while supporting a positive business climate in the state.

6. WHAT NEEDS TO BE DONE

Oregon-OSHA will continue to emphasize the importance of safety committees and their essential role in helping employers become self-sufficient in managing their safety and health programs. Performance measurement data will be reviewed quarterly with consultation staff and federal OSHA as part of our strategic plan agreement.

7. ABOUT THE DATA

Data is for the fiscal year reporting cycle, July 1 through June 30. Actual percentage figures are calculated by dividing the number of Oregon-OSHA consultants who worked with the safety committee to enhance their skills and /or improve their effectiveness by the number of consultations with employers who had a safety committee.

II. KEY MEASURE ANALYSIS

Agency Mission: To serve and protect Oregon’s consumers and workers while supporting a positive business climate in the state.

KPM #10	PERMITS FOR MINOR CONSTRUCTION WORK Number of building permits that can be used by contractors in multiple jurisdictions for minor construction work.	Measure since: 2004
Goal	DCBS Goal #2: Regulate in a manner that supports a positive business climate.	
Oregon Context	Oregon Benchmark #9: Oregon’s national rank in the cost of doing business.	
Data source	Minor Label Permit database maintained by Building Codes Division staff.	
Owner	Jim Denno, Manager, Statewide Inspections, 503-378-8450	

1. **OUR STRATEGY**

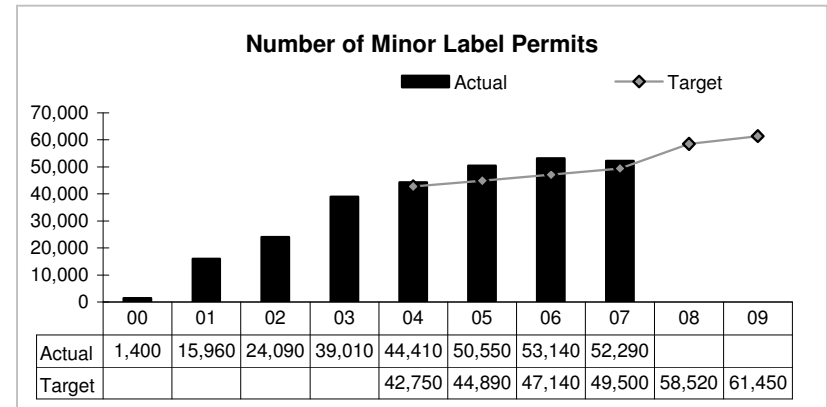
Make it easier and less expensive for contractors to comply with regulations by offering “minor label” building permits for routine plumbing and electrical installations that can be used anywhere in the state.

2. **ABOUT THE TARGETS**

We used our history of sales to determine our targets. Our goal is to increase the number of minor labels sold around the state. We believe that making simple permits easy to buy and less expensive will increase compliance and will speed up construction projects.

3. **HOW WE ARE DOING**

Customers report a great deal of satisfaction in using this simpler and cheaper process to purchase permits for minor work. The number of minor labels we are selling continues to exceed the target level, though the number of permits sold has slowed in the past year.



4. **HOW WE COMPARE**

Oregon is a national leader in the area of simplifying building permits. We know of no other state that has such a program, and we are being contacted by other state jurisdictions for help in establishing their own “minor label” programs. There also are no industry standards that relate to this goal.

5. **FACTORS AFFECTING RESULTS**

Construction activity affects results. For example, the construction industry has been booming, constituting 20 percent of all job gains in Oregon since mid-2003, which has led to an increase in the number of building permits sold. The industry has slowed in the past year, which may be causing a decrease in the number of permits sold.

6. **WHAT NEEDS TO BE DONE**

We are continuing our marketing efforts through BCD newsletters, e-mail, and articles in trade publications. We are also looking to expand the type of work that can be covered by a minor label building permit.

7. **ABOUT THE DATA**

These data are reported by Oregon’s fiscal year and are maintained by BCD staff. For additional information, please contact BCD.

II. KEY MEASURE ANALYSIS

Agency Mission: To serve and protect Oregon’s consumers and workers while supporting a positive business climate in the state.

KPM #11	REEMPLOYMENT FOR INJURED WORKERS Difference in percentage of eligible workers who return to work using return-to-work programs from those who do not use return-to-work programs.	Measure since: 1999
Goal	DCBS Goal #2: Regulate in a manner that supports a positive business climate.	
Oregon Context	Oregon Benchmark #9: Oregon’s national rank in the cost of doing business.	
Data source	Information Management Division, Research & Analysis Section utilizing Employment Department quarterly payroll data files.	
Owner	Jerry Rutherford, Manager, Reemployment Assistance Unit, Workers’ Compensation Division, 503-947-7575 Rand Schledorn, Manager, Rehabilitation Review Unit, Workers’ Compensation Division, 503-947-7764	

1. OUR STRATEGY

Restore injured workers physically and economically to a self-sufficient, employed status as quickly and to the greatest extent possible.

2. ABOUT THE TARGETS

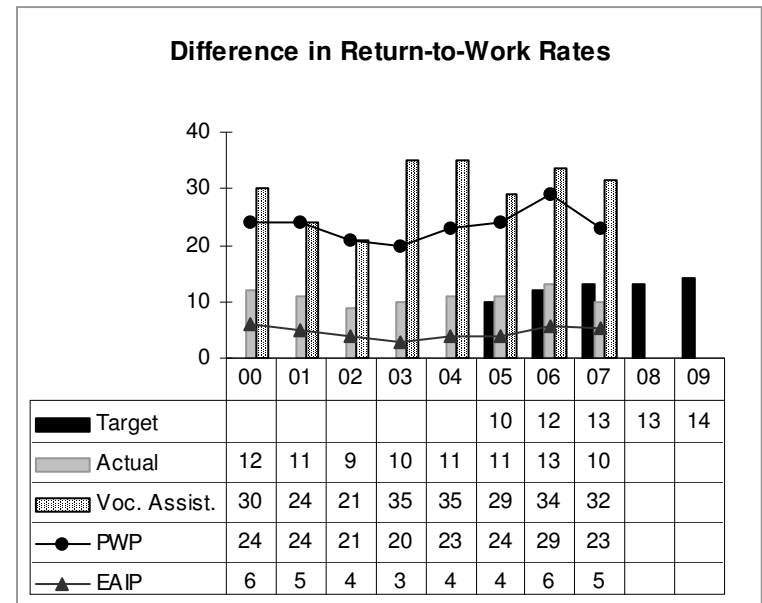
This measure comprises data from three return-to-work programs: the Vocational Assistance Program, the Preferred Worker Program, and the Employer-at-Injury Program. The data represents employment levels attained by injured workers 13 quarters after the date of injury who were using these program benefits compared to those who don’t use any of these benefits. A higher number is desired because that would indicate eligible workers who use the return-to-work programs obtain and retain employment at a higher level compared to eligible workers who do not use the programs. To set targets, we consider current return-to-work activities and legislative and program activities during the years of injury and when the worker entered the return-to-work program because the data represents employment attained by eligible injured workers 13 quarters after the date of injury.

3. HOW WE ARE DOING

Data consistently shows that injured workers who use return-to-work programs return to work and maintain employment at a higher rate than workers who do not use these programs. In 2006, there was a 13 percentage-point difference in eligible workers using the return-to-work programs compared to those who did not, the highest in 10 years. Much of that was driven by the high use of the Preferred Worker Program, which saw a record-high 29.1 percentage-point employment difference in 2006. The overall percentage point difference dropped back to 10 in 2007.

4. HOW WE COMPARE

Oregon’s return-to-work programs are nationally recognized and unique to Oregon. Many other jurisdictions have sought to introduce these programs in their jurisdictions due to the successes in Oregon.



Agency Name: Department of Consumer & Business Services

II. KEY MEASURE ANALYSIS

Agency Mission: To serve and protect Oregon's consumers and workers while supporting a positive business climate in the state.

5. FACTORS AFFECTING RESULTS

Influences of the Oregon economy or changes in business practices may impact this measure by reducing or increasing opportunities for job openings. Another factor that affects results is changes in laws, rules, or WCD initiatives during the various times employees and employers trigger the use of these programs. Finally, the number of participants in these programs can skew the results of this measure. For example, participation in the Employer-At-Injury Program is much higher than the other two programs, so its relatively low differential has a significant impact on the overall measure.

6. WHAT NEEDS TO BE DONE

WCD will continue to provide education and outreach that promotes use of the reemployment assistance programs, and dispute resolution services for vocational assistance matters. In addition, WCD will continue efforts to better serve injured workers through increased partnerships with vocational providers, providing injured worker services through Oregon Vocational Rehabilitation Services, and promoting the Web-based Job Match Program.

7. ABOUT THE DATA

This measure demonstrates a percentage outcome difference between eligible injured workers who use the return-to-work programs and eligible workers who do not use them. Outcomes are expressed as a percentage of each group that obtained employment and were still employed 13 quarters after the date of injury (3 1/4 years after injury). Additional return-to-work statistics and reports can be found at <http://www4.cbs.state.or.us/ex/imd/external/>.

Agency Name: Department of Consumer & Business Services

II. KEY MEASURE ANALYSIS

Agency Mission: To serve and protect Oregon’s consumers and workers while supporting a positive business climate in the state.

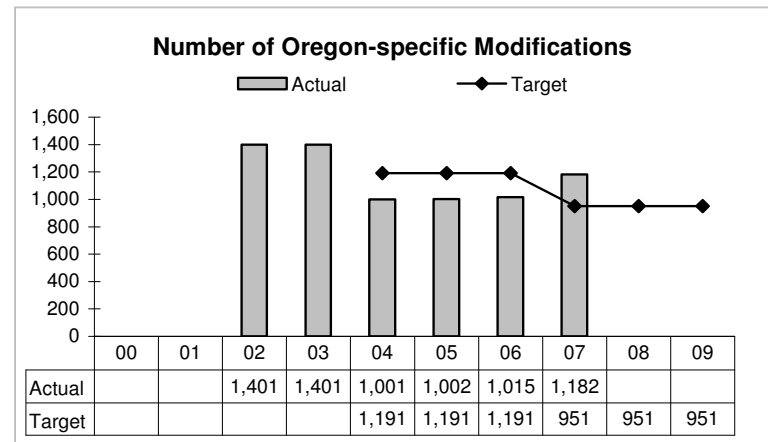
KPM #12	STREAMLINED BUILDING CODES Number of Oregon-specific building codes modifications made to the national model codes.	Measure since: 2002
Goal	DCBS Goal #2: Regulate in a manner that supports a positive business climate.	
Oregon Context	Oregon Benchmark #9: Oregon’s national rank in the cost of doing business.	
Data source	Manual counts based on review of building code revisions.	
Owner	Andrea Simmons, Manager, Policy and Technical Services, Building Codes Division, 503-373-7235	

1. OUR STRATEGY

Make Oregon’s building codes as consistent as possible with national model codes, so that contractors and inspectors will need less training and code enforcement will be more uniform, predictable, and consistent.

2. ABOUT THE TARGETS

We determined our target by selecting the commercial structures code that contained many Oregon amendments and identifying Oregon-specific amendments that were in statute (e.g. accessibility, energy, etc.) and should not be changed. Our target is based on the number of amendments that remained. Our goal is to reduce amendments to the national code, however, we cannot eliminate all Oregon-specific amendments because they are intended to protect the public or accomplish other policy objectives. Therefore, our projections for the next few years are cautious. Our targets for 2007 through 2009, for example, are 951 modifications annually, an additional reduction of 5 percent.



3. HOW WE ARE DOING

The codes are adopted once every three years with occasional mid-term updates. The last code change occurred in 2007, and the number of code differences increased by more than 16 percent at that time.

4. HOW WE COMPARE

We know of no other comparable standards. Most states do not have statewide codes.

5. FACTORS AFFECTING RESULTS

We are experiencing an increase in Oregon code changes because of several policy changes related to energy efficiency, sustainability, and other issues. We are making Oregon-specific changes that reverse national code changes that are inconsistent with these and other policy objectives.

6. WHAT NEEDS TO BE DONE

We need to continue to communicate to BCD’s code advisory boards our goal of reducing modifications to the code.

7. ABOUT THE DATA

The code is adopted every three years. At the point of adoption, the modifications are manually counted. Additionally, any mid-term modifications to the code are manually counted annually.

II. KEY MEASURE ANALYSIS

Agency Mission: To serve and protect Oregon’s consumers and workers while supporting a positive business climate in the state.

KPM #13	OCCUPATIONAL INJURY AND ILLNESS INCIDENCE RATES Number of occupational injury and illness cases per 100 full-time workers.	Measure since: 2007
Goal	DCBS Goal # 1: Protect consumers and workers in Oregon.	
Oregon Context	Oregon Benchmark #9: Oregon’s national rank in the cost of doing business.	
Data source	Data are reported on an annual basis via an employer-based survey collected by the Bureau of Labor Statistics.	
Owner	Michael Wood, Administrator, OR-OSHA, 503-947-7400	

1. OUR STRATEGY

Advance workplace safety and health and reduce workplace injuries and illnesses by inspecting worksites for safety and health violations; investigating workplace fatalities, serious accidents, and complaints; providing training and consultation; and developing occupational safety and health rules.

2. ABOUT THE TARGETS

Oregon-OSHA has historically relied upon the overall Occupational Injury and Illness Rates as one of the primary indicators of the program's performance. In addition, Oregon-OSHA uses industry-specific rates and other data as a method of identifying areas that deserve further attention. Our targets reflect a continued steady improvement in the injury and illness rates.

3. HOW WE ARE DOING

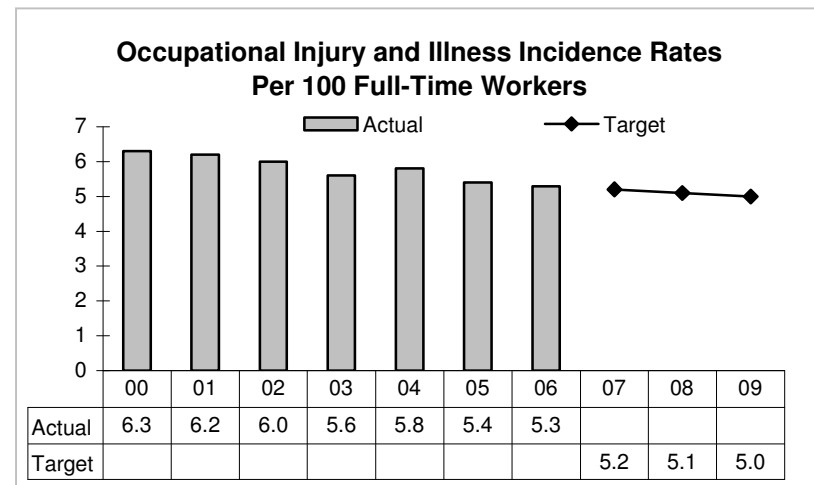
The 2006 total-case-incidence rate of 5.3 is the lowest rate ever recorded by the private sector in Oregon. Since 2000, Oregon has shown a generally consistent downward trend in the case incidence rate.

4. HOW WE COMPARE

Although the rate provides a good year to year comparison within Oregon, it is not particularly reliable for state to state comparisons because of a variety of reasons related to sample size, reporting rate and other factors. The U.S. Department of Labor, Bureau of Labor and Statistics calculates the total-case-incidence rate for the private sector nationwide at 4.4 for 2006. Although higher than the national rate, Oregon’s rates have seen more improvement. From 1988 to 2006, Oregon’s rates dropped roughly 52 percent while the national rate dropped almost 49 percent.

5. FACTORS AFFECTING RESULTS

The incidence rates are based on an annual sample of Oregon employers. While the survey sample is small (around 4,000 Oregon employers are sampled each survey year), it is consistent with sample sizes used for other states. The safety and health practices of Oregon employers and employees affect this measure.



Agency Name: Department of Consumer & Business Services

Agency Mission: To serve and protect Oregon's consumers and workers while supporting a positive business climate in the state.

II. KEY MEASURE ANALYSIS

6. WHAT NEEDS TO BE DONE

As indicated by the performance, Oregonians have enjoyed significant improvement in occupational safety and illness incident rates. Continued efforts will include partnering with business and identifying specific areas to focus safety improvement, such as on-the-job automobile accidents.

7. ABOUT THE DATA

Data are reported on a calendar year basis. The total case incidence rate is a measure of all recordable workplace injuries and illnesses. Beginning with the 2002 BLS survey, incidence rates are based on revised requirements for recording occupational injuries and illnesses. Due to the revised requirements, the rates since the 2002 survey may not be comparable with those of prior years.

II. KEY MEASURE ANALYSIS

Agency Mission: To serve and protect Oregon’s consumers and workers while supporting a positive business climate in the state.

KPM #14	TIMELY WORKER BENEFITS	Measure since: 2007
Goal	Percent of injured workers who receive timely benefits from insurers.	
Goal	DCBS Goal #1: Protect consumers and workers in Oregon.	
Oregon Context	DCBS Mission: To protect and serve Oregon's consumers and workers while supporting a positive business climate in the state.	
Data source	WCD insurer audit data are from the Reemployment Assistance Decisions and Compliance Field Audit findings.	
Owner	Sally Coen, Manager, Field Audit Unit, Workers’ Compensation Division, 503-947-7687 Jerry Rutherford, Manager, Reemployment Assistance Unit, Workers’ Compensation Division, 503-947-7575	

1. OUR STRATEGY

Use education and enforcement to ensure insurers and self-insured employers process claims and deliver benefits to injured workers in a timely manner.

2. ABOUT THE TARGETS

This data tracks the timeliness of benefit payments by insurers to injured workers. It provides a gauge for the efficiency of claim processing and benefit delivery. A higher percent is desired because it would indicate an improved timeliness in the delivery of benefits. The target is currently 95 percent and is projected based on activity from previous years.

3. HOW WE ARE DOING

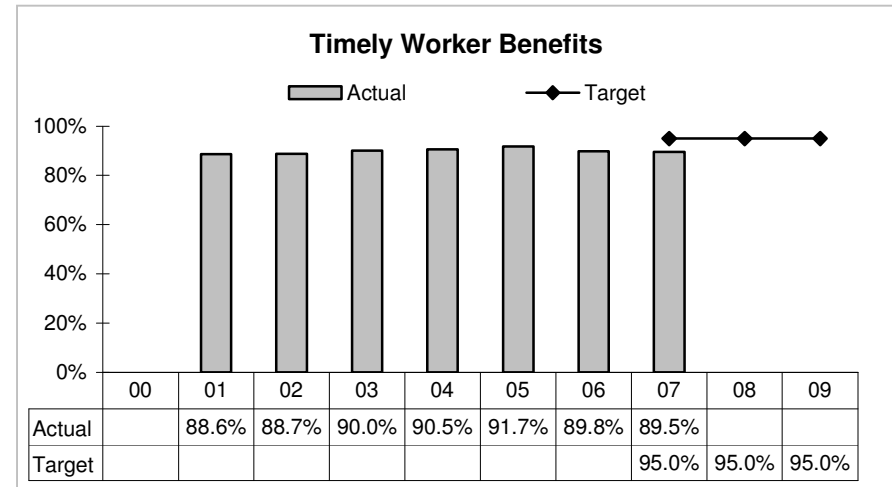
During the past four fiscal years, the data of this measure was combined with the data from KPM #15 (Accurate Worker Benefits); this is the first year of reporting the data separately from the accuracy of benefit delivery. We are performing below our target of 95 percent; largely due to a higher standard we recently imposed on insurers.

4. HOW WE COMPARE

Our higher minimum standard of 90 percent compliance, implemented January 1, 2006, has not been in place long enough to compare to other jurisdictions; however, the Workers’ Compensation Research Institute has stated that Oregon continues to have one of the highest rates of timeliness in the nation.

5. FACTORS AFFECTING RESULTS

Effective January 1, 2006, WCD increased the performance thresholds for insurers from 80 percent to 90 percent in categories that directly relate to workers receiving timely and accurate benefits. This includes the Quarterly Claims Processing Performance Audit category of timely first payment of time loss,



Agency Name: Department of Consumer & Business Services

II. KEY MEASURE ANALYSIS

Agency Mission: To serve and protect Oregon's consumers and workers while supporting a positive business climate in the state.

which is included in this measure. This threshold increase caused a greater number of companies to be penalized in 2006; however, we anticipate the number of companies penalized will begin to decrease as companies make necessary adjustments to be more timely.

6. WHAT NEEDS TO BE DONE

WCD continues to monitor the audit methodology implemented in 2004 that enabled us to complete on-site reviews of all insurer and self-insured employers in a two-year period (versus the previous seven- to eight-year period). We are developing better data tracking systems and key indicators that will alert us to potential problem areas in the system. We will continue to explore the potential for automating and streamlining processes; draft clear and user-friendly rules; closely monitor the threshold changes on insurer performance; and continue to work with stakeholders to provide education, resolve problems, and find solutions.

7. ABOUT THE DATA

The reporting cycle of this KPM is Oregon fiscal year. Data is an aggregate collection (time loss, permanent disability, death benefits, and worker reimbursements). Data comes from insurer reports that are captured in the computerized WCD Quarterly Claims Processing Performance Audit report and WCD field audits of insurers and self-insured employers. The reemployment programs also contribute data to this measure by monitoring the timeliness of each reemployment program's review and decisions.

II. KEY MEASURE ANALYSIS

Agency Mission: To serve and protect Oregon’s consumers and workers while supporting a positive business climate in the state.

KPM #15	ACCURATE WORKER BENEFITS	Measure since: 2007
	Percent of injured workers who receive accurate benefits from insurers.	
Goal	DCBS Goal #1: Protect consumers and workers in Oregon.	
Oregon Context	DCBS Mission: To protect and serve Oregon's consumers and workers while supporting a positive business climate in the state.	
Data source	WCD insurer audit data are from the Reemployment Assistance Decisions and Compliance Field Audit findings.	
Owner	Sally Coen, Manager, Field Audit Unit, Workers' Compensation Division, 503-947-7687	

1. **OUR STRATEGY**

Use education and enforcement to ensure insurers and self-insured employers process claims and deliver benefits to injured workers accurately.

2. **ABOUT THE TARGETS**

This data tracks the accuracy of benefit payments by insurers to injured workers. It provides a gauge for the efficiency of claim processing and benefit delivery. A higher percent is desired because it would indicate a better delivery of benefits. The target is currently 95 percent and is projected based on data activity from previous years before we raised the performance standard from 80 percent to 90 percent.

3. **HOW WE ARE DOING**

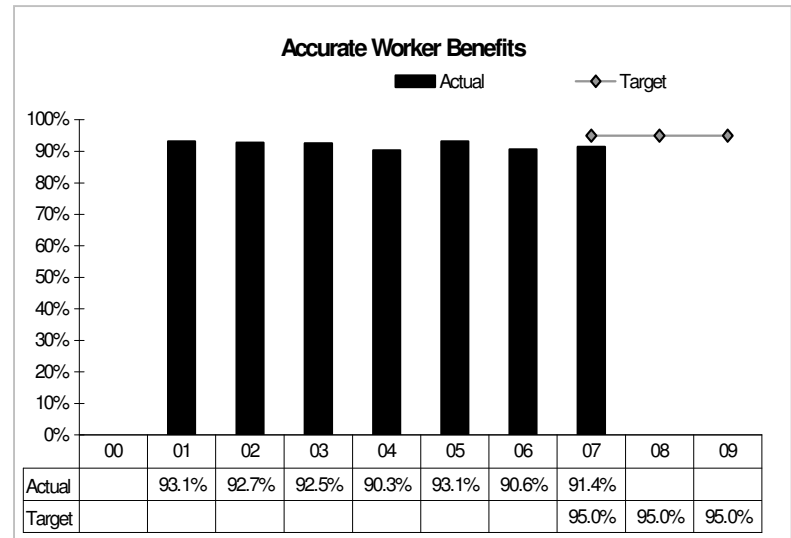
During the past four fiscal years, the data of this measure was combined with the data from KPM #14 (Timely Worker Benefits); this is the first year of reporting the data separately from the timeliness of benefit delivery. We are performing below our target of 95 percent; largely due to a higher standard we recently have imposed on insurers.

4. **HOW WE COMPARE**

A new higher minimum standard of 90 percent compliance, implemented January 1, 2006 at the midpoint of the fiscal year, has not been in place long enough to be compared to other jurisdictions.

5. **FACTORS AFFECTING RESULTS**

Effective January 1, 2006, WCD increased the performance thresholds for insurers from 80 percent to 90 percent in categories that directly relate to workers receiving timely and accurate benefits. WCD anticipates that holding companies to a higher performance threshold will positively affect the industry’s performance in accurately paying worker benefits.



Agency Name: Department of Consumer & Business Services

II. KEY MEASURE ANALYSIS

Agency Mission: To serve and protect Oregon's consumers and workers while supporting a positive business climate in the state.

6. WHAT NEEDS TO BE DONE

WCD continues to monitor the audit methodology implemented in 2004 that enabled us to complete on-site reviews of all insurer and self-insured employers in a two-year period (versus the previous seven to eight-year period). We are developing better data tracking systems and key indicators that will alert us to potential problem areas in the system. We will continue to explore the potential for automating and streamlining processes; draft clear and user-friendly rules; closely monitor the threshold changes on insurer performance; and continue to work with stakeholders to educate, resolve problems, and find solutions.

7. ABOUT THE DATA

The reporting cycle of this KPM is Oregon fiscal year. Data is an aggregate collection (time loss, permanent disability, death benefits, and worker reimbursements). Data comes from WCD field audits of insurers and self-insured employers.

Agency Name: Department of Consumer & Business Services

III. USING PERFORMANCE DATA

Agency Mission: To serve and protect Oregon’s consumers and workers while supporting a positive business climate in the state.

Contact: Greg Malkasian, Deputy Director	Phone: 503-947-7872
Alternate: Lisa Morawski, Public Information and Communications Director	Phone: 503-947-7897

PART III: USING PERFORMANCE DATA

The following questions indicate how performance measures and data are used for management and accountability purposes.	
<p>1 INCLUSIVITY Describe the involvement of the following groups in the development of the agency’s performance measures.</p>	<ul style="list-style-type: none"> • Staff: A variety of methods were used to gain staff input. This included strategic planning processes and ongoing discussions at the work-unit, division, and department levels. • Elected Officials: The department presented performance measures to the Legislature (through the Ways & Means subcommittee), which adopted the measures. • Stakeholders: Stakeholders were involved in many aspects of the department’s work. Advisory groups, outreach meetings, and individual contacts helped staff ensure that stakeholder interests were considered and that stakeholders were aware of the proposed measures. • Citizens: Citizens provided input into the reporting of the measures through the Advisory Group on Citizen Friendly Reporting convened by the Oregon Progress Board.
<p>2 MANAGING FOR RESULTS How are performance measures used for management of the agency? What changes have been made in the past year?</p>	<p>The measures are used to gauge progress toward targeted goals. If progress is not met satisfactorily, the department staff seeks to determine the reason(s) and make policy, program, or operational changes to improve performance. The DCBS executive team uses performance data and other tools to identify best practices, strategies, and resource requirements to enhance performance. The team continues to evaluate the performance measures to ensure clarity and ensure that progress on each measure is meaningful.</p>
<p>3 STAFF TRAINING What training has staff had in the past year on the practical value and use of performance measures?</p>	<p>Once the measures were adopted by the Legislature, the department conducted training for all managers. The DCBS divisions have had ongoing discussions and training at management meetings as well as extensive involvement by staff in performance tracking and measurement. Performance measures are often a discussion item at division and section-level meetings within the department.</p>
<p>4 COMMUNICATING RESULTS How does the agency communicate performance results to each of the following audiences and for what purpose?</p>	<ul style="list-style-type: none"> • Staff: The department uses its Key Measures System to ensure the staff has easy access to the most current data available for each measure. Staff also can access the measures from the Web site. • Elected Officials: Performance measures are a discussion and decision item in the budget process. The measures are also available to elected officials on our Web site. • Stakeholders: Stakeholders view the measures through reports in newsletter articles, conference presentations, and advisory committees. • Citizens: Our performance measure report is available on our public Web site. We also provide high-level summary data on each measure, and interested citizens can get current performance data and see how the measure is trending.