

**State of Alaska**  
**FY2007 Governor's Operating Budget**

**Department of Labor and Workforce Development**  
**Second Injury Fund**  
**Component Budget Summary**

## Component: Second Injury Fund

### Contribution to Department's Mission

The Second Injury Fund component contributes to the department's mission by facilitating reemployment of injured workers.

### Core Services

This component reduces financial disincentives to reemployment of disabled workers. This is done by limiting a subsequent employer's liability for compensation payable when a previously disabled employee sustains a second injury causing additional disability.

The component staff determines whether a petition for Second Injury Fund payment is approved based on research and analysis of complex criteria. If payment is approved, the Second Injury Fund (SIF) reimburses the employer's insurer for all time loss benefits paid beyond 104 weeks. This component monitors all claims being reimbursed by the Fund, deposits and credits Fund contributions and also assesses penalties for the filing of late compensation reports.

### FY2007 Resources Allocated to Achieve Results

<b>FY2007 Component Budget: \$3,961,400</b>	<b>Personnel:</b>	
	Full time	2
	Part time	0
	<b>Total</b>	<b>2</b>

### Key Component Challenges

This component will also support the development and implementation of computer programs for additional electronic data interface enhancements allowing for electronic filing of reports of injuries and payments. The development is currently in the second phase.

### Significant Changes in Results to be Delivered in FY2007

Adopt regulations setting time limits for retroactive reimbursement requests filed after the end of the state fiscal year.

### Major Component Accomplishments in 2005

The component identified prior unbilled obligations and was able to contact insurers, verify claims and process payment of approximately \$250,000 of the obligations.

### Statutory and Regulatory Authority

Statutory Authority:

AS 23.30.040  
AS 23.30.205

Second Injury Fund  
Injury Determination

Administrative Regulations:

8 AAC 50

Second Injury Fund

**Contact Information**

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**Second Injury Fund  
Component Financial Summary**

*All dollars shown in thousands*

	FY2005 Actuals	FY2006 Management Plan	FY2007 Governor
<b>Non-Formula Program:</b>			
<b>Component Expenditures:</b>			
71000 Personal Services	171.4	174.4	149.9
72000 Travel	7.5	2.5	2.5
73000 Services	65.4	105.0	56.8
74000 Commodities	0.3	5.2	5.2
75000 Capital Outlay	0.0	8.0	8.0
77000 Grants, Benefits	3,641.6	3,739.0	3,739.0
78000 Miscellaneous	0.0	0.0	0.0
<b>Expenditure Totals</b>	<b>3,886.2</b>	<b>4,034.1</b>	<b>3,961.4</b>
<b>Funding Sources:</b>			
1004 General Fund Receipts	0.0	0.2	0.2
1007 Inter-Agency Receipts	0.0	5.8	0.0
1031 Second Injury Fund Reserve Account	3,886.2	4,028.1	3,961.2
<b>Funding Totals</b>	<b>3,886.2</b>	<b>4,034.1</b>	<b>3,961.4</b>

**Estimated Revenue Collections**

Description	Master Revenue Account	FY2005 Actuals	FY2006 Management Plan	FY2007 Governor
<b>Unrestricted Revenues</b>				
Second Injury Fund Reserve Account	51075	3,886.2	4,028.1	3,961.2
<b>Unrestricted Total</b>		<b>3,886.2</b>	<b>4,028.1</b>	<b>3,961.2</b>
<b>Restricted Revenues</b>				
Interagency Receipts	51015	0.0	5.8	0.0
<b>Restricted Total</b>		<b>0.0</b>	<b>5.8</b>	<b>0.0</b>
<b>Total Estimated Revenues</b>		<b>3,886.2</b>	<b>4,033.9</b>	<b>3,961.2</b>

**Summary of Component Budget Changes  
From FY2006 Management Plan to FY2007 Governor**

*All dollars shown in thousands*

	<u>General Funds</u>	<u>Federal Funds</u>	<u>Other Funds</u>	<u>Total Funds</u>
<b>FY2006 Management Plan</b>	<b>0.2</b>	<b>0.0</b>	<b>4,033.9</b>	<b>4,034.1</b>
<b>Adjustments which will continue current level of service:</b>				
-FY 07 Wage Increases for Bargaining Units and Non-Covered Employees	0.0	0.0	3.1	3.1
-FY 07 Health Insurance Cost Increases for Bargaining Units and Non-Covered Employees	0.0	0.0	0.5	0.5
-FY 07 Retirement Systems Cost Increase	0.0	0.0	5.8	5.8
<b>Proposed budget decreases:</b>				
-Authorization Adjustment Necessary to Split Positions Across the Components Providing Funding	0.0	0.0	-82.6	-82.6
<b>Proposed budget increases:</b>				
-Risk Management Self-Insurance Funding Increase	0.0	0.0	0.5	0.5
<b>FY2007 Governor</b>	<b>0.2</b>	<b>0.0</b>	<b>3,961.2</b>	<b>3,961.4</b>

**Second Injury Fund  
Personal Services Information**

Authorized Positions		Personal Services Costs		
<u>FY2006</u>				
<u>Management</u>		<u>FY2007</u>		
<u>Plan</u>		<u>Governor</u>		
		Annual Salaries		96,300
Full-time	3	COLA		2,615
Part-time	0	Premium Pay		0
Nonpermanent	0	Annual Benefits		54,578
		<i>Less 2.34% Vacancy Factor</i>		(3,593)
		Lump Sum Premium Pay		0
<b>Totals</b>	<b>3</b>	<b>Total Personal Services</b>		<b>149,900</b>

**Position Classification Summary**

Job Class Title	Anchorage	Fairbanks	Juneau	Others	Total
Worker Comp Off I	0	0	1	0	1
Worker Comp Technician	0	0	1	0	1
<b>Totals</b>	<b>0</b>	<b>0</b>	<b>2</b>	<b>0</b>	<b>2</b>