

State of Alaska
FY2014 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

- Collect assessments from insurers and self-insured employers.
- Assist employers in hiring and retaining employees with qualifying disabilities through disability benefit reimbursements.

Major Component Accomplishments in 2012

No major component accomplishments in FY2012.

Key Component Challenges

No key component challenges.

Significant Changes in Results to be Delivered in FY2014

No significant changes in results to be delivered are anticipated.

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

	FY2012 Actuals	FY2013 Management Plan	FY2014 Governor
Non-Formula Program:			
Component Expenditures:			
71000 Personal Services	145.5	197.5	201.3
72000 Travel	0.0	1.5	1.5
73000 Services	27.4	48.9	45.2
74000 Commodities	2.6	8.4	8.4
75000 Capital Outlay	0.0	8.0	8.0
77000 Grants, Benefits	3,256.9	3,739.0	3,739.0
78000 Miscellaneous	0.0	0.0	0.0
Expenditure Totals	3,432.4	4,003.3	4,003.4
Funding Sources:			
1031 Second Injury Fund Reserve Account	3,432.4	4,003.3	4,003.4
Funding Totals	3,432.4	4,003.3	4,003.4

Estimated Revenue Collections

Description	Master Revenue Account	FY2012 Actuals	FY2013 Management Plan	FY2014 Governor
Unrestricted Revenues				
Second Injury Fund Reserve Account	51075	3,432.4	4,003.3	4,003.4
Unrestricted Total		3,432.4	4,003.3	4,003.4
Restricted Revenues				
None.		0.0	0.0	0.0
Restricted Total		0.0	0.0	0.0
Total Estimated Revenues		3,432.4	4,003.3	4,003.4

**Summary of Component Budget Changes
From FY2013 Management Plan to FY2014 Governor**

All dollars shown in thousands

	<u>Unrestricted Gen (UGF)</u>	<u>Designated Gen (DGF)</u>	<u>Other Funds</u>	<u>Federal Funds</u>	<u>Total Funds</u>
FY2013 Management Plan	0.0	4,003.3	0.0	0.0	4,003.3
Adjustments which will continue current level of service:					
-FY2014 Salary and Health Insurance Increases	0.0	0.1	0.0	0.0	0.1
FY2014 Governor	0.0	4,003.4	0.0	0.0	4,003.4

**Second Injury Fund
Personal Services Information**

Authorized Positions			Personal Services Costs	
	FY2013 Management Plan	FY2014 Governor		
Full-time	2	2	Annual Salaries	127,082
Part-time	0	0	Premium Pay	0
Nonpermanent	0	0	Annual Benefits	79,499
			<i>Less 2.56% Vacancy Factor</i>	<i>(5,281)</i>
			Lump Sum Premium Pay	0
Totals	2	2	Total Personal Services	201,300

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
Totals	0	0	2	0	2

Component Detail All Funds
Department of Labor and Workforce Development

Component: Second Injury Fund (AR28340) (2342)
RDU: Workers' Compensation (112)

	FY2012 Actuals	FY2013 Conference Committee	FY2013 Authorized	FY2013 Management Plan	FY2014 Governor	FY2013 Management Plan vs FY2014 Governor	
71000 Personal Services	145.5	197.5	197.5	197.5	201.3	3.8	1.9%
72000 Travel	0.0	1.5	1.5	1.5	1.5	0.0	0.0%
73000 Services	27.4	48.9	48.9	48.9	45.2	-3.7	-7.6%
74000 Commodities	2.6	8.4	8.4	8.4	8.4	0.0	0.0%
75000 Capital Outlay	0.0	8.0	8.0	8.0	8.0	0.0	0.0%
77000 Grants, Benefits	3,256.9	3,739.0	3,739.0	3,739.0	3,739.0	0.0	0.0%
78000 Miscellaneous	0.0	0.0	0.0	0.0	0.0	0.0	0.0%
Totals	3,432.4	4,003.3	4,003.3	4,003.3	4,003.4	0.1	0.0%
Fund Sources:							
1031 Sec Injury (DGF)	3,432.4	4,003.3	4,003.3	4,003.3	4,003.4	0.1	0.0%
Unrestricted General (UGF)	0.0	0.0	0.0	0.0	0.0	0.0	0.0%
Designated General (DGF)	3,432.4	4,003.3	4,003.3	4,003.3	4,003.4	0.1	0.0%
Other Funds	0.0	0.0	0.0	0.0	0.0	0.0	0.0%
Federal Funds	0.0	0.0	0.0	0.0	0.0	0.0	0.0%
Positions:							
Permanent Full Time	2	2	2	2	2	0	0.0%
Permanent Part Time	0	0	0	0	0	0	0.0%
Non Permanent	0	0	0	0	0	0	0.0%

Change Record Detail - Multiple Scenarios With Descriptions
Department of Labor and Workforce Development

Component: Second Injury Fund (2342)
RDU: Workers' Compensation (112)

Scenario/Change Record Title	Trans Type	Totals	Personal Services	Travel	Services	Commodities	Capital Outlay	Grants, Benefits	Miscellaneous	Positions		NP
										PFT	PPT	
***** Changes From FY2013 Conference Committee To FY2013 Authorized *****												
FY2013 Conference Committee												
ConfCom		4,003.3	197.5	1.5	48.9	8.4	8.0	3,739.0	0.0	2	0	0
1031 Sec Injury		4,003.3										
Subtotal		4,003.3	197.5	1.5	48.9	8.4	8.0	3,739.0	0.0	2	0	0
***** Changes From FY2013 Authorized To FY2013 Management Plan *****												
Subtotal		4,003.3	197.5	1.5	48.9	8.4	8.0	3,739.0	0.0	2	0	0
***** Changes From FY2013 Management Plan To FY2014 Governor *****												
FY2014 Salary and Health Insurance Increases												
SalAdj		0.1	0.1	0.0	0.0	0.0	0.0	0.0	0.0	0	0	0
1031 Sec Injury		0.1										
FY2014 Salary and Health Insurance increase : \$0.1												
FY2014 Health Insurance increase of \$59.00 per month per employee - from \$1,330 to \$1,389 per month Non-covered: \$0.1												
Align Authority to Balance Personal Services												
LIT		0.0	3.7	0.0	-3.7	0.0	0.0	0.0	0.0	0	0	0
Transfer authority from services to pay anticipated expenses and meet vacancy guidelines. The remaining services authority is sufficient to cover anticipated expenses.												
Totals		4,003.4	201.3	1.5	45.2	8.4	8.0	3,739.0	0.0	2	0	0

Personal Services Expenditure Detail
Department of Labor and Workforce Development

Scenario: FY2014 Governor (10289)
Component: Second Injury Fund (2342)
RDU: Workers' Compensation (112)

PCN	Job Class Title	Time Status	Retire Code	Barg Unit	Location	Salary Sched	Range / Step	Comp Months	Split / Count	Annual Salaries	COLA	Premium Pay	Annual Benefits	Total Costs	GF Amount
07-1026	Program Coordinator I	FT	A	SS	Juneau	205	18B	3.5	*	18,403	0	0	11,136	29,539	29,539
07-3001	Division Director	FT	A	XE	Juneau	NAA	27D	2.0	*	18,757	0	0	9,341	28,098	28,098
07-3023	Administrative Assistant II	FT	A	SS	Juneau	605	14E / F	0.5	*	2,235	0	0	1,453	3,688	3,688
07-3026	Administrative Officer II	FT	A	SS	Anchorage	200	19C	2.5	*	13,680	0	0	8,142	21,822	21,822
07-3033	Office Assistant I	FT	A	GP	Juneau	205	8B	2.5	*	6,522	0	0	5,743	12,265	12,265
07-3046	Worker Comp Off I	FT	A	GP	Juneau	205	16F / G	6.0	**	30,840	0	0	19,096	49,936	49,936
07-3055	Worker Comp Technician	FT	A	GP	Juneau	205	12F / G	6.0	**	23,262	0	0	16,445	39,707	39,707
07-5527	Project Assistant	FT	A	GP	Juneau	205	16G / J	2.5	*	13,383	0	0	8,143	21,526	21,526

	Total Positions	New	Deleted
Full Time Positions:	2	0	0
Part Time Positions:	0	0	0
Non Permanent Positions:	0	0	0
Positions in Component:	2	0	0

Total Component Months: 25.5

Total Salary Costs:	127,082
Total COLA:	0
Total Premium Pay:	0
Total Benefits:	79,499
Total Pre-Vacancy:	206,581
Minus Vacancy Adjustment of 2.56%:	(5,281)
Total Post-Vacancy:	201,300
Plus Lump Sum Premium Pay:	0
Personal Services Line 100:	201,300

PCN Funding Sources:	Pre-Vacancy	Post-Vacancy	Percent
1031 Second Injury Fund Reserve Account	206,581	201,300	100.00%
Total PCN Funding:	206,581	201,300	100.00%

Note: If a position is split, an asterisk (*) will appear in the Split/Count column. If the split position is also counted in the component, two asterisks (**) will appear in this column. [No valid job title] appearing in the Job Class Title indicates that the PCN has an invalid class code or invalid range for the class code effective date of this scenario.

Line Item Detail
Department of Labor and Workforce Development
Travel

Component: Second Injury Fund (2342)
RDU: Workers' Compensation (112)

Line Number	Line Name		FY2012 Actuals	FY2013 Management Plan	FY2014 Governor
72000	Travel		0.0	1.5	1.5
Expenditure Account	Servicing Agency	Explanation	FY2012 Actuals	FY2013 Management Plan	FY2014 Governor
72000 Travel Detail Totals			0.0	1.5	1.5
72110	Employee Travel (Instate)	Travel for public meetings to administer program activities	0.0	1.5	1.5

Line Item Detail
Department of Labor and Workforce Development
Services

Component: Second Injury Fund (2342)
RDU: Workers' Compensation (112)

Line Number	Line Name			FY2012 Actuals	FY2013 Management Plan	FY2014 Governor
73000	Services			27.4	48.9	45.2
				FY2012 Actuals	FY2013 Management Plan	FY2014 Governor
Expenditure Account	Servicing Agency	Explanation		FY2012 Actuals	FY2013 Management Plan	FY2014 Governor
73000 Services Detail Totals				27.4	48.9	45.2
73156	Telecommunication		Cost for local and long distance charges and data network charges.	0.1	1.0	1.0
73169	Federal Indirect Rate Allocation	Management Services	Indirect cost allocation for departmental purchasing, state accounting, federal accounting reports, personnel training, contracts, and fiscal services provided by Management Services (I/A transfer to Management Services)	7.3	9.9	10.1
73225	Delivery Services		Transportation and freight charges	0.0	4.0	4.0
73254	Dp Operations Alloc	Data Processing	Allocation for Data Processing network and supportive services (I/A transfer to Data Processing)	3.3	3.3	3.3
73450	Advertising & Promos		Advertising for regulations, seminars, board meetings	0.0	2.6	2.6
73675	Equipment/Machinery		Machine and equipment repair and maintenance	0.5	2.8	2.8
73750	Other Services (Non IA Svcs)		Printing of forms, letterhead, envelopes, statutes and program booklets	0.0	7.7	3.8
73804	Economic/Development (IA Svcs)	Data Processing	Workers' Compensation SAGE	0.0	0.5	0.5
73805	IT-Non-Telecommunication	Admin	Computer services Enterprise Productivity Rates (EPR) chargeback (I/A transfer to DOA)	1.2	1.3	1.3
73806	IT-Telecommunication	Admin	Telecommunications Enterprise Productivity Rates (EPR) and Private Branch Exchange (PBX) chargeback (I/A transfer to DOA)	3.7	3.8	3.8
73809	Mail	Admin	Centralized mail services chargeback (I/A transfer to DOA)	0.0	0.1	0.1
73810	Human Resources	Admin	Human resource services chargeback (I/A transfer to DOA)	1.1	1.3	1.3
73811	Building Leases	Admin	Building leases chargeback (I/A transfer to DOA)	10.0	10.3	10.3
73813	Auditing	Admin	Auditing services chargeback (I/A transfer to DOA)	0.1	0.1	0.1

Line Item Detail
Department of Labor and Workforce Development
Services

Component: Second Injury Fund (2342)

RDU: Workers' Compensation (112)

Expenditure Account	Servicing Agency	Explanation	FY2012 Actuals	FY2013 Management Plan	FY2014 Governor
73000 Services Detail Totals			27.4	48.9	45.2
73815 Financial	Admin	State payroll and accounting system chargeback (I/A transfer to DOA)	0.1	0.2	0.2

Line Item Detail
Department of Labor and Workforce Development
Commodities

Component: Second Injury Fund (2342)
RDU: Workers' Compensation (112)

Line Number	Line Name		FY2012 Actuals	FY2013 Management Plan	FY2014 Governor
74000	Commodities		2.6	8.4	8.4
			FY2012 Actuals	FY2013 Management Plan	FY2014 Governor
74000 Commodities Detail Totals			2.6	8.4	8.4
74200	Business	Office supplies, information technology equipment and subscriptions	2.6	8.4	8.4

Line Item Detail
Department of Labor and Workforce Development
Capital Outlay

Component: Second Injury Fund (2342)
RDU: Workers' Compensation (112)

Line Number	Line Name		FY2012 Actuals	FY2013 Management Plan	FY2014 Governor
75000	Capital Outlay		0.0	8.0	8.0
			FY2012 Actuals	FY2013 Management Plan	FY2014 Governor
			75000 Capital Outlay Detail Totals	0.0	8.0
75700	Equipment	Purchase of copiers and related equipment	0.0	8.0	8.0

Line Item Detail
Department of Labor and Workforce Development
Grants, Benefits

Component: Second Injury Fund (2342)
RDU: Workers' Compensation (112)

Line Number	Line Name		FY2012 Actuals	FY2013 Management Plan	FY2014 Governor
77000	Grants, Benefits		3,256.9	3,739.0	3,739.0
			FY2012 Actuals	FY2013 Management Plan	FY2014 Governor
77000 Grants, Benefits Detail Totals			3,256.9	3,739.0	3,739.0
77670	Benefits	Payments under AS 23.30.205 reflect the Second Injury Fund benefits to reinjured disabled workers through reimbursement to employers/insurers.	3,256.9	3,739.0	3,739.0

Unrestricted Revenue Detail
Department of Labor and Workforce Development

Component: Second Injury Fund (2342)
RDU: Workers' Compensation (112)

Master Account	Revenue Description	FY2012 Actuals	FY2013 Management Plan	FY2014 Governor
51075	Second Injury Fund Reserve Account	3,432.4	4,003.3	4,003.4

Detail Information

Revenue Amount	Revenue Description	Component	Collocation Code	AKSAS Fund	FY2012 Actuals	FY2013 Management Plan	FY2014 Governor
51075	Second Injury Fund	Second Injury Fund	7340600	11117	3,432.4	4,003.3	4,003.4

The Second Injury Fund Reserve Account is a dedicated fund established to encourage employers to hire and retain persons with pre-existing physical conditions. Employers and insurers support the fund with payments that are based on a percentage of their yearly disability compensation payments to their injured workers.

Under AS 23.30.040, the contribution percentage rate ranges from 0% to 6%, based upon the Fund's reserve rate for the preceding year, and the applicable percentage is reset each year. In recent years, the rates have varied from 0% (1989) to 3% (1990), 4% (2010), 5% (1991, 1995, 1997, 1998, 2000, 2009, 2011), and the maximum 6% (1992-1994, 1996, 1999, 2001-2008, 2012).

These funds are used to pay benefits to injured workers and to support operations of the Second Injury Fund program.

Inter-Agency Services
Department of Labor and Workforce Development

Component: Second Injury Fund (2342)
RDU: Workers' Compensation (112)

Expenditure Account	Service Description	Service Type	Servicing Agency	FY2012 Actuals	FY2013	
					Management Plan	FY2014 Governor
73169	Federal Indirect Rate Allocation	Indirect cost allocation for departmental purchasing, state accounting, federal accounting reports, personnel training, contracts, and fiscal services provided by Management Services (I/A transfer to Management Services)	Intra-dept Management Services	7.3	9.9	10.1
73169 Federal Indirect Rate Allocation subtotal:				7.3	9.9	10.1
73254	Dp Operations Alloc	Allocation for Data Processing network and supportive services (I/A transfer to Data Processing)	Intra-dept Data Processing	3.3	3.3	3.3
73254 Dp Operations Alloc subtotal:				3.3	3.3	3.3
73804	Economic/Development (IA Svcs)	Workers' Compensation SAGE	Intra-dept Data Processing	0.0	0.5	0.5
73804 Economic/Development (IA Svcs) subtotal:				0.0	0.5	0.5
73805	IT-Non-Telecommunication	Computer services Enterprise Productivity Rates (EPR) chargeback (I/A transfer to DOA)	Inter-dept Admin	1.2	1.3	1.3
73805 IT-Non-Telecommunication subtotal:				1.2	1.3	1.3
73806	IT-Telecommunication	Telecommunications Enterprise Productivity Rates (EPR) and Private Branch Exchange (PBX) chargeback (I/A transfer to DOA)	Inter-dept Admin	3.7	3.8	3.8
73806 IT-Telecommunication subtotal:				3.7	3.8	3.8
73809	Mail	Centralized mail services chargeback (I/A transfer to DOA)	Inter-dept Admin	0.0	0.1	0.1
73809 Mail subtotal:				0.0	0.1	0.1
73810	Human Resources	Human resource services chargeback (I/A transfer to DOA)	Inter-dept Admin	1.1	1.3	1.3
73810 Human Resources subtotal:				1.1	1.3	1.3
73811	Building Leases	Building leases chargeback (I/A transfer to DOA)	Inter-dept Admin	10.0	10.3	10.3
73811 Building Leases subtotal:				10.0	10.3	10.3
73813	Auditing	Auditing services chargeback (I/A transfer to DOA)	Inter-dept Admin	0.1	0.1	0.1
73813 Auditing subtotal:				0.1	0.1	0.1
73815	Financial	State payroll and accounting system chargeback (I/A transfer to DOA)	Inter-dept Admin	0.1	0.2	0.2
73815 Financial subtotal:				0.1	0.2	0.2
Second Injury Fund total:				26.8	30.8	31.0
Grand Total:				26.8	30.8	31.0