

**State of Alaska**  
**FY2015 Governor's Operating Budget**

**Department of Labor and Workforce Development**  
**Workers' Compensation**  
**Results Delivery Unit Budget Summary**

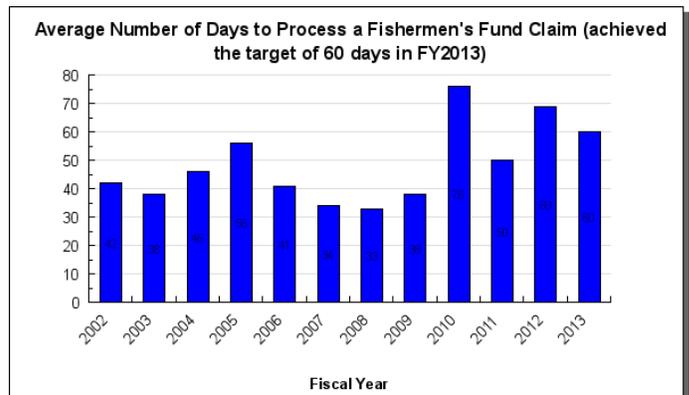
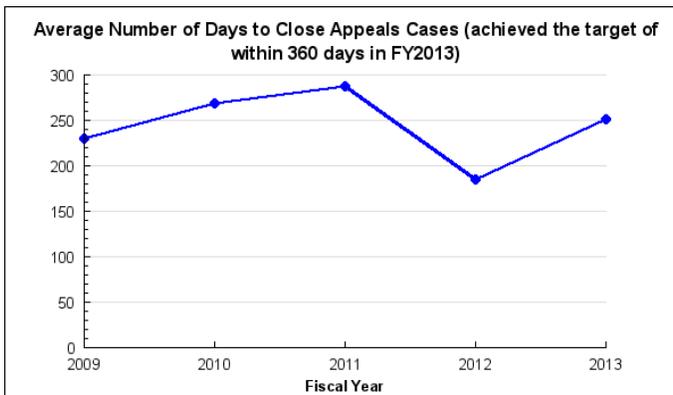
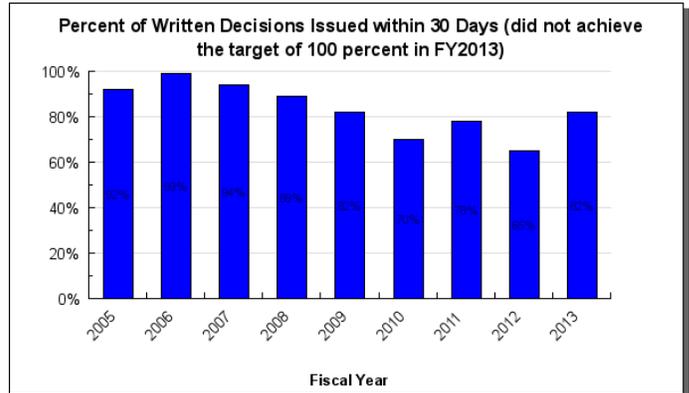
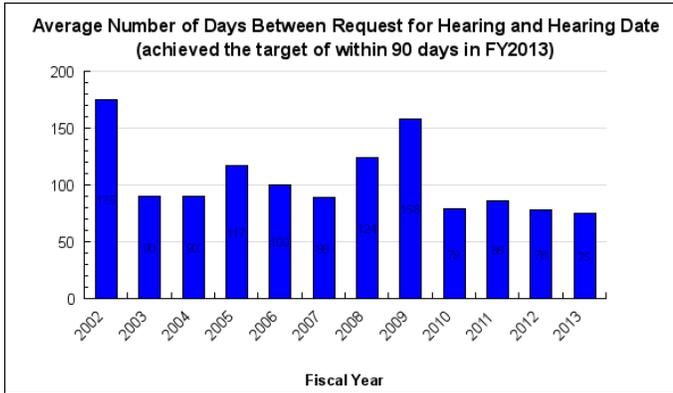
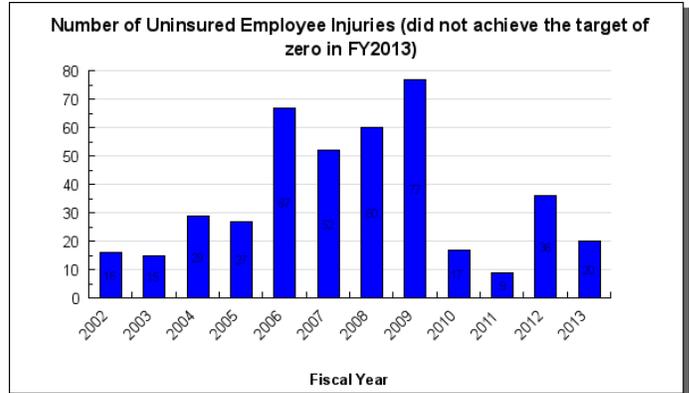
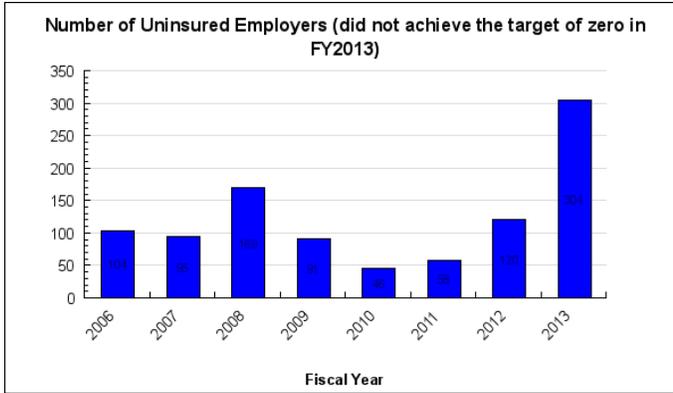
**Workers' Compensation Results Delivery Unit**

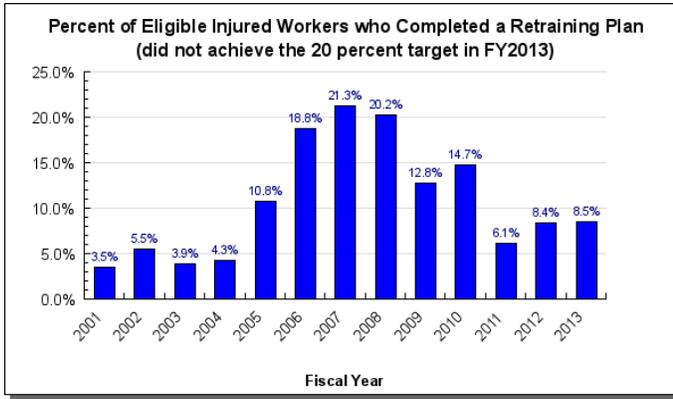
**Contribution to Department's Mission**

The mission of Workers' Compensation is to ensure the efficient, fair and predictable delivery of indemnity, medical and vocational rehabilitation benefits intended to enable workers to return to work at a reasonable cost to employers.

**Results**

(Additional performance information is available on the web at <https://omb.alaska.gov/results>.)





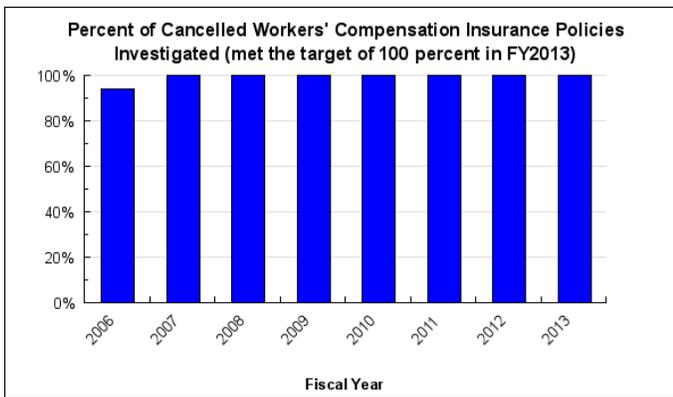
**Core Services**

- Ensure compliance with the Workers' Compensation Act.
- Conduct timely Workers' Compensation hearings.
- Operate a timely and efficient appeals program.
- Process Fishermen's Fund claims timely.
- Administer a vocational rehabilitation benefits and training program for injured workers.

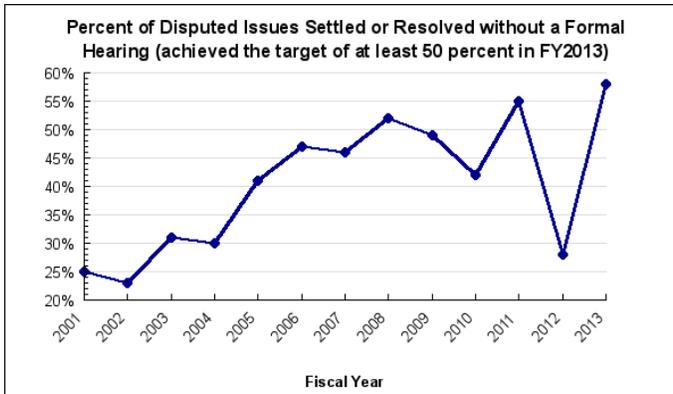
**Measures by Core Service**

(Additional performance information is available on the web at <https://omb.alaska.gov/results>.)

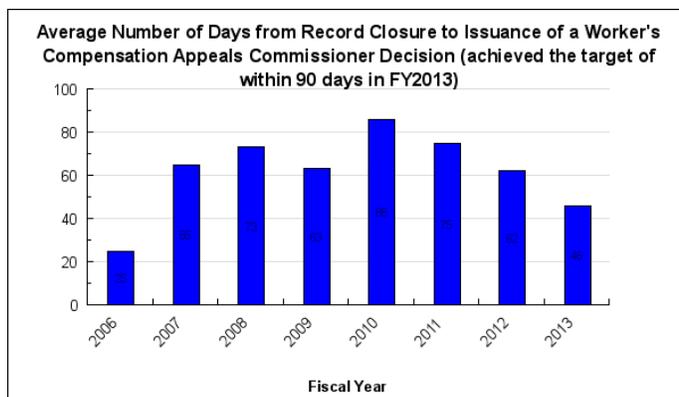
**1. Ensure compliance with the Workers' Compensation Act.**



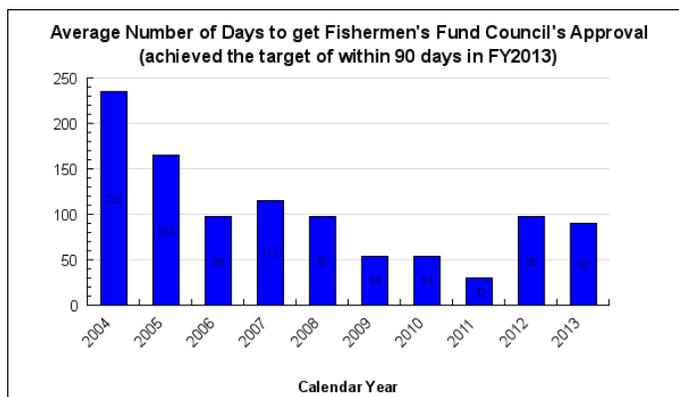
**2. Conduct timely Workers' Compensation hearings.**



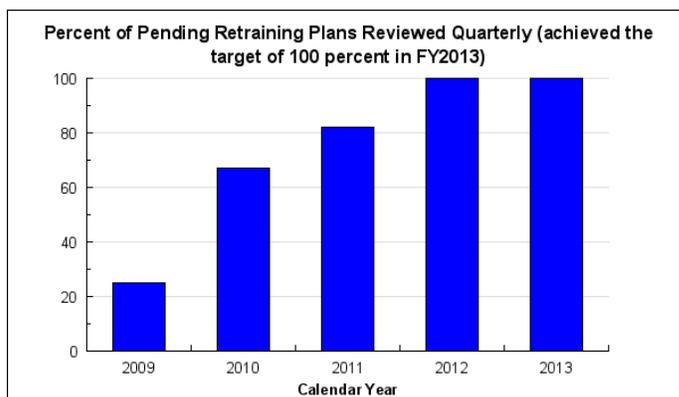
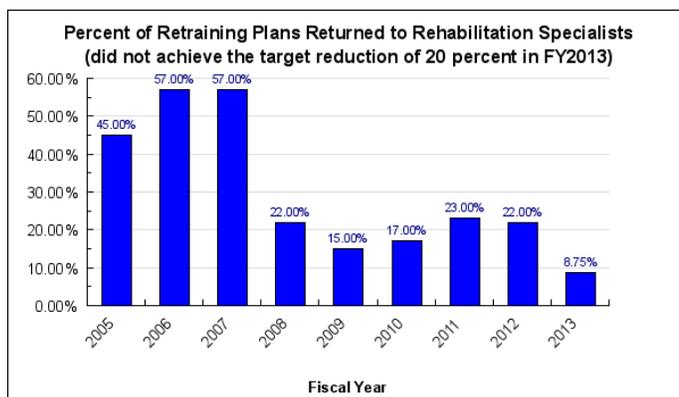
**3. Operate a timely and efficient appeals program.**



**4. Process Fishermen's Fund claims timely.**



**5. Administer a vocational rehabilitation benefits and training program for injured workers.**



**Major RDU Accomplishments in 2013**

During FY2013, the Workers' Compensation Division:

- Assessed \$1,141.3 in civil penalties payable to the Workers' Compensation Benefits Guaranty Fund.
- Completed Phase One of the Workers' Compensation.Net upgrade and rewrite project. Phase Two (anticipated to complete in November 2013) will integrate the Special Investigations Unit, provide ad hoc reporting, improve work flow capabilities, and create an online disability benefit calculator.

## **Key RDU Challenges**

A key challenge for the Workers' Compensation Division is the increased liability against the Workers' Compensation Benefits Guaranty Fund. Currently, there are 27 open claims against the fund with a potential liability of \$1,425.3. Although the division believes it will be able to successfully defend or mediate many of these claims, risk exposure remains high. The division anticipates that this risk can be partially offset because the fund's collection rate will increase due to a new collections officer position.

## **Significant Changes in Results to be Delivered in FY2015**

No significant changes in results to be delivered are anticipated.

<b>Contact Information</b>
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**Workers' Compensation  
RDU Financial Summary by Component**

*All dollars shown in thousands*

	FY2013 Actuals				FY2014 Management Plan				FY2015 Governor			
	UGF+DGF Funds	Other Funds	Federal Funds	Total Funds	UGF+DGF Funds	Other Funds	Federal Funds	Total Funds	UGF+DGF Funds	Other Funds	Federal Funds	Total Funds
<b>Formula Expenditures</b> None.												
<b>Non-Formula Expenditures</b>												
Workers' Compensation	5,232.7	0.0	0.0	5,232.7	5,692.3	0.0	0.0	5,692.3	5,679.1	0.0	0.0	5,679.1
Workers' Comp Appeals Comm	452.9	0.0	0.0	452.9	585.1	0.0	0.0	585.1	584.6	0.0	0.0	584.6
WC Benefits Guaranty Fund	597.8	0.0	0.0	597.8	773.1	0.0	0.0	773.1	772.6	0.0	0.0	772.6
Second Injury Fund	3,551.4	0.0	0.0	3,551.4	4,008.3	0.0	0.0	4,008.3	4,008.1	0.0	0.0	4,008.1
Fishermen's Fund	1,147.1	0.0	0.0	1,147.1	1,653.3	0.0	0.0	1,653.3	1,652.3	0.0	0.0	1,652.3
<b>Totals</b>	<b>10,981.9</b>	<b>0.0</b>	<b>0.0</b>	<b>10,981.9</b>	<b>12,712.1</b>	<b>0.0</b>	<b>0.0</b>	<b>12,712.1</b>	<b>12,696.7</b>	<b>0.0</b>	<b>0.0</b>	<b>12,696.7</b>

**Workers' Compensation**  
**Summary of RDU Budget Changes by Component**  
**From FY2014 Management Plan to FY2015 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>
<b>FY2014 Management Plan</b>	<b>3.3</b>	<b>12,708.8</b>	<b>0.0</b>	<b>0.0</b>	<b>12,712.1</b>
<b>Adjustments which will continue current level of service:</b>					
-Workers' Compensation	0.0	-13.2	0.0	0.0	-13.2
-Workers' Comp Appeals Comm	0.0	-0.5	0.0	0.0	-0.5
-WC Benefits Guaranty Fund	0.0	-0.5	0.0	0.0	-0.5
-Second Injury Fund	0.0	-0.2	0.0	0.0	-0.2
-Fishermen's Fund	0.0	-1.0	0.0	0.0	-1.0
<b>FY2015 Governor</b>	<b>3.3</b>	<b>12,693.4</b>	<b>0.0</b>	<b>0.0</b>	<b>12,696.7</b>