

# **State of Alaska FY2012 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.

### Key Component Challenges

In *Raymond Clark v. Kennecott Greens Creek Mining*, AWCAC Decision No. 07-0077, June 9, 2008, the Alaska Workers' Compensation Appeals Commission found that the Second Injury Fund must reimburse benefits paid pursuant to AS 23.30.041(k). Since the fund does not assess .041(k) benefits under AS 23.30.040(b), this ruling may increase the fund's liability. The division is currently assessing the impact on the Second Injury Fund and looking at a potential statutory change to address the Appeals Commission decision.

### Significant Changes in Results to be Delivered in FY2012

No significant changes in results are anticipated.

### Major Component Accomplishments in 2010

The Second Injury Fund was able to reimburse employers and/or insurers \$3,188.7 for 103 claims in FY2010. The ending fund balance for FY2010 was \$6,268.4

### 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*

|   | FY2010 Actuals | FY2011<br>Management Plan | FY2012 Governor |
|---|----------------|---------------------------|-----------------|
| <b>Non-Formula Program:</b>             |                |                           |                 |
| <b>Component Expenditures:</b>          |                |                           |                 |
| 71000 Personal Services                 | 177.0          | 180.0                     | 188.7           |
| 72000 Travel                            | 1.1            | 2.5                       | 2.5             |
| 73000 Services                          | 42.5           | 51.2                      | 51.2            |
| 74000 Commodities                       | 0.6            | 5.2                       | 5.2             |
| 75000 Capital Outlay                    | 0.0            | 8.0                       | 8.0             |
| 77000 Grants, Benefits                  | 3,378.4        | 3,739.0                   | 3,739.0         |
| 78000 Miscellaneous                     | 0.0            | 0.0                       | 0.0             |
| <b>Expenditure Totals</b>               | <b>3,599.6</b> | <b>3,985.9</b>            | <b>3,994.6</b>  |
| <b>Funding Sources:</b>                 |                |                           |                 |
| 1004 General Fund Receipts              | 0.2            | 0.2                       | 0.0             |
| 1031 Second Injury Fund Reserve Account | 3,599.4        | 3,985.7                   | 3,994.6         |
| <b>Funding Totals</b>                   | <b>3,599.6</b> | <b>3,985.9</b>            | <b>3,994.6</b>  |

**Estimated Revenue Collections**

| Description                        | Master<br>Revenue<br>Account | FY2010 Actuals | FY2011<br>Management Plan | FY2012 Governor |
|------------------------------------|------------------------------|----------------|---------------------------|-----------------|
| <b>Unrestricted Revenues</b>       |                              |                |                           |                 |
| Second Injury Fund Reserve Account | 51075                        | 3,599.4        | 3,985.7                   | 3,994.6         |
| <b>Unrestricted Total</b>          |                              | <b>3,599.4</b> | <b>3,985.7</b>            | <b>3,994.6</b>  |
| <b>Restricted Revenues</b>         |                              |                |                           |                 |
| None.                              |                              | 0.0            | 0.0                       | 0.0             |
| <b>Restricted Total</b>            |                              | <b>0.0</b>     | <b>0.0</b>                | <b>0.0</b>      |
| <b>Total Estimated Revenues</b>    |                              | <b>3,599.4</b> | <b>3,985.7</b>            | <b>3,994.6</b>  |

**Summary of Component Budget Changes  
From FY2011 Management Plan to FY2012 Governor**

*All dollars shown in thousands*

|  | <u>Unrestricted<br/>Gen (UGF)</u> | <u>Designated<br/>Gen (DGF)</u> | <u>Other Funds</u> | <u>Federal<br/>Funds</u> | <u>Total Funds</u> |
|--|-----------------------------------|---------------------------------|--------------------|--------------------------|--------------------|
| <b>FY2011 Management Plan</b>  | <b>0.2</b>                        | <b>3,985.7</b>                  | <b>0.0</b>         | <b>0.0</b>               | <b>3,985.9</b>     |
| <b>Adjustments which will<br/>continue current level of<br/>service:</b> |                                   |                                 |                    |                          |                    |
| -FY 2011 Over/Understated<br>GGU/SU salary<br>adjustments                | 0.0                               | -0.9                            | 0.0                | 0.0                      | -0.9               |
| -FY 2012 Personal Services<br>increases                                  | 0.0                               | 9.6                             | 0.0                | 0.0                      | 9.6                |
| -Balance Component<br>Funding  | -0.2                              | 0.2                             | 0.0                | 0.0                      | 0.0                |
| <b>FY2012 Governor</b>   | <b>0.0</b>                        | <b>3,994.6</b>                  | <b>0.0</b>         | <b>0.0</b>               | <b>3,994.6</b>     |

**Second Injury Fund  
Personal Services Information**

| Authorized Positions |   |                                  | Personal Services Costs          |                |
|----------------------|---|----------------------------------|----------------------------------|----------------|
|                      | <u>FY2011</u><br><u>Management</u><br><u>Plan</u> | <u>FY2012</u><br><u>Governor</u> |                                  |                |
| Full-time            | 2   | 2                                | Annual Salaries                  | 116,667        |
| Part-time            | 0   | 0                                | COLA                             | 468            |
| Nonpermanent         | 0   | 0                                | Premium Pay                      | 0              |
|                      |   |                                  | Annual Benefits                  | 72,964         |
|                      |   |                                  | <i>Less 0.74% Vacancy Factor</i> | <i>(1,399)</i> |
|                      |   |                                  | Lump Sum Premium Pay             | 0              |
| <b>Totals</b>        | <b>2</b>  | <b>2</b>                         | <b>Total Personal Services</b>   | <b>188,700</b> |

**Position Classification Summary**

| <b>Job Class Title</b> | <b>Anchorage</b> | <b>Fairbanks</b> | <b>Juneau</b> | <b>Others</b> | <b>Total</b> |
|------------------------|------------------|------------------|---------------|---------------|--------------|
| 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>     |

**Component Detail All Funds**  
**Department of Labor and Workforce Development**

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

|                                   | FY2010 Actuals | FY2011 Conference Committee (Final) | FY2011 Authorized | FY2011 Management Plan | FY2012 Governor | FY2011 Management Plan vs FY2012 Governor |                |
|-----------------------------------|----------------|-------------------------------------|-------------------|------------------------|-----------------|---|----------------|
| 71000 Personal Services           | 177.0          | 189.8                               | 190.3             | 180.0                  | 188.7           | 8.7                                       | 4.8%           |
| 72000 Travel                      | 1.1            | 2.5                                 | 2.5               | 2.5                    | 2.5             | 0.0                                       | 0.0%           |
| 73000 Services                    | 42.5           | 40.9                                | 40.9              | 51.2                   | 51.2            | 0.0                                       | 0.0%           |
| 74000 Commodities                 | 0.6            | 5.2                                 | 5.2               | 5.2                    | 5.2             | 0.0                                       | 0.0%           |
| 75000 Capital Outlay              | 0.0            | 8.0                                 | 8.0               | 8.0                    | 8.0             | 0.0                                       | 0.0%           |
| 77000 Grants, Benefits            | 3,378.4        | 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%           |
| <b>Totals</b>                     | <b>3,599.6</b> | <b>3,985.4</b>                      | <b>3,985.9</b>    | <b>3,985.9</b>         | <b>3,994.6</b>  | <b>8.7</b>                                | <b>0.2%</b>    |
| <b>Fund Sources:</b>              |                |                                     |                   |                        |                 |   |                |
| 1004 Gen Fund                     | 0.2            | 0.2                                 | 0.2               | 0.2                    | 0.0             | -0.2                                      | -100.0%        |
| 1031 Sec Injury                   | 3,599.4        | 3,985.2                             | 3,985.7           | 3,985.7                | 3,994.6         | 8.9                                       | 0.2%           |
| <b>Unrestricted General (UGF)</b> | <b>0.2</b>     | <b>0.2</b>                          | <b>0.2</b>        | <b>0.2</b>             | <b>0.0</b>      | <b>-0.2</b>                               | <b>-100.0%</b> |
| <b>Designated General (DGF)</b>   | <b>3,599.4</b> | <b>3,985.2</b>                      | <b>3,985.7</b>    | <b>3,985.7</b>         | <b>3,994.6</b>  | <b>8.9</b>                                | <b>0.2%</b>    |
| <b>Other Funds</b>                | <b>0.0</b>     | <b>0.0</b>                          | <b>0.0</b>        | <b>0.0</b>             | <b>0.0</b>      | <b>0.0</b>                                | <b>0.0%</b>    |
| <b>Federal Funds</b>              | <b>0.0</b>     | <b>0.0</b>                          | <b>0.0</b>        | <b>0.0</b>             | <b>0.0</b>      | <b>0.0</b>                                | <b>0.0%</b>    |
| <b>Positions:</b>                 |                |                                     |                   |                        |                 |   |                |
| 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 FY2011 Conference Committee (Final) To FY2011 Authorized *****  |            |                |                   |            |             |             |                |                  |               |           |          |          |
| <b>FY2011 Conference Committee</b>   |            |                |                   |            |             |             |                |                  |               |           |          |          |
|  | ConfCom    | 3,985.4        | 189.8             | 2.5        | 40.9        | 5.2         | 8.0            | 3,739.0          | 0.0           | 2         | 0        | 0        |
| 1004 Gen Fund  |            | 0.2            |                   |            |             |             |                |                  |               |           |          |          |
| 1031 Sec Injury  |            | 3,985.2        |                   |            |             |             |                |                  |               |           |          |          |
| <b>ADN0711010 WC FY11 Non-covered Salary Increase Year 1 SLA 10 CH 41 Sec 2 P 50 L 21 - SLA 10 CH 56 (HB 421)</b>  |            |                |                   |            |             |             |                |                  |               |           |          |          |
|  | FisNot     | 0.5            | 0.5               | 0.0        | 0.0         | 0.0         | 0.0            | 0.0              | 0.0           | 0         | 0        | 0        |
| 1031 Sec Injury  |            | 0.5            |                   |            |             |             |                |                  |               |           |          |          |
| FY2011 Non-covered Employees Year 1 increase: \$0.5  |            |                |                   |            |             |             |                |                  |               |           |          |          |
| <b>Subtotal</b>  |            | <b>3,985.9</b> | <b>190.3</b>      | <b>2.5</b> | <b>40.9</b> | <b>5.2</b>  | <b>8.0</b>     | <b>3,739.0</b>   | <b>0.0</b>    | <b>2</b>  | <b>0</b> | <b>0</b> |
| ***** Changes From FY2011 Authorized To FY2011 Management Plan *****   |            |                |                   |            |             |             |                |                  |               |           |          |          |
| <b>ADN 07-1-1026 Line Item Transfer to Balance Personal Services</b>   |            |                |                   |            |             |             |                |                  |               |           |          |          |
|  | LIT        | 0.0            | -10.3             | 0.0        | 10.3        | 0.0         | 0.0            | 0.0              | 0.0           | 0         | 0        | 0        |
| This transfer is needed to balance the personal services line. Staff turnover at the director level has lowered anticipated personal services expenses within the component.   |            |                |                   |            |             |             |                |                  |               |           |          |          |
| This authority will better serve the component in the contractual services line to support anticipated increases in legal expenses.  |            |                |                   |            |             |             |                |                  |               |           |          |          |
| <b>Subtotal</b>  |            | <b>3,985.9</b> | <b>180.0</b>      | <b>2.5</b> | <b>51.2</b> | <b>5.2</b>  | <b>8.0</b>     | <b>3,739.0</b>   | <b>0.0</b>    | <b>2</b>  | <b>0</b> | <b>0</b> |
| ***** Changes From FY2011 Management Plan To FY2012 Governor *****   |            |                |                   |            |             |             |                |                  |               |           |          |          |
| <b>FY 2011 Over/Understated GGU/SU salary adjustments</b>  |            |                |                   |            |             |             |                |                  |               |           |          |          |
|  | SalAdj     | -0.9           | -0.9              | 0.0        | 0.0         | 0.0         | 0.0            | 0.0              | 0.0           | 0         | 0        | 0        |
| 1031 Sec Injury  |            | -0.9           |                   |            |             |             |                |                  |               |           |          |          |
| When the SU and GGU salary adjustments were calculated, errors were made that understated some GGU amounts and overstated some SU amounts. This change record identifies the over and under stated amounts associated with these calculations.: \$-0.9 |            |                |                   |            |             |             |                |                  |               |           |          |          |
| <b>FY 2012 Personal Services increases</b>   |            |                |                   |            |             |             |                |                  |               |           |          |          |
|  | SalAdj     | 9.6            | 9.6               | 0.0        | 0.0         | 0.0         | 0.0            | 0.0              | 0.0           | 0         | 0        | 0        |
| 1031 Sec Injury  |            | 9.6            |                   |            |             |             |                |                  |               |           |          |          |
| This change record includes the following personal services increases:<br>: \$9.6  |            |                |                   |            |             |             |                |                  |               |           |          |          |

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

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

| Scenario/Change<br>Record Title  | Trans<br>Type | Totals         | Personal<br>Services | Travel     | Services    | Commodities | Capital Outlay | Grants, Benefits | Miscellaneous | Positions |          | NP       |
|--|---------------|----------------|----------------------|------------|-------------|-------------|----------------|------------------|---------------|-----------|----------|----------|
|  |               |                |                      |            |             |             |                |                  |               | PFT       | PPT      |          |
| Alaska State Employees Assn (GGU) FY2012 Health Insurance Increased Costs : \$2.8                        |               |                |                      |            |             |             |                |                  |               |           |          |          |
| Alaska Public Employees Assn (SU) FY2012 Health Insurance Increased Costs : \$1.0                        |               |                |                      |            |             |             |                |                  |               |           |          |          |
| Non-Covered Employees FY2012 Health Insurance Increased Costs : \$0.3                                    |               |                |                      |            |             |             |                |                  |               |           |          |          |
| Alaska State Employees Association (GGU) FY 12 COLA increases : \$1.7                                    |               |                |                      |            |             |             |                |                  |               |           |          |          |
| Alaska Public Employees Association (SU) FY 12 COLA increases : \$1.0                                    |               |                |                      |            |             |             |                |                  |               |           |          |          |
| Non-Covered Employees FY 12 COLA increases : \$0.4   |               |                |                      |            |             |             |                |                  |               |           |          |          |
| Alaska State Employees Association - ASEA Geographic Differential for GGU : \$1.7                        |               |                |                      |            |             |             |                |                  |               |           |          |          |
| Alaska Public Employees Association - APEA Geographic Differential for SU : \$0.7                        |               |                |                      |            |             |             |                |                  |               |           |          |          |
| <b>Balance Component Funding</b>   |               |                |                      |            |             |             |                |                  |               |           |          |          |
|  | FndChg        | 0.0            | 0.0                  | 0.0        | 0.0         | 0.0         | 0.0            | 0.0              | 0.0           | 0         | 0        | 0        |
| 1004 Gen Fund  |               | -0.2           |                      |            |             |             |                |                  |               |           |          |          |
| 1031 Sec Injury  |               | 0.2            |                      |            |             |             |                |                  |               |           |          |          |
| Change record is to balance funding methodology in Second Injury Fund made in FY11 Conference Committee. |               |                |                      |            |             |             |                |                  |               |           |          |          |
| <b>Totals</b>  |               | <b>3,994.6</b> | <b>188.7</b>         | <b>2.5</b> | <b>51.2</b> | <b>5.2</b>  | <b>8.0</b>     | <b>3,739.0</b>   | <b>0.0</b>    | <b>2</b>  | <b>0</b> | <b>0</b> |

**Personal Services Expenditure Detail**  
**Department of Labor and Workforce Development**

**Scenario:** FY2012 Governor (8665)  
**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    | 202          | 18A          | 3.5         | *             | 16,966          | 0    | 0           | 10,253          | 27,219      | 0         |
| 07-3001 | Division Director           | FT          | A           | XE        | Juneau    | AA           | 27C          | 2.0         | *             | 17,399          | 468  | 0           | 8,485           | 26,352      | 0         |
| 07-3023 | Administrative Assistant II | FT          | A           | SS        | Juneau    | 202          | 14D          | 0.5         | *             | 2,039           | 0    | 0           | 1,332           | 3,371       | 0         |
| 07-3026 | Administrative Officer II   | FT          | A           | SS        | Anchorage | 200          | 19B          | 2.5         | *             | 12,998          | 0    | 0           | 7,626           | 20,624      | 0         |
| 07-3033 | Office Assistant I          | FT          | A           | GP        | Juneau    | 202          | 8E           | 2.5         | *             | 6,765           | 0    | 0           | 5,581           | 12,346      | 0         |
| 07-3046 | Worker Comp Off I           | FT          | A           | GP        | Juneau    | 202          | 16E          | 6.0         | **            | 27,455          | 0    | 0           | 17,255          | 44,710      | 0         |
| 07-3055 | Worker Comp Technician      | FT          | A           | GP        | Juneau    | 202          | 12E          | 6.0         | **            | 20,807          | 0    | 0           | 14,968          | 35,775      | 0         |
| 07-5527 | Project Assistant           | FT          | A           | GP        | Juneau    | 202          | 16G          | 2.5         | *             | 12,238          | 0    | 0           | 7,464           | 19,702      | 0         |

|                          | 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:                | 116,667        |
| Total COLA:                        | 468            |
| Total Premium Pay::                | 0              |
| Total Benefits:                    | 72,964         |
| Total Pre-Vacancy:                 | 190,099        |
| Minus Vacancy Adjustment of 0.74%: | (1,399)        |
| Total Post-Vacancy:                | 188,700        |
| Plus Lump Sum Premium Pay:         | 0              |
| <b>Personal Services Line 100:</b> | <b>188,700</b> |

| PCN Funding Sources:                    | Pre-Vacancy    | Post-Vacancy   | Percent        |
|---|----------------|----------------|----------------|
| 1031 Second Injury Fund Reserve Account | 190,099        | 188,700        | 100.00%        |
| <b>Total PCN Funding:</b>               | <b>190,099</b> | <b>188,700</b> | <b>100.00%</b> |

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 | FY2010 Actuals | FY2011 Management Plan | FY2012 Governor |
|-------------|-----------|----------------|------------------------|-----------------|
| 72000       | Travel    | 1.1            | 2.5                    | 2.5             |

| Expenditure Account               | Servicing Agency          | Explanation   | FY2010 Actuals | FY2011 Management Plan | FY2012 Governor |
|-----------------------------------|---------------------------|---|----------------|------------------------|-----------------|
| <b>72000 Travel Detail Totals</b> |                           |   | <b>1.1</b>     | <b>2.5</b>             | <b>2.5</b>      |
| 72110                             | Employee Travel (Instate) | Travel for public meetings to administer program activities | 1.1            | 2.5                    | 2.5             |

**Line Item Detail**  
**Department of Labor and Workforce Development**  
**Services**

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

| Line Number                         | Line Name        |                                  |   | FY2010 Actuals | FY2011 Management Plan | FY2012 Governor |
|-------------------------------------|------------------|----------------------------------|---|----------------|------------------------|-----------------|
| 73000                               | Services         |                                  |   | 42.5           | 51.2                   | 51.2            |
| Expenditure Account                 | Servicing Agency | Explanation                      |   | FY2010 Actuals | FY2011 Management Plan | FY2012 Governor |
| <b>73000 Services Detail Totals</b> |                  |                                  |   | <b>42.5</b>    | <b>51.2</b>            | <b>51.2</b>     |
| 73001                               |                  | Non-Interagency Svcs             | Indirect cost for worker's compensation rewrite.                      | 10.8           | 0.0                    | 3.9             |
| 73154                               | Admin            | Software Licensing               | Symantec/Microsoft software license fees (I/A transfer to DOA)        | 3.8            | 3.2                    | 3.2             |
| 73156                               |                  | Telecommunication                | Cost for local and long distance charges and data network charges.    | 0.1            | 2.5                    | 2.5             |
| 73169                               | DOL Mgmt Svcs    | Federal Indirect Rate Allocation | Indirect cost allocation (I/A transfer to Management Services).       | 8.3            | 10.6                   | 9.7             |
| 73225                               |                  | Delivery Services                | Transportation and freight charges.                                   | 0.0            | 4.0                    | 3.0             |
| 73254                               | DOL Data Proc    | Dp Operations Alloc              | Data processing operations support (I/A transfer to Data Processing). | 3.1            | 6.0                    | 5.2             |
| 73450                               |                  | Advertising & Promos             | Advertising for regulations, seminars, board meetings.                | 0.0            | 2.6                    | 1.6             |
| 73650                               |                  | Struc/Infstruct/Land             | Machine and equipment repair and maintenance.                         | 0.1            | 5.8                    | 5.3             |
| 73805                               | Admin            | IT-Non-Telecommnctns             | Computer network EPR (I/A transfer to DOA)                            | 1.0            | 1.0                    | 1.0             |
| 73806                               | Admin            | IT-Telecommunication             | Telecommunications EPR (I/A transfer to DOA).                         | 3.6            | 4.0                    | 4.0             |
| 73809                               | Admin            | Mail                             | Core Service: Mail (I/A transfer to DOA).                             | 0.2            | 0.2                    | 0.2             |
| 73810                               | Admin            | Human Resources                  | Human Resource services (I/A transfer to DOA).                        | 1.3            | 1.2                    | 1.3             |
| 73811                               | Admin            | Building Leases                  | Building lease charges (I/A transfer to DOA).                         | 10.0           | 10.0                   | 10.0            |
| 73815                               | Admin            | Financial                        | Core Service: AKPAY/AKSAS (I/A transfer to DOA).                      | 0.2            | 0.1                    | 0.3             |

**Line Item Detail**  
**Department of Labor and Workforce Development**  
**Commodities**

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

| Line Number                            | Line Name               |  | FY2010 Actuals        | FY2011 Management Plan        | FY2012 Governor        |
|--|-------------------------|--|-----------------------|-------------------------------|------------------------|
| 74000                                  | Commodities             |  | 0.6                   | 5.2                           | 5.2                    |
|  |                         |  | <b>FY2010 Actuals</b> | <b>FY2011 Management Plan</b> | <b>FY2012 Governor</b> |
| <b>Expenditure Account</b>             | <b>Servicing Agency</b> | <b>Explanation</b>   |                       |                               |                        |
| <b>74000 Commodities Detail Totals</b> |                         |  | <b>0.6</b>            | <b>5.2</b>                    | <b>5.2</b>             |
| 74200                                  | Business                | Office supplies, information technology equipment and subscriptions. | 0.6                   | 5.2                           | 5.2                    |

**Line Item Detail**  
**Department of Labor and Workforce Development**  
**Capital Outlay**

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

| Line Number                               | Line Name        |  | FY2010 Actuals | FY2011 Management Plan | FY2012 Governor |
|---|------------------|--|----------------|------------------------|-----------------|
| 75000                                     | Capital Outlay   |  | 0.0            | 8.0                    | 8.0             |
|   |                  |  |                |                        |                 |
| Expenditure Account                       | Servicing Agency | Explanation                                | FY2010 Actuals | FY2011 Management Plan | FY2012 Governor |
| <b>75000 Capital Outlay Detail Totals</b> |                  |  | <b>0.0</b>     | <b>8.0</b>             | <b>8.0</b>      |
| 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        | FY2010 Actuals | FY2011 Management Plan | FY2012 Governor |
|-------------|------------------|----------------|------------------------|-----------------|
| 77000       | Grants, Benefits | 3,378.4        | 3,739.0                | 3,739.0         |

| Expenditure Account                         | Servicing Agency | Explanation  | FY2010 Actuals | FY2011 Management Plan | FY2012 Governor |
|---|------------------|--|----------------|------------------------|-----------------|
| <b>77000 Grants, Benefits Detail Totals</b> |                  |  | <b>3,378.4</b> | <b>3,739.0</b>         | <b>3,739.0</b>  |
| 77670                                       | Benefits         | Payments under AS 23.30.205 reflect the Second Injury Fund benefits to reinjured disabled workers through reimbursement to employers/insurers. | 3,378.4        | 3,739.0                | 3,739.0         |

**Unrestricted Revenue Detail**  
**Department of Labor and Workforce Development**

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

| <b>Master Account</b> | <b>Revenue Description</b>         | <b>FY2010 Actuals</b> | <b>FY2011 Management Plan</b> | <b>FY2012 Governor</b> |
|-----------------------|------------------------------------|-----------------------|-------------------------------|------------------------|
| 51075                 | Second Injury Fund Reserve Account | 3,599.4               | 3,985.7                       | 3,994.6                |

**Detail Information**

| <b>Revenue Amount</b> | <b>Revenue Description</b> | <b>Component</b>   | <b>Collocation Code</b> | <b>AKSAS Fund</b> | <b>FY2010 Actuals</b> | <b>FY2011 Management Plan</b> | <b>FY2012 Governor</b> |
|-----------------------|----------------------------|--------------------|-------------------------|-------------------|-----------------------|-------------------------------|------------------------|
| 51075                 | Second Injury Fund         | Second Injury Fund | 7340600                 | 11117             | 3,599.4               | 3,985.7                       | 3,994.6                |

The Second Injury Fund 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), 5% (1991, 1995, 1997, 1998, 2000), and the maximum 6% (1992-1994, 1996, 1999, 2001-2008). The contribution rate is 5% in 2009 and is projected to be 4% in 2010.

These funds are used 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 | FY2010 Actuals | FY2011          |                 |             |
|---|----------------------------------|---|------------------|----------------|-----------------|-----------------|-------------|
|   |                                  |   |                  |                | Management Plan | FY2012 Governor |             |
| 73154   | Software Licensing               | Symantec/Microsoft software license fees (I/A transfer to DOA)        | Inter-dept       | Admin          | 3.8             | 3.2             | 3.2         |
| <b>73154 Software Licensing subtotal:</b>               |                                  |   |                  |                | <b>3.8</b>      | <b>3.2</b>      | <b>3.2</b>  |
| 73169   | Federal Indirect Rate Allocation | Indirect cost allocation (I/A transfer to Management Services).       | Intra-dept       | DOL Mgmt Svcs  | 8.3             | 10.6            | 9.7         |
| <b>73169 Federal Indirect Rate Allocation subtotal:</b> |                                  |   |                  |                | <b>8.3</b>      | <b>10.6</b>     | <b>9.7</b>  |
| 73254   | Dp Operations Alloc              | Data processing operations support (I/A transfer to Data Processing). | Intra-dept       | DOL Data Proc  | 3.1             | 6.0             | 5.2         |
| <b>73254 Dp Operations Alloc subtotal:</b>              |                                  |   |                  |                | <b>3.1</b>      | <b>6.0</b>      | <b>5.2</b>  |
| 73805   | IT-Non-Telecommnctns             | Computer network EPR (I/A transfer to DOA)                            | Inter-dept       | Admin          | 1.0             | 1.0             | 1.0         |
| <b>73805 IT-Non-Telecommnctns subtotal:</b>             |                                  |   |                  |                | <b>1.0</b>      | <b>1.0</b>      | <b>1.0</b>  |
| 73806   | IT-Telecommunication             | Telecommunications EPR (I/A transfer to DOA).                         | Inter-dept       | Admin          | 3.6             | 4.0             | 4.0         |
| <b>73806 IT-Telecommunication subtotal:</b>             |                                  |   |                  |                | <b>3.6</b>      | <b>4.0</b>      | <b>4.0</b>  |
| 73809   | Mail                             | Core Service: Mail (I/A transfer to DOA).                             | Inter-dept       | Admin          | 0.2             | 0.2             | 0.2         |
| <b>73809 Mail subtotal:</b>                             |                                  |   |                  |                | <b>0.2</b>      | <b>0.2</b>      | <b>0.2</b>  |
| 73810   | Human Resources                  | Human Resource services (I/A transfer to DOA).                        | Inter-dept       | Admin          | 1.3             | 1.2             | 1.3         |
| <b>73810 Human Resources subtotal:</b>                  |                                  |   |                  |                | <b>1.3</b>      | <b>1.2</b>      | <b>1.3</b>  |
| 73811   | Building Leases                  | Building lease charges (I/A transfer to DOA).                         | Inter-dept       | Admin          | 10.0            | 10.0            | 10.0        |
| <b>73811 Building Leases subtotal:</b>                  |                                  |   |                  |                | <b>10.0</b>     | <b>10.0</b>     | <b>10.0</b> |
| 73815   | Financial                        | Core Service: AKPAY/AKSAS (I/A transfer to DOA).                      | Inter-dept       | Admin          | 0.2             | 0.1             | 0.3         |
| <b>73815 Financial subtotal:</b>                        |                                  |   |                  |                | <b>0.2</b>      | <b>0.1</b>      | <b>0.3</b>  |
| <b>Second Injury Fund total:</b>                        |                                  |   |                  |                | <b>31.5</b>     | <b>36.3</b>     | <b>34.9</b> |
| <b>Grand Total:</b>                                     |                                  |   |                  |                | <b>31.5</b>     | <b>36.3</b>     | <b>34.9</b> |