

**State of Alaska
FY2016 Governor Amended Operating
Budget**

**Department of Labor and Workforce Development
Workers' Compensation Appeals Commission
Component Budget Summary**

Component: Workers' Compensation Appeals Commission

Contribution to Department's Mission

The Workers' Compensation Appeals Commission component contributes to the department's mission by ensuring timely and well-reasoned decisions on appeals from final decisions and orders of the Workers' Compensation Board.

Core Services

- Adjudicate appeals from disputed Workers' Compensation Board decisions fairly, deliberate carefully, and provide timely decisions.
- Develop a sound, consistent, well-reasoned administrative interpretation of the workers' compensation law for the guidance of insurers, employers, workers, and the Board.

Major Component Accomplishments in 2014

During FY2014, the Workers' Compensation Appeals Commission component:

- Made significant efforts to reduce the time lag for decisions issued by the Workers' Compensation Appeals Commission. The time lag from record closure to written decision in FY2014 was 27 days, compared to 46 days in FY2013. In the previous four years, this lag was at least 62 days.

Key Component Challenges

No key component challenges.

Significant Changes in Results to be Delivered in FY2016

No significant changes in results to be delivered are anticipated.

Statutory and Regulatory Authority

Statutory Authority:

AS 23.30.007 - .009

Workers' Compensation Appeals Commission

Contact Information

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**Workers' Compensation Appeals Commission
Component Financial Summary**

All dollars shown in thousands

	FY2014 Actuals	FY2015 Management Plan	FY2016 Governor Amended
Non-Formula Program:			
Component Expenditures:			
71000 Personal Services	283.1	315.6	286.1
72000 Travel	0.0	18.7	18.7
73000 Services	116.1	245.3	129.8
74000 Commodities	2.9	5.0	5.0
75000 Capital Outlay	0.0	0.0	0.0
77000 Grants, Benefits	0.0	0.0	0.0
78000 Miscellaneous	0.0	0.0	0.0
Expenditure Totals	402.1	584.6	439.6
Funding Sources:			
1157 Workers Safety and Compensation Administration Account	402.1	584.6	439.6
Funding Totals	402.1	584.6	439.6

Estimated Revenue Collections

Description	Master Revenue Account	FY2014 Actuals	FY2015 Management Plan	FY2016 Governor Amended
Unrestricted Revenues				
Workers Safety & Compensation Admin	51078	402.1	584.6	589.6
Unrestricted Total		402.1	584.6	589.6
Restricted Revenues				
None.		0.0	0.0	0.0
Restricted Total		0.0	0.0	0.0
Total Estimated Revenues		402.1	584.6	589.6

**Summary of Component Budget Changes
From FY2015 Management Plan to FY2016 Governor Amended**

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>
FY2015 Management Plan	0.0	584.6	0.0	0.0	584.6
Adjustments which continue current level of service:					
-FY2016 Salary Increases	0.0	5.3	0.0	0.0	5.3
-FY2016 Health Insurance Rate Reduction	0.0	-0.3	0.0	0.0	-0.3
Proposed budget decreases:					
-Delete Law Office Assistant I (07-3066) and Additional Authority	0.0	-150.0	0.0	0.0	-150.0
FY2016 Governor Amended	0.0	439.6	0.0	0.0	439.6

**Workers' Compensation Appeals Commission
Personal Services Information**

Authorized Positions			Personal Services Costs	
	FY2015 Management Plan	FY2016 Governor Amended		
Full-time	3	2	Annual Salaries	158,928
Part-time	0	0	COLA	5,267
Nonpermanent	0	0	Premium Pay	0
			Annual Benefits	88,521
			<i>Less 0.40% Vacancy Factor</i>	(1,000)
			Lump Sum Premium Pay	0
			Board Honoraria	34,426
Totals	3	2	Total Personal Services	286,142

Position Classification Summary

Job Class Title	Anchorage	Fairbanks	Juneau	Others	Total
Chair, Wkrs Comp Appeals Comm	1	0	0	0	1
Law Office Assistant II	1	0	0	0	1
Totals	2	0	0	0	2

Component Board Summary

Board Description	Member Count	Pay Per Day	Budgeted Days	Additional Pay	Total Cost
Workers Compensation Appeals Commission	4	400.00	20	0.00	34,425.60
Total					34,425.60

Component Detail All Funds
Department of Labor and Workforce Development

Component: Workers' Compensation Appeals Commission (AR28320) (2816)

RDU: Workers' Compensation (112)

	FY2014 Actuals	FY2015 Conference Committee	FY2015 Authorized	FY2015 Management Plan	FY2016 Governor Amended	FY2015 Management Plan vs FY2016 Governor Amended	
71000 Personal Services	283.1	378.1	378.1	315.6	286.1	-29.5	-9.3%
72000 Travel	0.0	18.7	18.7	18.7	18.7	0.0	0.0%
73000 Services	116.1	182.8	182.8	245.3	129.8	-115.5	-47.1%
74000 Commodities	2.9	5.0	5.0	5.0	5.0	0.0	0.0%
75000 Capital Outlay	0.0	0.0	0.0	0.0	0.0	0.0	0.0%
77000 Grants, Benefits	0.0	0.0	0.0	0.0	0.0	0.0	0.0%
78000 Miscellaneous	0.0	0.0	0.0	0.0	0.0	0.0	0.0%
Totals	402.1	584.6	584.6	584.6	439.6	-145.0	-24.8%
Fund Sources:							
1157Wrks Safe (DGF)	402.1	584.6	584.6	584.6	439.6	-145.0	-24.8%
Unrestricted General (UGF)	0.0	0.0	0.0	0.0	0.0	0.0	0.0%
Designated General (DGF)	402.1	584.6	584.6	584.6	439.6	-145.0	-24.8%
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	3	3	3	3	2	-1	-33.3%
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: Workers' Compensation Appeals Commission (2816)

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 FY2015 Conference Committee To FY2015 Authorized *****												
FY2015 Conference Committee												
ConfCom		584.6	378.1	18.7	182.8	5.0	0.0	0.0	0.0	3	0	0
1157 Wrkrs Safe		584.6										
Subtotal		584.6	378.1	18.7	182.8	5.0	0.0	0.0	0.0	3	0	0
***** Changes From FY2015 Authorized To FY2015 Management Plan *****												
Align Authority with Anticipated Expenses												
LIT		0.0	-62.5	0.0	62.5	0.0	0.0	0.0	0.0	0	0	0
Transfer authority from personal services to pay services expenses as a result of a reimbursable services agreement with Alaska Labor Relations Agency (ALRA). The agreement will pay for the part-time services of an ALRA employee to provide necessary coverage within the Workers' Compensation Appeals Commission component. The remaining personal services authority is sufficient to cover anticipated expenses.												
Subtotal		584.6	315.6	18.7	245.3	5.0	0.0	0.0	0.0	3	0	0
***** Changes From FY2015 Management Plan To FY2016 Governor Amended *****												
FY2016 Salary Increases												
SalAdj		5.3	5.3	0.0	0.0	0.0	0.0	0.0	0.0	0	0	0
1157 Wrkrs Safe		5.3										
Cost of living adjustment for certain bargaining units: \$5.3												
Year three cost of living adjustment for non-covered employees - 2.5%: \$3.7												
Year three cost of living adjustment for Alaska State Employees Association/General Government Unit - 2.5%: \$1.6												
FY2016 Health Insurance Rate Reduction												
SalAdj		-0.3	-0.3	0.0	0.0	0.0	0.0	0.0	0.0	0	0	0
1157 Wrkrs Safe		-0.3										
Select Benefits health insurance rate reduction from \$1,371 to \$1,346: \$-0.3												
Delete Law Office Assistant I (07-3066) and Additional Authority												
Dec		-150.0	-34.5	0.0	-115.5	0.0	0.0	0.0	0.0	-1	0	0
1157 Wrkrs Safe		-150.0										

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

Component: Workers' Compensation Appeals Commission (2816)
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	
anticipated expenses.												
	Totals	439.6	286.1	18.7	129.8	5.0	0.0	0.0	0.0	2	0	0

Personal Services Expenditure Detail
Department of Labor and Workforce Development

Scenario: FY2016 Governor Amended (12201)
Component: Workers' Compensation Appeals Commission (2816)
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	UGF Amount
07-3066	Law Office Assistant I	FT	A	GP	Anchorage	200	11A	0.1		0	0	0	0	0	0
07-3067	Law Office Assistant II	FT	A	GP	Anchorage	200	13C / D	12.0		43,296	1,460	0	31,937	76,693	0
07-X001	Chair, Wkrs Comp Appeals Comm	FT	A	XE	Anchorage	N00	27E	12.0		115,632	3,807	0	56,584	176,023	0
														Total Salary Costs:	158,928
														Total COLA:	5,267
														Total Premium Pay::	0
														Total Benefits:	88,521
														Total Pre-Vacancy:	252,716
														Minus Vacancy Adjustment of 0.40%:	(1,000)
														Total Post-Vacancy:	251,716
														Plus Lump Sum Premium Pay:	0
														Plus Board Honoraria Pay:	34,426
														Personal Services Line 100:	286,142
Total Component Months:		24.0													

PCN Funding Sources:	Pre-Vacancy	Post-Vacancy	Percent
1157 Workers Safety and Compensation Administration Account	252,716	251,716	100.00%
Total PCN Funding:	252,716	251,716	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: Workers' Compensation Appeals Commission (2816)
RDU: Workers' Compensation (112)

Line Number	Line Name		FY2014 Actuals	FY2015 Management Plan	FY2016 Governor Amended
72000	Travel		0.0	18.7	18.7
Expenditure Account	Servicing Agency	Explanation	FY2014 Actuals	FY2015 Management Plan	FY2016 Governor Amended
72000 Travel Detail Totals			0.0	18.7	18.7
72110	Employee Travel (Instate)	Travel for staff to coordinate and administer program activities (airfare, hotel and per diem expenses).	0.0	2.5	7.2
72120	Nonemployee Travel (Instate Travel)	Travel expenses for Workers' Compensation Appeals Commission members to attend hearings (airfare, hotel and per diem expenses).	0.0	12.7	8.0
		This expense is anticipated to increase due to the recent appointment of a Commission member outside of the Anchorage area. There is also a commission vacancy that could be filled by another outside of Anchorage appointee.			
72420	Nonemployee Travel (Out of state Emp)	Travel expenses for a contracted trainer to provide training to commission members	0.0	3.5	3.5

Line Item Detail
Department of Labor and Workforce Development
Services

Component: Workers' Compensation Appeals Commission (2816)

RDU: Workers' Compensation (112)

Line Number	Line Name			FY2014 Actuals	FY2015 Management Plan	FY2016 Governor Amended
73000	Services			116.1	245.3	129.8
Expenditure Account				FY2014 Actuals	FY2015 Management Plan	FY2016 Governor Amended
73000 Services Detail Totals				116.1	245.3	129.8
73025	Education Services		National memberships, education conference fees	0.0	1.2	0.5
73075	Legal & Judicial Svc		Legal services, depositions, transcriptions	32.0	22.0	31.2
73154	Software Licensing	Admin	Software licensing fee chargeback (I/A transfer to DOA)	0.0	0.1	0.1
73156	Telecommunication		Long distance expenses	0.1	0.1	0.1
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)	14.2	15.8	15.2
73225	Delivery Services		Includes both freight and courier charges for mailing.	0.0	2.0	0.5
73254	Dp Operations Alloc	Data Processing	Allocation for Data Processing network and supportive services (I/A transfer to Data Processing)	5.3	5.5	6.0
73450	Advertising & Promos		Advertising expenses for regulations and commission meetings	0.0	1.0	1.0
73525	Utilities		Rewiring and new computer cables	0.0	2.0	1.0
73675	Equipment/Machinery		Machine and equipment repair and maintenance	1.8	2.5	2.0
73750	Other Services (Non IA Svcs)		Printing of forms, letterhead, envelopes, statutes and program booklets, also include interpreter services	0.3	114.9	1.0
73805	IT-Non-Telecommunication	Admin	Computer services Enterprise Productivity Rates (EPR) chargeback (I/A transfer to DOA)	2.2	2.2	2.2
73806	IT-Telecommunication	Admin	Telecommunications Enterprise Productivity Rates (EPR) and Private Branch Exchange (PBX) chargeback (I/A transfer to DOA)	6.4	7.0	7.0
73809	Mail	Admin	Centralized mail services chargeback (I/A transfer to DOA)	0.1	0.1	0.1
73810	Human Resources	Admin	Human resource services chargeback (I/A transfer to	1.8	1.9	1.9

Line Item Detail
Department of Labor and Workforce Development
Services

Component: Workers' Compensation Appeals Commission (2816)

RDU: Workers' Compensation (112)

Expenditure Account	Servicing Agency	Explanation	FY2014 Actuals	FY2015 Management Plan	FY2016 Governor Amended	
73000 Services Detail Totals			116.1	245.3	129.8	
		DOA)				
73811	Building Leases	Admin	Building leases chargeback (I/A transfer to DOA)	51.2	60.0	54.0
73812	Legal	Admin	Legal services (I/A transfer to Law)	0.0	1.0	4.0
73813	Auditing	Admin	Auditing services chargeback (I/A transfer to DOA)	0.1	0.1	0.1
73814	Insurance	Admin	Risk management services chargeback (I/A transfer to DOA)	0.3	0.3	0.3
73815	Financial	Admin	State payroll and accounting system chargeback (I/A transfer to DOA)	0.2	0.2	0.2
73816	ADA Compliance	Admin	Americans with Disabilities Act chargeback (I/A transfer to DOA)	0.0	0.1	0.1
73819	Commission Sales (IA Svcs)	Admin	State Travel Office (I/A transfer to DOA)	0.0	0.3	0.3
73821	Hearing/Mediation (IA Svcs)	Admin	Judicial writing course	0.1	5.0	1.0

Line Item Detail
Department of Labor and Workforce Development
Commodities

Component: Workers' Compensation Appeals Commission (2816)
RDU: Workers' Compensation (112)

Line Number	Line Name		FY2014 Actuals	FY2015 Management Plan	FY2016 Governor Amended
74000	Commodities		2.9	5.0	5.0
Expenditure Account	Servicing Agency	Explanation	FY2014 Actuals	FY2015 Management Plan	FY2016 Governor Amended
74000 Commodities Detail Totals			2.9	5.0	5.0
74200	Business	Purchase of books and library service from Westlaw for research; general office supplies	2.9	5.0	5.0

Unrestricted Revenue Detail
Department of Labor and Workforce Development

Component: Workers' Compensation Appeals Commission (2816)
RDU: Workers' Compensation (112)

Master Account	Revenue Description	FY2014 Actuals	FY2015 Management Plan	FY2016 Governor Amended
51078	Workers Safety & Compensation Admin	402.1	584.6	589.6

Detail Information					FY2014 Actuals	FY2015 Management Plan	FY2016 Governor Amended
Revenue Amount	Revenue Description	Component	Collocation Code	AKSAS Fund			
51078	Workers Safety & Compensation Admin	Workers' Comp Appeals Comm	07320600	11173	402.1	584.6	589.6

The Workers' Safety and Compensation Administration Account (AS 23.05.067) is funded by assessing a fee (1.82 percent since 2003) against the premiums paid by employers for workers' compensation insurance; for those self-insured employers, the amount is 2.7 percent of the claims paid.

These funds are used to support operations of the Workers' Compensation Appeals Commission.

Interagency Services
Department of Labor and Workforce Development

Component: Workers' Compensation Appeals Commission (2816)

RDU: Workers' Compensation (112)

Expenditure Account	Service Description	Service Type	Servicing Agency	FY2014 Actuals	FY2015 Management Plan	FY2016 Governor Amended
73154	Software Licensing	Software licensing fee chargeback (I/A transfer to DOA)	Inter-dept Admin	0.0	0.1	0.1
73154 Software Licensing subtotal:				0.0	0.1	0.1
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	14.2	15.8	15.2
73169 Federal Indirect Rate Allocation subtotal:				14.2	15.8	15.2
73254	Dp Operations Alloc	Allocation for Data Processing network and supportive services (I/A transfer to Data Processing)	Intra-dept Data Processing	5.3	5.5	6.0
73254 Dp Operations Alloc subtotal:				5.3	5.5	6.0
73805	IT-Non-Telecommunication	Computer services Enterprise Productivity Rates (EPR) chargeback (I/A transfer to DOA)	Inter-dept Admin	2.2	2.2	2.2
73805 IT-Non-Telecommunication subtotal:				2.2	2.2	2.2
73806	IT-Telecommunication	Telecommunications Enterprise Productivity Rates (EPR) and Private Branch Exchange (PBX) chargeback (I/A transfer to DOA)	Inter-dept Admin	6.4	7.0	7.0
73806 IT-Telecommunication subtotal:				6.4	7.0	7.0
73809	Mail	Centralized mail services chargeback (I/A transfer to DOA)	Inter-dept Admin	0.1	0.1	0.1
73809 Mail subtotal:				0.1	0.1	0.1
73810	Human Resources	Human resource services chargeback (I/A transfer to DOA)	Inter-dept Admin	1.8	1.9	1.9
73810 Human Resources subtotal:				1.8	1.9	1.9
73811	Building Leases	Building leases chargeback (I/A transfer to DOA)	Inter-dept Admin	51.2	60.0	54.0
73811 Building Leases subtotal:				51.2	60.0	54.0
73812	Legal	Legal services (I/A transfer to Law)	Inter-dept Admin	0.0	1.0	4.0
73812 Legal subtotal:				0.0	1.0	4.0
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
73814	Insurance	Risk management services chargeback (I/A transfer to DOA)	Inter-dept Admin	0.3	0.3	0.3
73814 Insurance subtotal:				0.3	0.3	0.3
73815	Financial	State payroll and accounting system chargeback (I/A transfer to DOA)	Inter-dept Admin	0.2	0.2	0.2
73815 Financial subtotal:				0.2	0.2	0.2
73816	ADA Compliance	Americans with Disabilities Act chargeback (I/A transfer to DOA)	Inter-dept Admin	0.0	0.1	0.1
73816 ADA Compliance subtotal:				0.0	0.1	0.1
73819	Commission Sales (IA)	State Travel Office (I/A transfer to DOA)	Inter-dept Admin	0.0	0.3	0.3

Interagency Services
Department of Labor and Workforce Development

Component: Workers' Compensation Appeals Commission (2816)
RDU: Workers' Compensation (112)

Expenditure Account	Service Description	Service Type	Servicing Agency	FY2014 Actuals	FY2015 Management Plan	FY2016 Governor Amended
	Svcs)					
		73819 Commission Sales (IA Svcs) subtotal:		0.0	0.3	0.3
73821	Hearing/Mediation (IA Svcs)	Inter-dept	Admin	0.1	5.0	1.0
		73821 Hearing/Mediation (IA Svcs) subtotal:		0.1	5.0	1.0
		Workers' Compensation Appeals Commission total:		81.9	99.6	92.5
		Grand Total:		81.9	99.6	92.5