

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

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

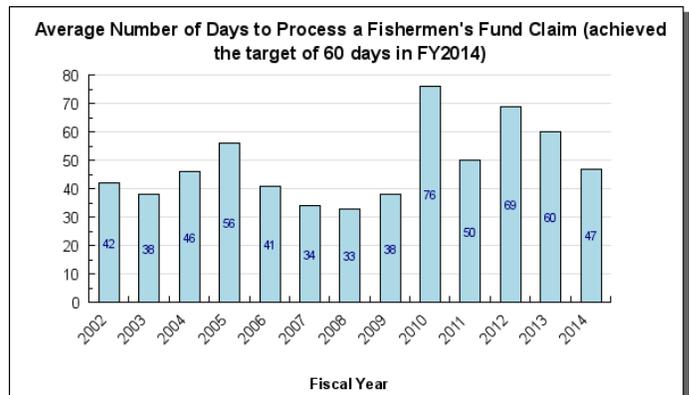
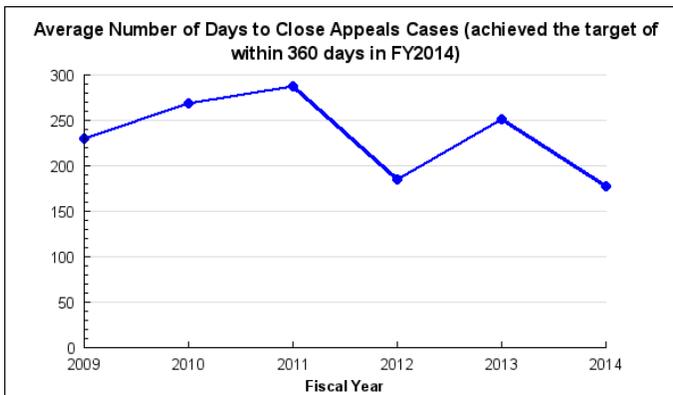
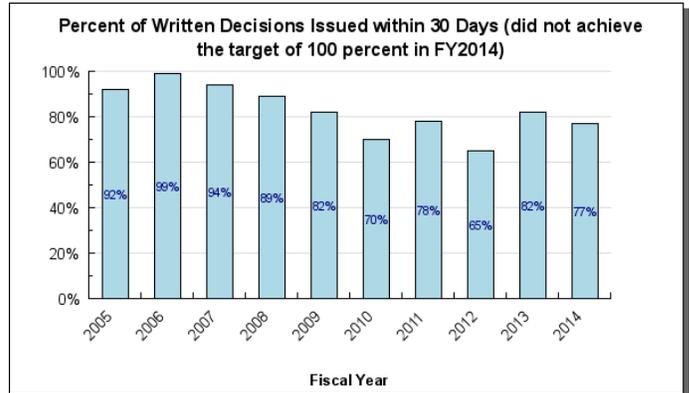
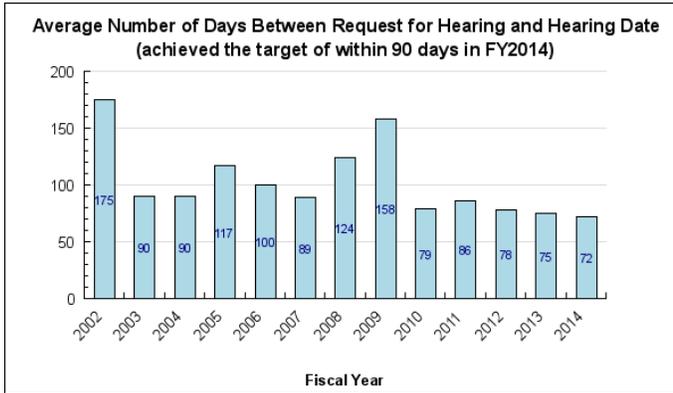
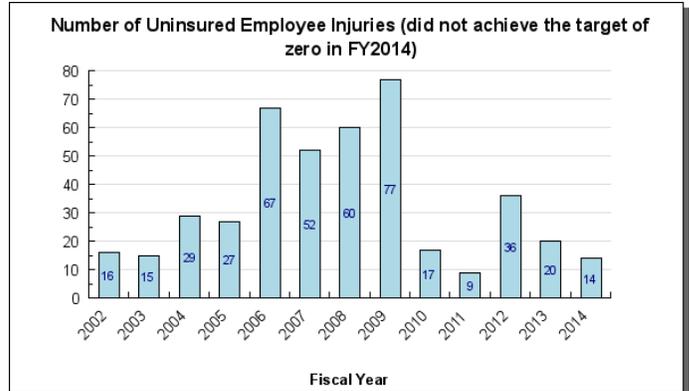
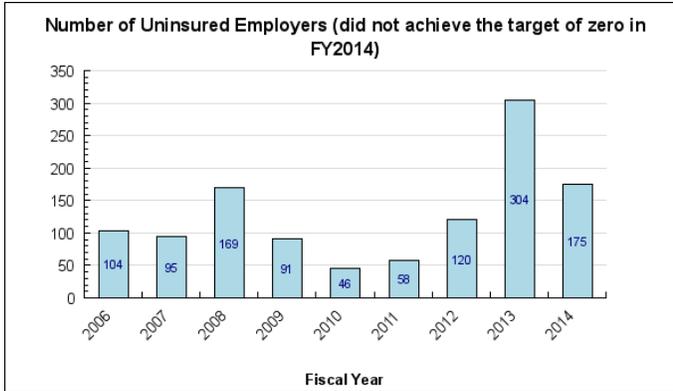
Workers' Compensation Results Delivery Unit

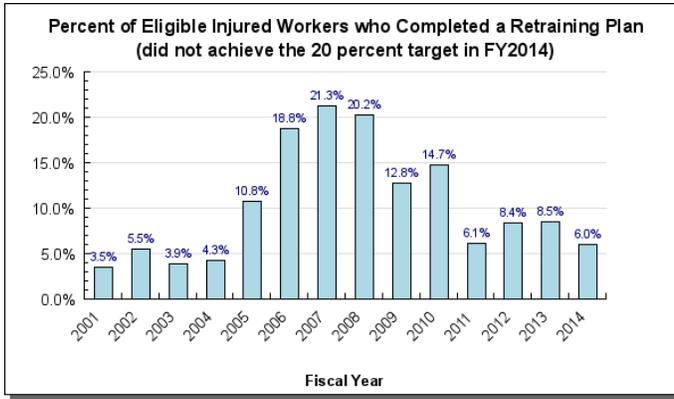
Contribution to Department's Mission

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>.)





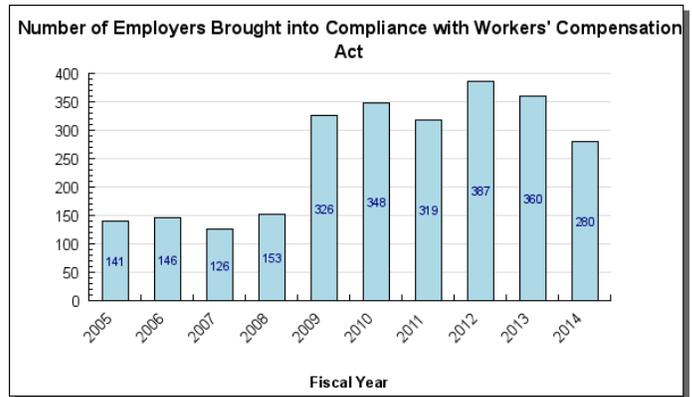
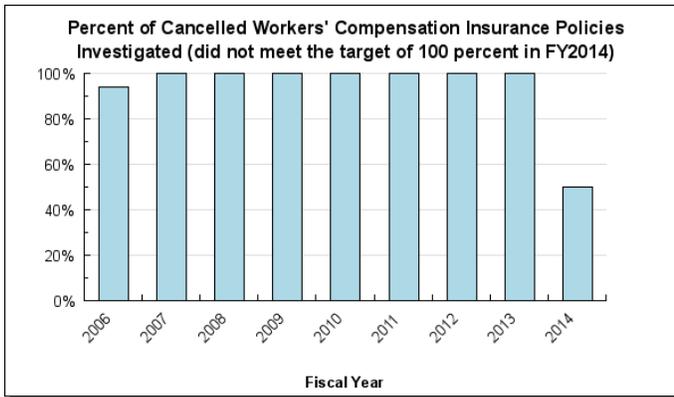
Core Services

- 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.

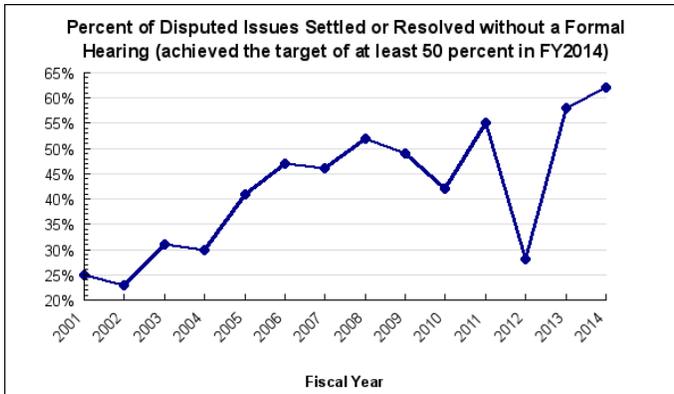
Measures by Core Service

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

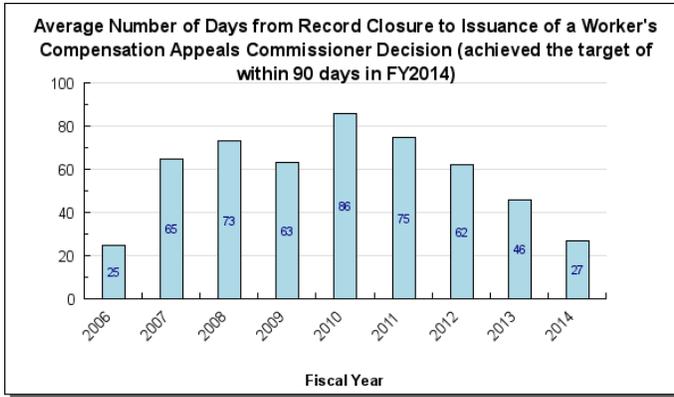
1. Ensure compliance with the Workers' Compensation Act.



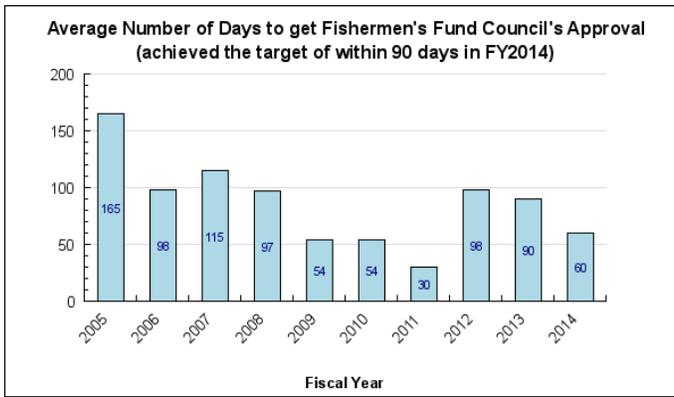
2. Conduct timely Workers' Compensation hearings.



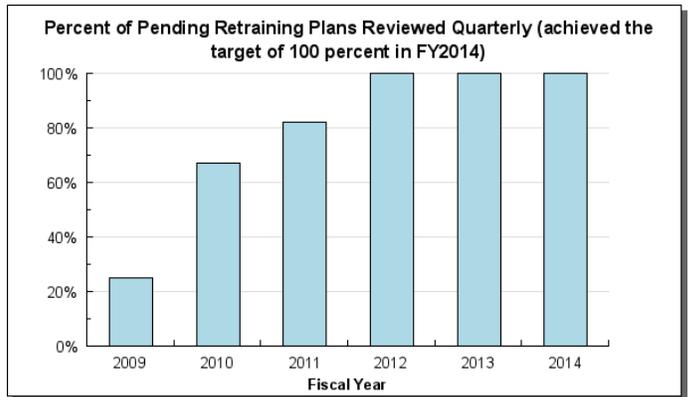
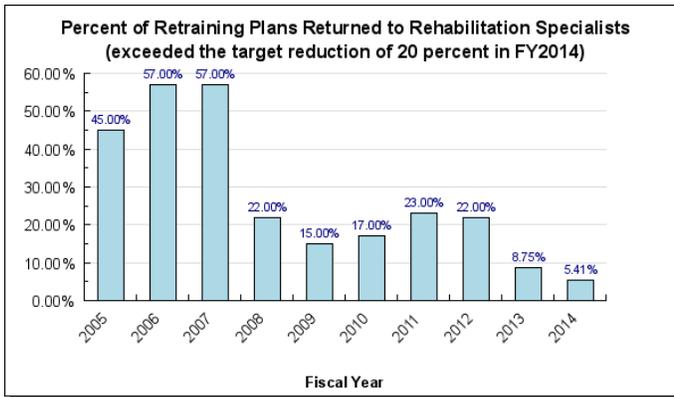
3. Operate a timely and efficient appeals program.



4. Process Fishermen's Fund claims timely.



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



Major RDU Accomplishments in 2014

During FY2014, the Workers' Compensation Division:

- Assessed \$3,882.0 in civil penalties payable to the Workers' Compensation Benefits Guaranty Fund.
- Completed phase one of the Workers' Compensation.Net upgrade project. Phase two (anticipated to complete in April 2015) will integrate the Special Investigations Unit proof of coverage system, 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.

Significant Changes in Results to be Delivered in FY2016

No significant changes in results to be delivered are anticipated.

Contact Information
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**Workers' Compensation
RDU Financial Summary by Component**

All dollars shown in thousands

	FY2014 Actuals				FY2015 Management Plan				FY2016 Governor Amended			
	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
Formula Expenditures None.												
Non-Formula Expenditures												
Workers' Compensation	5,617.0	0.0	0.0	5,617.0	5,741.1	0.0	0.0	5,741.1	5,821.9	0.0	0.0	5,821.9
Workers' Comp Appeals Comm	402.1	0.0	0.0	402.1	584.6	0.0	0.0	584.6	439.6	0.0	0.0	439.6
WC Benefits Guaranty Fund	959.2	0.0	0.0	959.2	772.6	0.0	0.0	772.6	774.5	0.0	0.0	774.5
Second Injury Fund	3,278.5	0.0	0.0	3,278.5	4,008.1	0.0	0.0	4,008.1	4,012.5	0.0	0.0	4,012.5
Fishermen's Fund	1,342.6	0.0	0.0	1,342.6	1,652.3	0.0	0.0	1,652.3	1,657.2	0.0	0.0	1,657.2
Totals	11,599.4	0.0	0.0	11,599.4	12,758.7	0.0	0.0	12,758.7	12,705.7	0.0	0.0	12,705.7

Workers' Compensation
Summary of RDU Budget Changes by Component
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	3.3	12,755.4	0.0	0.0	12,758.7
One-time items:					
-Workers' Compensation	0.0	-8.0	0.0	0.0	-8.0
Adjustments which continue current level of service:					
-Workers' Compensation	0.0	92.1	0.0	0.0	92.1
-Workers' Comp Appeals Comm	0.0	5.0	0.0	0.0	5.0
-WC Benefits Guaranty Fund	0.0	1.9	0.0	0.0	1.9
-Second Injury Fund	0.0	4.4	0.0	0.0	4.4
-Fishermen's Fund	0.0	4.9	0.0	0.0	4.9
Proposed budget decreases:					
-Workers' Compensation	-3.3	0.0	0.0	0.0	-3.3
-Workers' Comp Appeals Comm	0.0	-150.0	0.0	0.0	-150.0
FY2016 Governor Amended	0.0	12,705.7	0.0	0.0	12,705.7