

State of Alaska
FY2017 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

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

Major Component Accomplishments in 2015

No major component accomplishments.

Key Component Challenges

No key component challenges.

Significant Changes in Results to be Delivered in FY2017

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 Personal Services Information				
Authorized Positions			Personal Services Costs	
	<u>FY2016</u> <u>Management</u> <u>Plan</u>	<u>FY2017</u> <u>Governor</u>		
Full-time	2	2	Annual Salaries	136,303
Part-time	0	0	Premium Pay	0
Nonpermanent	0	0	Annual Benefits	82,733
			<i>Less 0.00% Vacancy Factor</i>	(0)
			Lump Sum Premium Pay	0
Totals	2	2	Total Personal Services	219,036

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 (2342)
RDU: Workers' Compensation (112)

Non-Formula Component

	FY2015 Actuals	FY2016 Conference Committee	FY2016 Authorized	FY2016 Management Plan	FY2017 Governor	FY2016 Management Plan vs FY2017 Governor	
71000 Personal Services	198.6	219.7	219.7	216.7	219.0	2.3	1.1%
72000 Travel	0.4	1.5	1.5	1.5	1.5	0.0	0.0%
73000 Services	34.6	42.9	42.9	43.9	41.6	-2.3	-5.2%
74000 Commodities	6.0	4.4	4.4	6.4	6.4	0.0	0.0%
75000 Capital Outlay	0.0	5.0	5.0	5.0	5.0	0.0	0.0%
77000 Grants, Benefits	3,001.9	3,739.0	3,739.0	3,739.0	3,139.0	-600.0	-16.0%
78000 Miscellaneous	0.0	0.0	0.0	0.0	0.0	0.0	0.0%
Totals	3,241.5	4,012.5	4,012.5	4,012.5	3,412.5	-600.0	-15.0%
Fund Sources:							
1031Sec Injury (DGF)	3,241.5	4,012.5	4,012.5	4,012.5	3,412.5	-600.0	-15.0%
Unrestricted General (UGF)	0.0	0.0	0.0	0.0	0.0	0.0	0.0%
Designated General (DGF)	3,241.5	4,012.5	4,012.5	4,012.5	3,412.5	-600.0	-15.0%
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 FY2016 Conference Committee To FY2016 Authorized *****												
FY2016 Conference Committee												
ConfCom		4,012.5	219.7	1.5	42.9	4.4	5.0	3,739.0	0.0	2	0	0
1031 Sec Injury		4,012.5										
Subtotal		4,012.5	219.7	1.5	42.9	4.4	5.0	3,739.0	0.0	2	0	0
***** Changes From FY2016 Authorized To FY2016 Management Plan *****												
Align Authority with Anticipated Expenses												
LIT		0.0	-3.0	0.0	1.0	2.0	0.0	0.0	0.0	0	0	0
Transfer personal services authority to pay anticipated services and commodities expenses. The remaining personal services authority is sufficient to cover anticipated expenses.												
Subtotal		4,012.5	216.7	1.5	43.9	6.4	5.0	3,739.0	0.0	2	0	0
***** Changes From FY2016 Management Plan To FY2017 Governor *****												
Align Authority with Anticipated Expenses												
LIT		0.0	2.3	0.0	-2.3	0.0	0.0	0.0	0.0	0	0	0
Transfer services authority to pay anticipated personal services expenses. The remaining services authority is sufficient to cover anticipated expenses.												
Reduce Second Injury Fund Authority No Longer Needed												
Dec		-600.0	0.0	0.0	0.0	0.0	0.0	-600.0	0.0	0	0	0
1031 Sec Injury		-600.0										
Reduce second injury fund authority to align with anticipated revenue collections and spending.												
Totals		3,412.5	219.0	1.5	41.6	6.4	5.0	3,139.0	0.0	2	0	0

Personal Services Expenditure Detail
Department of Labor and Workforce Development

Scenario: FY2017 Governor (12995)
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	UGF Amount
07-1026	Program Coordinator I	FT	A	SS	Juneau	205	18F	3.5	*	21,728	0	0	12,316	34,044	0
07-3001	Division Director	FT	A	XE	Juneau	N05	27B	2.0	*	18,630	0	0	9,173	27,803	0
07-3023	Administrative Assistant II	FT	A	SS	Juneau	605	14B	0.5	*	2,097	0	0	1,409	3,506	0
07-3026	Administrative Officer II	FT	A	SS	Juneau	205	19F	2.5	*	16,588	0	0	9,168	25,756	0
07-3033	Office Assistant I	FT	A	GP	Juneau	205	8B	2.5	*	6,875	0	0	5,892	12,767	0
07-3046	Worker Comp Off I	FT	A	GP	Juneau	205	16J	6.0	**	33,627	0	0	20,092	53,719	0
07-3055	Worker Comp Technician	FT	A	GP	Juneau	205	12J	6.0	**	25,448	0	0	17,250	42,698	0
07-5527	Project Assistant	FT	A	GP	Juneau	205	16B	2.5	*	11,310	0	0	7,433	18,743	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:	136,303
Total COLA:	0
Total Premium Pay:	0
Total Benefits:	82,733
Total Pre-Vacancy:	219,036
Minus Vacancy Adjustment of 0.00%:	(0)
Total Post-Vacancy:	219,036
Plus Lump Sum Premium Pay:	0
Personal Services Line 100:	219,036

PCN Funding Sources:	Pre-Vacancy	Post-Vacancy	Percent
1031 Second Injury Fund Reserve Account	219,036	219,036	100.00%
Total PCN Funding:	219,036	219,036	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		FY2015 Actuals	FY2016 Management Plan	FY2017 Governor
72000	Travel		0.4	1.5	1.5
Expenditure Account			FY2015 Actuals	FY2016 Management Plan	FY2017 Governor
72000 Travel Detail Totals			0.4	1.5	1.5
72110	Employee Travel (Instate)	Travel for public meetings to administer program activities	0.4	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			FY2015 Actuals	FY2016 Management Plan	FY2017 Governor
73000	Services			34.6	43.9	41.6
Expenditure Account				FY2015 Actuals	FY2016 Management Plan	FY2017 Governor
Expenditure Account	Servicing Agency	Explanation		FY2015 Actuals	FY2016 Management Plan	FY2017 Governor
73000 Services Detail Totals				34.6	43.9	41.6
73156	Telecommunication		Cost for local and long distance charges and data network charges	0.1	0.8	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).	9.9	10.5	10.9
73225	Delivery Services		Transportation and freight charges	0.0	2.0	2.0
73254	Dp Operations Alloc	Data Processing	Allocation for Data Processing network and supportive services (I/A transfer to Data Processing)	3.5	3.3	3.8
73450	Advertising & Promos		Advertising for regulations, seminars, board meetings	0.0	2.6	1.6
73675	Equipment/Machinery		Machine and equipment repair and maintenance	0.3	1.9	0.3
73750	Other Services (Non IA Svcs)		Printing of forms, letterhead, envelopes, statutes and program booklets	0.0	0.7	0.0
73804	Economic/Development (IA Svcs)	Data Processing	Workers' Compensation SAGE (I/A transfer to Data Processing)	0.0	0.5	0.5
73805	IT-Non-Telecommunication	Admin	Computer services Enterprise Productivity Rates (EPR) chargeback (I/A transfer to DOA)	1.5	1.7	1.6
73806	IT-Telecommunication	Admin	Telecommunications Enterprise Productivity Rates (EPR) and Private Branch Exchange (PBX) chargeback (I/A transfer to DOA)	3.8	4.0	4.0
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)	1.2	1.4	1.4
73811	Building Leases	Admin	Building leases chargeback (I/A transfer to DOA)	13.8	13.8	13.8
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	FY2015 Actuals	FY2016 Management Plan	FY2017 Governor	
73000 Services Detail Totals			34.6	43.9	41.6	
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)	0.1	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		FY2015 Actuals	FY2016 Management Plan	FY2017 Governor
74000	Commodities		6.0	6.4	6.4
Expenditure Account	Servicing Agency	Explanation	FY2015 Actuals	FY2016 Management Plan	FY2017 Governor
74000 Commodities Detail Totals			6.0	6.4	6.4
74200	Business	Office supplies, information technology equipment and subscriptions	6.0	6.4	6.4

Line Item Detail
Department of Labor and Workforce Development
Capital Outlay

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

Line Number	Line Name		FY2015 Actuals	FY2016 Management Plan	FY2017 Governor
75000	Capital Outlay		0.0	5.0	5.0
Expenditure Account	Servicing Agency	Explanation	FY2015 Actuals	FY2016 Management Plan	FY2017 Governor
75000 Capital Outlay Detail Totals			0.0	5.0	5.0
75700	Equipment	Purchase of copiers and related equipment	0.0	5.0	5.0

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

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

Line Number	Line Name		FY2015 Actuals	FY2016 Management Plan	FY2017 Governor
77000	Grants, Benefits		3,001.9	3,739.0	3,139.0
			FY2015 Actuals	FY2016 Management Plan	FY2017 Governor
Expenditure Account	Servicing Agency	Explanation			
77000 Grants, Benefits Detail Totals			3,001.9	3,739.0	3,139.0
77670	Benefits	Payments under AS 23.30.205 reflect the Second Injury Fund benefits to reinjured disabled workers through reimbursement to employers/insurers.	3,001.9	3,739.0	3,139.0

Unrestricted Revenue Detail
Department of Labor and Workforce Development

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

Master Account	Revenue Description	FY2015 Actuals	FY2016 Management Plan	FY2017 Governor
51075	Second Injury Fund Reserve Account	3,241.5	4,012.5	3,412.5

Detail Information

Revenue Amount	Revenue Description	Component	Collocation Code	AKSAS Fund	FY2015 Actuals	FY2016 Management Plan	FY2017 Governor
51075	Second Injury Fund	Second Injury Fund	7340600	11117	3,241.5	4,012.5	3,412.5

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.

Interagency Services
Department of Labor and Workforce Development

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

Expenditure Account	Service Description	Service Type	Servicing Agency	FY2015 Actuals	FY2016 Management Plan	FY2017 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	9.9	10.5	10.9
73169 Federal Indirect Rate Allocation subtotal:				9.9	10.5	10.9	
73254	Dp Operations Alloc	Allocation for Data Processing network and supportive services (I/A transfer to Data Processing)	Intra-dept	Data Processing	3.5	3.3	3.8
73254 Dp Operations Alloc subtotal:				3.5	3.3	3.8	
73804	Economic/Development (IA Svcs)	Workers' Compensation SAGE (I/A transfer to Data Processing)	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	1.5	1.7	1.6
73805 IT-Non-Telecommunication subtotal:				1.5	1.7	1.6	
73806	IT-Telecommunication	Telecommunications Enterprise Productivity Rates (EPR) and Private Branch Exchange (PBX) chargeback (I/A transfer to DOA)	Inter-dept	Admin	3.8	4.0	4.0
73806 IT-Telecommunication subtotal:				3.8	4.0	4.0	
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	1.2	1.4	1.4
73810 Human Resources subtotal:				1.2	1.4	1.4	
73811	Building Leases	Building leases chargeback (I/A transfer to DOA)	Inter-dept	Admin	13.8	13.8	13.8
73811 Building Leases subtotal:				13.8	13.8	13.8	
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	0.1	0.2	0.2
73815 Financial subtotal:				0.1	0.2	0.2	
Second Injury Fund total:				34.2	35.9	36.7	
Grand Total:				34.2	35.9	36.7	

Interagency Services
Department of Labor and Workforce Development

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

Expenditure Account	Service Description	Service Type	Servicing Agency	FY2015 Actuals	FY2016 Management Plan	FY2017 Governor
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