

State of Alaska
FY2017 Governor's Operating Budget

Department of Labor and Workforce Development
Workers' Compensation Benefits Guaranty Fund
Component Budget Summary

Component: Workers' Compensation Benefits Guaranty Fund**Contribution to Department's Mission**

The Workers' Compensation Benefits Guaranty Fund component contributes to the department's mission by paying benefits to workers who have been injured while working for an employer that was not in compliance with the Workers' Compensation Act and fails to pay benefits owed to the injured worker.

Core Services

- Provide Workers' Compensation benefits to injured employees of uninsured employers.
- Collect penalties from uninsured employers.
- Seek reimbursement of benefit payments from uninsured employers.

Major Component Accomplishments in 2015

During FY2015, the Workers' Compensation Benefits Guaranty Fund component collected \$958.4 to pay benefits owed to injured workers.

Key Component Challenges

A key challenge facing the Workers' Compensation Benefits Guaranty Fund component is an increased liability against the fund. There are currently 38 open claims against the fund with a potential liability of \$4,625.0. 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 FY2017

No significant changes in results to be delivered are anticipated.

Statutory and Regulatory Authority

Statutory Authority:

AS 23.30.082

Workers' Compensation Benefits Guaranty Fund

Contact Information

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Workers' Compensation Benefits Guaranty Fund Personal Services Information					
Authorized Positions			Personal Services Costs		
	<u>FY2016</u> <u>Management</u> <u>Plan</u>	<u>FY2017</u> <u>Governor</u>			
			Annual Salaries		55,594
Full-time	1	1	Premium Pay		0
Part-time	0	0	Annual Benefits		36,133
Nonpermanent	0	0	<i>Less 0.00% Vacancy Factor</i>		(0)
			Lump Sum Premium Pay		0
Totals	1	1	Total Personal Services		91,727

Position Classification Summary					
Job Class Title	Anchorage	Fairbanks	Juneau	Others	Total
Loan/Collection Off I	0	0	1	0	1
Totals	0	0	1	0	1

Component Detail All Funds
Department of Labor and Workforce Development

Component: Workers' Compensation Benefits Guaranty Fund (2820)
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	77.7	91.4	91.4	89.4	91.7	2.3	2.6%
72000 Travel	0.0	0.0	0.0	0.0	0.0	0.0	0.0%
73000 Services	201.0	275.9	275.9	212.1	209.8	-2.3	-1.1%
74000 Commodities	5.1	7.2	7.2	7.2	7.2	0.0	0.0%
75000 Capital Outlay	0.0	0.0	0.0	0.0	0.0	0.0	0.0%
77000 Grants, Benefits	469.4	400.0	400.0	465.8	465.8	0.0	0.0%
78000 Miscellaneous	0.0	0.0	0.0	0.0	0.0	0.0	0.0%
Totals	753.2	774.5	774.5	774.5	774.5	0.0	0.0%
Fund Sources:							
1203WCBG Fund (DGF)	753.2	774.5	774.5	774.5	774.5	0.0	0.0%
Unrestricted General (UGF)	0.0	0.0	0.0	0.0	0.0	0.0	0.0%
Designated General (DGF)	753.2	774.5	774.5	774.5	774.5	0.0	0.0%
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	1	1	1	1	1	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: Workers' Compensation Benefits Guaranty Fund (2820)

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	774.5	91.4	0.0	275.9	7.2	0.0	400.0	0.0	1	0	0
1203 WCBG Fund		774.5										
Subtotal		774.5	91.4	0.0	275.9	7.2	0.0	400.0	0.0	1	0	0
***** Changes From FY2016 Authorized To FY2016 Management Plan *****												
Align Authority with Anticipated Expenses	LIT	0.0	-2.0	0.0	-63.8	0.0	0.0	65.8	0.0	0	0	0
Transfer personal services and services authority to pay anticipated grant expenses. The remaining personal services and services authority is sufficient to cover anticipated expenses.												
Subtotal		774.5	89.4	0.0	212.1	7.2	0.0	465.8	0.0	1	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.												
Totals		774.5	91.7	0.0	209.8	7.2	0.0	465.8	0.0	1	0	0

Personal Services Expenditure Detail
Department of Labor and Workforce Development

Scenario: FY2017 Governor (12995)
Component: Workers' Compensation Benefits Guaranty Fund (2820)
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
21-3047	Loan/Collection Off I	FT	A	GP	Juneau	205	16B / C	12.0		55,594	0	0	36,133	91,727	0
													Total Salary Costs:	55,594	
													Total COLA:	0	
													Total Premium Pay:	0	
													Total Benefits:	36,133	
													Total Pre-Vacancy:	91,727	
													Minus Vacancy Adjustment of 0.00%:	(0)	
													Total Post-Vacancy:	91,727	
													Plus Lump Sum Premium Pay:	0	
													Personal Services Line 100:	91,727	
		Total Component Months:	12.0												

PCN Funding Sources:	Pre-Vacancy	Post-Vacancy	Percent
1203 Workers' Compensation Benefits Guaranty Fund	91,727	91,727	100.00%
Total PCN Funding:	91,727	91,727	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
Services

Component: Workers' Compensation Benefits Guaranty Fund (2820)
RDU: Workers' Compensation (112)

Line Number	Line Name			FY2015 Actuals	FY2016 Management Plan	FY2017 Governor
73000	Services			201.0	212.1	209.8
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				201.0	212.1	209.8
73075		Legal & Judicial Svc	Legal and judicial services	2.0	2.5	2.5
73154	Admin	Software Licensing	Software licensing fee chargeback (I/A transfer to DOA)	0.0	0.1	0.1
73169		Federal Indirect Rate Allocation	Indirect cost allocation for department purchasing	3.9	4.5	4.6
73254	Data Processing	Dp Operations Alloc	Allocation for Data Processing network and supportive services (I/A transfer to Data Processing)	1.8	1.9	1.9
73750		Other Services (Non IA Svcs)	Professional services contract for an adjuster to review claims filed against the Workers' Compensation Benefits Guaranty Fund.	32.5	35.0	32.6
73805	Admin	IT-Non-Telecommunication	Computer services Enterprise Productivity Rates (EPR) chargeback (I/A transfer to DOA)	0.8	0.9	0.9
73806	Admin	IT-Telecommunication	Telecommunications Enterprise Productivity Rates (EPR) and Private Branch Exchange (PBX) chargeback (I/A transfer to DOA)	1.4	1.2	1.2
73810	Admin	Human Resources	Human resource services chargeback (I/A transfer to DOA)	0.6	0.7	0.7
73812	Law	Legal	Legal services (I/A transfer to Law)	157.8	165.0	165.0
73814	Admin	Insurance	Risk management services chargeback (I/A transfer to DOA)	0.1	0.2	0.2
73815	Admin	Financial	State payroll and accounting system chargeback (I/A transfer to DOA)	0.1	0.1	0.1

Line Item Detail
Department of Labor and Workforce Development
Commodities

Component: Workers' Compensation Benefits Guaranty Fund (2820)
RDU: Workers' Compensation (112)

Line Number	Line Name		FY2015 Actuals	FY2016 Management Plan	FY2017 Governor
74000	Commodities		5.1	7.2	7.2
Expenditure Account	Servicing Agency	Explanation	FY2015 Actuals	FY2016 Management Plan	FY2017 Governor
74000 Commodities Detail Totals			5.1	7.2	7.2
74200	Business	General office supplies and reference materials	5.1	7.2	7.2

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

Component: Workers' Compensation Benefits Guaranty Fund (2820)
RDU: Workers' Compensation (112)

Line Number	Line Name		FY2015 Actuals	FY2016 Management Plan	FY2017 Governor
77000	Grants, Benefits		469.4	465.8	465.8
			FY2015 Actuals	FY2016 Management Plan	FY2017 Governor
Expenditure Account	Servicing Agency	Explanation			
77000 Grants, Benefits Detail Totals			469.4	465.8	465.8
77670	Benefits	Benefits to workers who were injured while working for an employer without workers' compensation insurance.	469.4	465.8	465.8

Unrestricted Revenue Detail
Department of Labor and Workforce Development

Component: Workers' Compensation Benefits Guaranty Fund (2820)
RDU: Workers' Compensation (112)

Master Account	Revenue Description	FY2015 Actuals	FY2016 Management Plan	FY2017 Governor
51491	Worker's Compensation Benefits Guarantee	753.2	774.5	774.5

Detail Information					FY2015 Actuals	FY2016 Management Plan	FY2017 Governor
Revenue Amount	Revenue Description	Component	Collocation Code	AKSAS Fund			
51491	Worker's Compensation Benefits Guarantee	WC Benefits Guaranty Fund	7330600	11186	753.2	774.5	774.5

The Workers' Compensation Benefits Guaranty Fund (AS 23.30.082) consists of revenue from penalties and fines assessed against employers that do not comply with the requirements of AS 23.30 or the orders of the Alaska Workers' Compensation Board.

These funds are used to support claim determinations and to pay benefits to injured workers.

Interagency Services
Department of Labor and Workforce Development

Component: Workers' Compensation Benefits Guaranty Fund (2820)

RDU: Workers' Compensation (112)

Expenditure Account	Service Description	Service Type	Servicing Agency	FY2015 Actuals	FY2016	
					Management Plan	FY2017 Governor
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 department purchasing	Inter-dept	3.9	4.5	4.6
73169 Federal Indirect Rate Allocation subtotal:				3.9	4.5	4.6
73254	Dp Operations Alloc	Allocation for Data Processing network and supportive services (I/A transfer to Data Processing)	Intra-dept Data Processing	1.8	1.9	1.9
73254 Dp Operations Alloc subtotal:				1.8	1.9	1.9
73805	IT-Non-Telecommunication	Computer services Enterprise Productivity Rates (EPR) chargeback (I/A transfer to DOA)	Inter-dept Admin	0.8	0.9	0.9
73805 IT-Non-Telecommunication subtotal:				0.8	0.9	0.9
73806	IT-Telecommunication	Telecommunications Enterprise Productivity Rates (EPR) and Private Branch Exchange (PBX) chargeback (I/A transfer to DOA)	Inter-dept Admin	1.4	1.2	1.2
73806 IT-Telecommunication subtotal:				1.4	1.2	1.2
73810	Human Resources	Human resource services chargeback (I/A transfer to DOA)	Inter-dept Admin	0.6	0.7	0.7
73810 Human Resources subtotal:				0.6	0.7	0.7
73812	Legal	Legal services (I/A transfer to Law)	Inter-dept Law	157.8	165.0	165.0
73812 Legal subtotal:				157.8	165.0	165.0
73814	Insurance	Risk management services chargeback (I/A transfer to DOA)	Inter-dept Admin	0.1	0.2	0.2
73814 Insurance subtotal:				0.1	0.2	0.2
73815	Financial	State payroll and accounting system chargeback (I/A transfer to DOA)	Inter-dept Admin	0.1	0.1	0.1
73815 Financial subtotal:				0.1	0.1	0.1
Workers' Compensation Benefits Guaranty Fund total:				166.5	174.6	174.7
Grand Total:				166.5	174.6	174.7