

State of Alaska
FY2017 Governor's Operating Budget

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

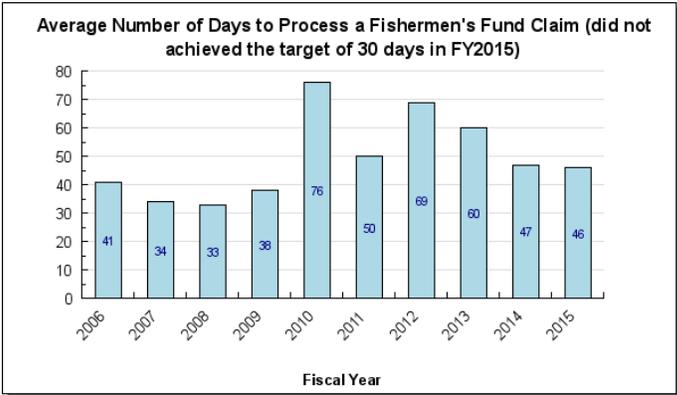
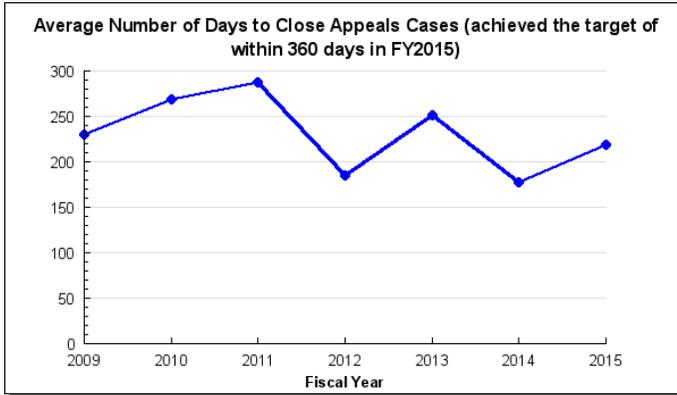
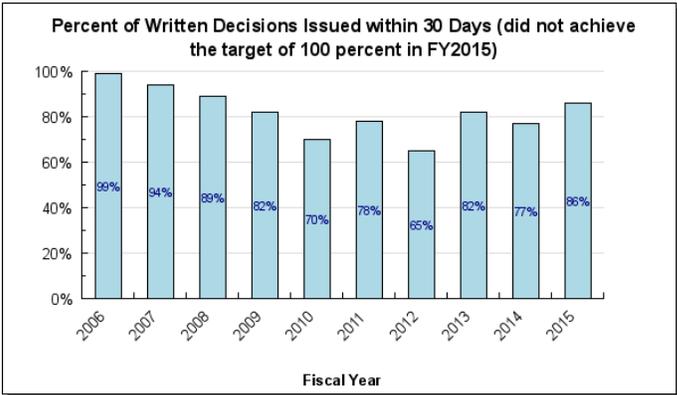
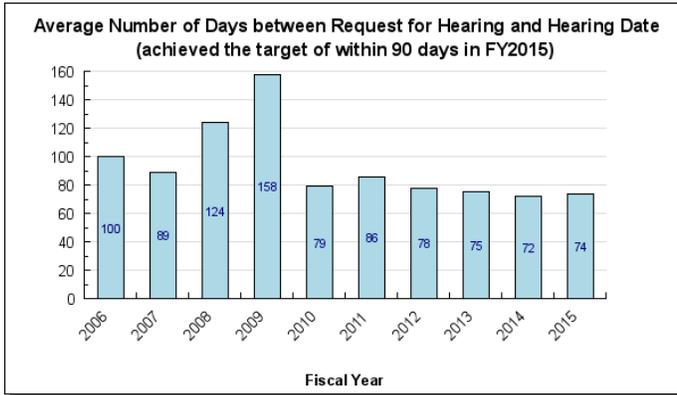
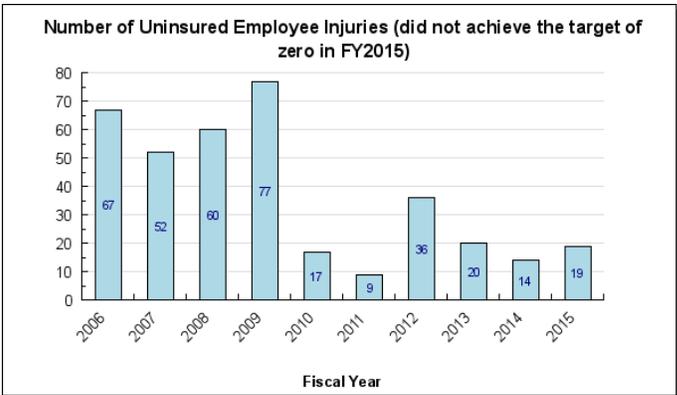
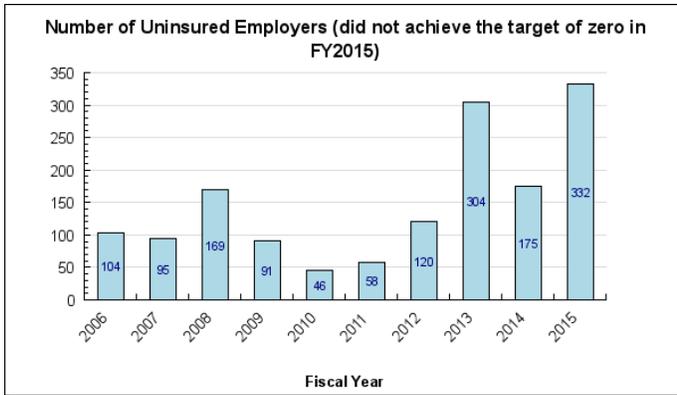
Workers' Compensation Results Delivery Unit

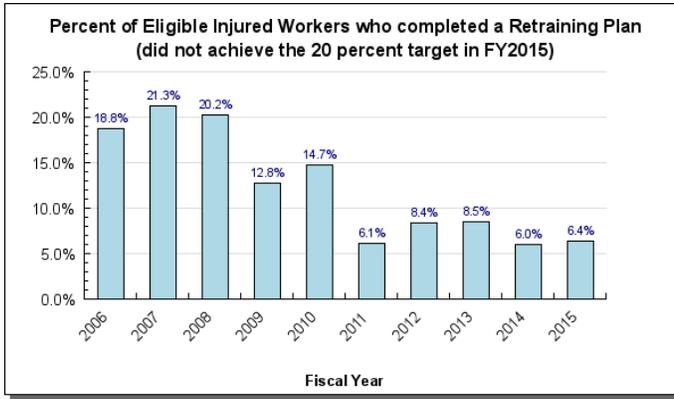
Contribution to Department's Mission

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>.)





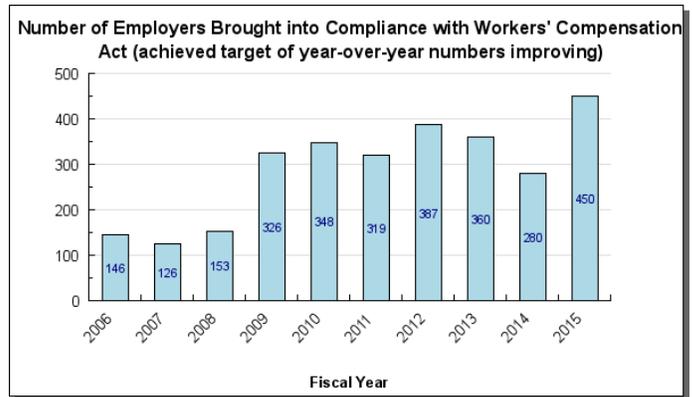
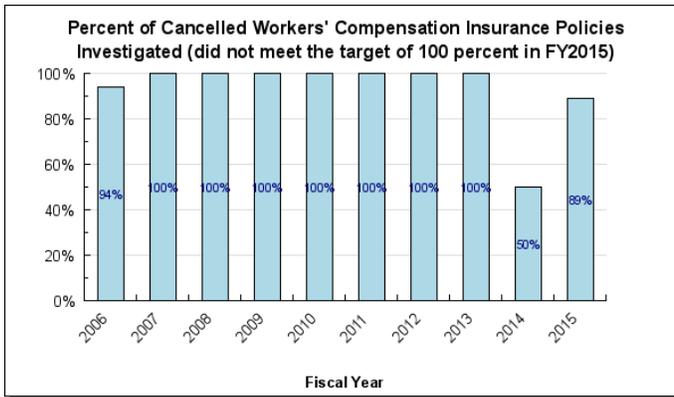
Core Services

- 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.

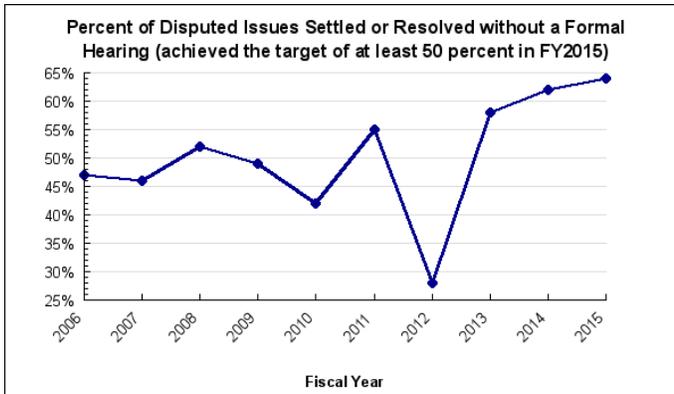
Measures by Core Service

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

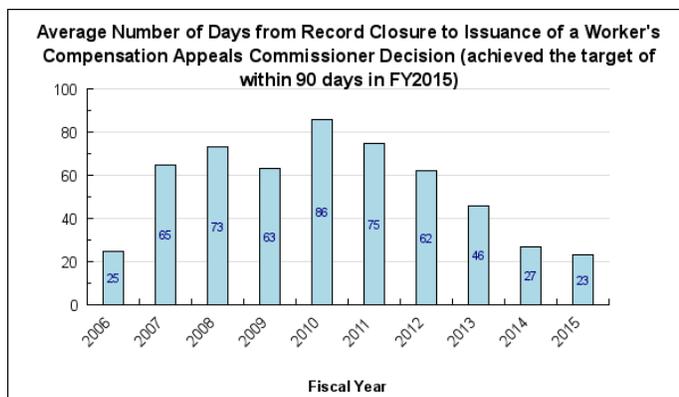
1. Ensure compliance with the Workers' Compensation Act.



2. Conduct timely Workers' Compensation hearings.



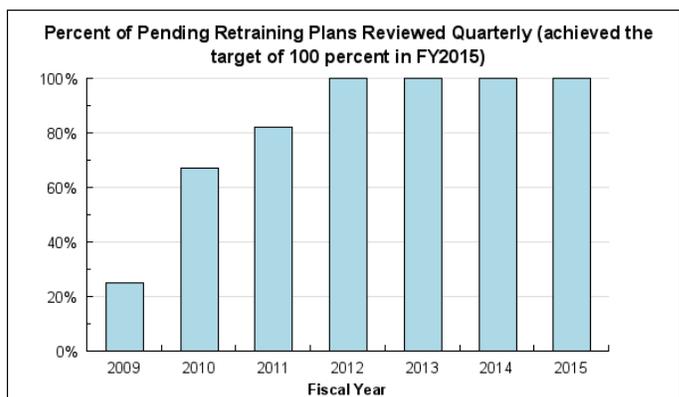
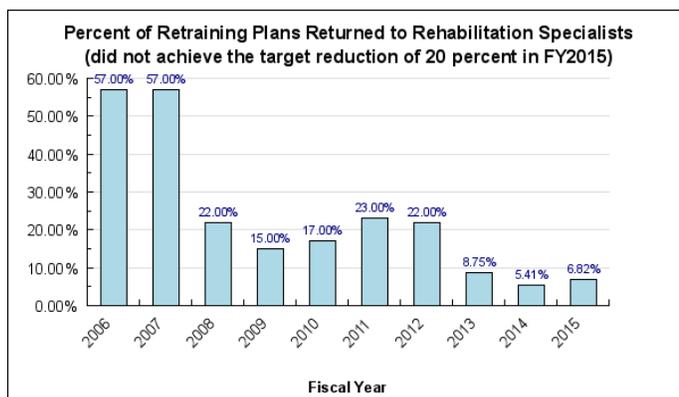
3. Operate a timely and efficient appeals program.



4. Process Fishermen's Fund claims timely.



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



Major RDU Accomplishments in 2015

During FY2015, the Workers' Compensation division:

- Assessed \$958.4 in civil penalties payable to the Workers' Compensation Benefits Guaranty Fund.
- Investigated 600 businesses using information from the fraud hot-line, on-site visits, monitoring of new business license applications, the cancelled/expired policy lists, and through newspaper employment ads.

Key RDU Challenges

The Workers' Compensation division is challenged by having a new data processing system that is not yet fully integrated with its existing proof of coverage system. The new case management system impacts all aspects of the division.

Significant Changes in Results to be Delivered in FY2017

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

| | FY2015 Actuals | | | | FY2016 Management Plan | | | | FY2017 Governor | | | |
|--------------------------------------|------------------|----------------|------------------|-----------------|------------------------|----------------|------------------|-----------------|------------------|----------------|------------------|-----------------|
| | 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 | 5,566.8 | 0.0 | 0.0 | 5,566.8 | 5,821.9 | 0.0 | 0.0 | 5,821.9 | 5,821.9 | 0.0 | 0.0 | 5,821.9 |
| Workers' Comp Appeals Comm | 332.5 | 0.0 | 0.0 | 332.5 | 439.6 | 0.0 | 0.0 | 439.6 | 439.6 | 0.0 | 0.0 | 439.6 |
| WC Benefits Guaranty Fund | 753.2 | 0.0 | 0.0 | 753.2 | 774.5 | 0.0 | 0.0 | 774.5 | 774.5 | 0.0 | 0.0 | 774.5 |
| Second Injury Fund | 3,241.5 | 0.0 | 0.0 | 3,241.5 | 4,012.5 | 0.0 | 0.0 | 4,012.5 | 3,412.5 | 0.0 | 0.0 | 3,412.5 |
| Fishermen's Fund | 1,117.9 | 0.0 | 0.0 | 1,117.9 | 1,657.2 | 0.0 | 0.0 | 1,657.2 | 1,457.2 | 0.0 | 0.0 | 1,457.2 |
| Totals | 11,011.9 | 0.0 | 0.0 | 11,011.9 | 12,705.7 | 0.0 | 0.0 | 12,705.7 | 11,905.7 | 0.0 | 0.0 | 11,905.7 |

Workers' Compensation
Summary of RDU Budget Changes by Component
From FY2016 Management Plan to FY2017 Governor

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> |
|---------------------------------------|-----------------------------------|---------------------------------|--------------------|--------------------------|--------------------|
| FY2016 Management Plan | 0.0 | 12,705.7 | 0.0 | 0.0 | 12,705.7 |
| Proposed budget decreases: | | | | | |
| -Second Injury Fund | 0.0 | -600.0 | 0.0 | 0.0 | -600.0 |
| -Fishermen's Fund | 0.0 | -200.0 | 0.0 | 0.0 | -200.0 |
| FY2017 Governor | 0.0 | 11,905.7 | 0.0 | 0.0 | 11,905.7 |