

State of Alaska
FY2019 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 2017

No major component accomplishments.

Key Component Challenges

No key component challenges.

Significant Changes in Results to be Delivered in FY2019

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>FY2018</u> <u>Management</u> <u>Plan</u>	<u>FY2019</u> <u>Governor</u>		
Full-time	2	2	Annual Salaries	123,603
Part-time	0	0	Premium Pay	0
Nonpermanent	0	0	Annual Benefits	76,515
			<i>Less 1.51% Vacancy Factor</i>	(3,018)
			Lump Sum Premium Pay	0
Totals	2	2	Total Personal Services	197,100

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

	FY2017 Actuals	FY2018 Conference Committee	FY2018 Authorized	FY2018 Management Plan	FY2019 Governor	FY2018 Management Plan vs FY2019 Governor	
71000 Personal Services	178.8	212.9	212.9	196.5	197.1	0.6	0.3%
72000 Travel	0.0	1.5	1.5	1.5	1.5	0.0	0.0%
73000 Services	43.4	52.2	52.2	73.6	73.6	0.0	0.0%
74000 Commodities	1.5	4.3	4.3	4.3	4.3	0.0	0.0%
75000 Capital Outlay	0.0	5.0	5.0	0.0	0.0	0.0	0.0%
77000 Grants, Benefits	2,195.3	3,139.0	3,139.0	3,139.0	2,968.3	-170.7	-5.4%
78000 Miscellaneous	0.0	0.0	0.0	0.0	0.0	0.0	0.0%
Totals	2,419.0	3,414.9	3,414.9	3,414.9	3,244.8	-170.1	-5.0%
Fund Sources:							
1031Sec Injury (DGF)	2,419.0	3,414.9	3,414.9	3,414.9	3,244.8	-170.1	-5.0%
Unrestricted General (UGF)	0.0	0.0	0.0	0.0	0.0	0.0	0.0%
Designated General (DGF)	2,419.0	3,414.9	3,414.9	3,414.9	3,244.8	-170.1	-5.0%
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 FY2018 Conference Committee To FY2018 Authorized *****												
FY2018 Conference Committee												
ConfCom		3,414.9	212.9	1.5	52.2	4.3	5.0	3,139.0	0.0	2	0	0
1031 Sec Injury		3,414.9										
Subtotal		3,414.9	212.9	1.5	52.2	4.3	5.0	3,139.0	0.0	2	0	0
***** Changes From FY2018 Authorized To FY2018 Management Plan *****												
Align Authority with Anticipated Expenses												
LIT		0.0	-16.4	0.0	21.4	0.0	-5.0	0.0	0.0	0	0	0
Transfer personal services and capital outlay authority to pay anticipated services expenses. The remaining personal services authority is sufficient to cover anticipated expenses, and capital outlay authority is not needed.												
Subtotal		3,414.9	196.5	1.5	73.6	4.3	0.0	3,139.0	0.0	2	0	0
***** Changes From FY2018 Management Plan To FY2019 Governor *****												
Align Budget Authority to Actual Expenses												
Dec		-170.7	0.0	0.0	0.0	0.0	0.0	-170.7	0.0	0	0	0
1031 Sec Injury		-170.7										
The Second Injury Fund budget has exceeded benefit payments for the past three years and can be reduced to bring the budget into alignment with actual expenses.												
FY2019 Salary and Health Insurance Increases												
SalAdj		0.6	0.6	0.0	0.0	0.0	0.0	0.0	0.0	0	0	0
1031 Sec Injury		0.6										
Salary and Health Insurance Increases: \$0.6												
Calculate FY2019 increase to GGU Health Insurance from \$1389 to \$1432 per member per month.												
Totals		3,244.8	197.1	1.5	73.6	4.3	0.0	2,968.3	0.0	2	0	0

Personal Services Expenditure Detail
Department of Labor and Workforce Development

Scenario: FY2019 Governor (14641)
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	18J	3.5	*	22,432	0	0	13,307	35,739	0
07-3001	Division Director	FT	A	XE	Juneau	N05	27C	2.0	*	19,814	0	0	10,018	29,832	0
07-3026	Administrative Officer II	FT	A	SS	Juneau	205	19B / C	2.5	*	14,873	0	0	9,105	23,978	0
07-3046	Worker Comp Off I	FT	A	GP	Juneau	205	16J	6.0	**	33,627	0	0	20,373	54,000	0
07-3055	Worker Comp Technician	FT	A	GP	Juneau	205	12B	6.0	**	20,743	0	0	15,884	36,627	0
07-5527	Project Assistant	FT	A	GP	Juneau	205	16D	2.5	*	12,114	0	0	7,828	19,942	0

Total														Total Salary Costs:	123,603
Positions		New	Deleted											Total COLA:	0
Full Time Positions:	2	0	0											Total Premium Pay::	0
Part Time Positions:	0	0	0											Total Benefits:	76,515
Non Permanent Positions:	0	0	0											Total Pre-Vacancy:	200,118
Positions in Component:	2	0	0											Minus Vacancy Adjustment of 1.51%:	(3,018)
Total Component Months:	22.5											Total Post-Vacancy:	197,100		
														Plus Lump Sum Premium Pay:	0
														Personal Services Line 100:	197,100

PCN Funding Sources:	Pre-Vacancy	Post-Vacancy	Percent
1031 Second Injury Fund Reserve Account	200,118	197,100	100.00%
Total PCN Funding:	200,118	197,100	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 (1676)
Department of Labor and Workforce Development
Travel

Component: Second Injury Fund (2342)

Line Number	Line Name		FY2017 Actuals	FY2018 Management Plan	FY2019 Governor
2000	Travel		0.0	1.5	1.5
Object Class	Servicing Agency	Explanation	FY2017 Actuals	FY2018 Management Plan	FY2019 Governor
2000 Travel Detail Totals			0.0	1.5	1.5
2000	In-State Employee Travel	Staff travel to support the department's mission	0.0	1.5	1.5

Line Item Detail (1676)
Department of Labor and Workforce Development
Services

Component: Second Injury Fund (2342)

Line Number	Line Name			FY2017 Actuals	FY2018 Management Plan	FY2019 Governor
3000	Services			43.4	73.6	73.6
Object Class	Servicing Agency	Explanation		FY2017 Actuals	FY2018 Management Plan	FY2019 Governor
3000 Services Detail Totals				43.4	73.6	73.6
3003	Information Technology	Admin - Department-wide	Software licensing fee chargeback (I/A transfer to DOA)	0.7	0.7	0.7
3004	Telecommunications		Cable, long distance, cell phone, and data network service charges	0.0	0.5	0.5
3006	Delivery Services		Freight, postage, and express mail charges	0.0	0.3	0.3
3007	Advertising and Promotions		Advertising for regulations, seminars, board meetings	0.0	0.7	0.7
3010	Equipment/Machinery		Maintenance and repair of office equipment	0.0	0.2	0.2
3011	Other Services		Print, copy, and graphic services for informational materials	0.0	25.8	25.8
3012	Inter-Agency Federal Indirect Rate Allocation	Labor - Management Services (335)	Indirect cost allocation for departmental purchasing, accounting, reports, personnel training, and other services provided by Management Services (I/A transfer to Management Services)	10.1	11.1	11.1
3013	Inter-Agency Data Processing Operations Allocation	Labor - Data Processing (334)	Allocation for Data Processing network and supportive services (I/A transfer to Data Processing)	4.1	4.3	4.3
3017	Inter-Agency Information Technology Non-Telecommunications	Admin - Department-wide	Computer Services Enterprise Productivity Rates (EPR) chargeback (I/A transfer to DOA)	2.8	2.8	2.8
3018	Inter-Agency Information Technology Telecommunications	Admin - Department-wide	Telecommunications Enterprise Productivity Rates (EPR) and Private Branch Exchange (PBX) chargeback	2.0	3.3	3.3

Line Item Detail (1676)
Department of Labor and Workforce Development
Services

Component: Second Injury Fund (2342)

Object Class		Servicing Agency	Explanation	FY2017 Actuals	FY2018 Management Plan	FY2019 Governor
			3000 Services Detail Totals	43.4	73.6	73.6
			(I/A transfer to DOA)			
3021	Inter-Agency Mail	Admin - Department-wide	Centralized mail services chargeback (I/A transfer to DOA)	0.0	0.1	0.1
3022	Inter-Agency Human Resources	Admin - Department-wide	Human resource services chargeback (I/A transfer to DOA)	1.3	1.4	1.4
3023	Inter-Agency Building Leases	Admin - Department-wide	Building leases chargeback (I/A transfer to DOA)	21.9	21.9	21.9
3025	Inter-Agency Auditing	Admin - Department-wide	Auditing services chargeback (I/A transfer to DOA)	0.1	0.1	0.1
3026	Inter-Agency Insurance	Admin - Department-wide	Risk management services chargeback (I/A transfer to DOA)	0.1	0.1	0.1
3027	Inter-Agency Financial	Admin - Department-wide	State payroll and accounting system chargeback (I/A transfer to DOA)	0.3	0.3	0.3

Line Item Detail (1676)
Department of Labor and Workforce Development
Commodities

Component: Second Injury Fund (2342)

Line Number	Line Name		FY2017 Actuals	FY2018 Management Plan	FY2019 Governor
4000	Commodities		1.5	4.3	4.3
Object Class	Servicing Agency	Explanation	FY2017 Actuals	FY2018 Management Plan	FY2019 Governor
		4000 Commodities Detail Totals	1.5	4.3	4.3
4000	Business	General business supplies such as office consumables and computer equipment	1.5	4.3	4.3

Line Item Detail (1676)
Department of Labor and Workforce Development
Grants, Benefits

Component: Second Injury Fund (2342)

Line Number	Line Name		FY2017 Actuals	FY2018 Management Plan	FY2019 Governor
7000	Grants, Benefits		2,195.3	3,139.0	2,968.3
Object Class	Servicing Agency	Explanation	FY2017 Actuals	FY2018 Management Plan	FY2019 Governor
		7000 Grants, Benefits Detail Totals	2,195.3	3,139.0	2,968.3
7002	Benefits	Second Injury Fund benefits (AS 23.30.205) to reinjured disabled workers through reimbursement to employers/insurers	2,195.3	3,139.0	2,968.3

Revenue Detail (1681)
Department of Labor and Workforce Development

Component: Second Injury Fund (2342)

Revenue Type (OMB Fund Code) Revenue Source	Component	Comment	FY2017 Actuals	FY2018 Management Plan	FY2019 Governor
6031 Sec Injury (1031 Sec Injury)			2,419.0	3,414.9	3,244.8
6422 Second Injury Fund Reserve Account - Miscellaneous		<p>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.</p> <p>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).</p>	2,419.0	3,414.9	3,244.8

Inter-Agency Services (1682)
Department of Labor and Workforce Development

Component: Second Injury Fund (2342)

	FY2017 Actuals	FY2018 Management Plan	FY2019 Governor
Component Totals	43.4	46.1	46.1
With Department of Administration	29.2	30.7	30.7
With Department of Labor and Workforce Development	14.2	15.4	15.4

Object Class	Servicing Agency	Explanation	FY2017 Actuals	FY2018 Management Plan	FY2019 Governor	
3003	Information Technology	Admin - Department-wide	Software licensing fee chargeback (I/A transfer to DOA)	0.7	0.7	0.7
3012	Inter-Agency Federal Indirect Rate Allocation	Labor - Management Services (335)	Indirect cost allocation for departmental purchasing, accounting, reports, personnel training, and other services provided by Management Services (I/A transfer to Management Services)	10.1	11.1	11.1
3013	Inter-Agency Data Processing Operations Allocation	Labor - Data Processing (334)	Allocation for Data Processing network and supportive services (I/A transfer to Data Processing)	4.1	4.3	4.3
3017	Inter-Agency Information Technology Non-Telecommunications	Admin - Department-wide	Computer Services Enterprise Productivity Rates (EPR) chargeback (I/A transfer to DOA)	2.8	2.8	2.8
3018	Inter-Agency Information Technology Telecommunications	Admin - Department-wide	Telecommunications Enterprise Productivity Rates (EPR) and Private Branch Exchange (PBX) chargeback (I/A transfer to DOA)	2.0	3.3	3.3
3021	Inter-Agency Mail	Admin - Department-wide	Centralized mail services chargeback (I/A transfer to DOA)	0.0	0.1	0.1
3022	Inter-Agency Human Resources	Admin - Department-wide	Human resource services chargeback (I/A transfer to DOA)	1.3	1.4	1.4
3023	Inter-Agency Building Leases	Admin - Department-wide	Building leases chargeback (I/A transfer to DOA)	21.9	21.9	21.9
3025	Inter-Agency Auditing	Admin - Department-wide	Auditing services chargeback (I/A transfer to DOA)	0.1	0.1	0.1
3026	Inter-Agency Insurance	Admin - Department-wide	Risk management services	0.1	0.1	0.1

Inter-Agency Services (1682)
Department of Labor and Workforce Development

Component: Second Injury Fund (2342)

Object Class	Servicing Agency	Explanation	FY2017 Actuals	FY2018 Management Plan	FY2019 Governor
3027 Inter-Agency Financial	Admin - Department-wide	chargeback (I/A transfer to DOA) State payroll and accounting system chargeback (I/A transfer to DOA)	0.3	0.3	0.3