

# **State of Alaska FY2009 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 the injured worker.

**Core Services**

The Benefits Guaranty Fund is designed to pay for the medical and weekly disability benefits for workers who were injured on the job for an employer that was not in compliance with the workers' compensation act. Payment of medical benefits allows workers to receive prompt medical care allowing them to recover and return to work.

**FY2009 Resources Allocated to Achieve Results**

<b>FY2009 Component Budget: \$250,000</b>	<b>Personnel:</b>	
	Full time	0
	Part time	0
	<b>Total</b>	<b>0</b>

**Key Component Challenges**

This program was established by the Legislature in late 2005. Sufficient penalties have been collected and deposited into the fund to allow the division to contract for claims administration services. We need to find a third party administrator to review claims against the fund and issue benefits due.

Procedures also need to be developed to ensure a fair dispersal of the available funds as more people file against the fund.

**Significant Changes in Results to be Delivered in FY2009**

The requested authorization increase of \$200.0 from the Workers Compensation Benefits Guaranty Fund will allow us to utilize penalty receipts that have been collected to increase the number of injured clients who receive benefits.

**Major Component Accomplishments in 2007**

Sixty seven employers were assessed penalties for failure to insure by the Workers' Compensation Board. The total amount assessed since the changes to the law now exceeds \$500,000. The first benefits were paid to an injured worker at the end of the fiscal year.

**Statutory and Regulatory Authority**

AS 23.30.082

Workers' Compensation Benefits Guaranty Fund

**Contact Information**

**Contact:** Paul Lisankie, Director  
**Phone:** (907) 465-2790  
**Fax:** (907) 465-2797  
**E-mail:** Paul\_Lisankie@alaska.gov

**Workers Compensation Benefits Guaranty Fund  
Component Financial Summary**

*All dollars shown in thousands*

	FY2007 Actuals	FY2008 Management Plan	FY2009 Governor
<b>Non-Formula Program:</b>			
<b>Component Expenditures:</b>			
71000 Personal Services	0.0	0.0	0.0
72000 Travel	0.0	0.0	0.0
73000 Services	0.0	20.0	20.0
74000 Commodities	0.0	0.0	0.0
75000 Capital Outlay	0.0	0.0	0.0
77000 Grants, Benefits	10.4	30.0	230.0
78000 Miscellaneous	0.0	0.0	0.0
<b>Expenditure Totals</b>	<b>10.4</b>	<b>50.0</b>	<b>250.0</b>
<b>Funding Sources:</b>			
1203 Workers' Compensation Benefits Guaranty Fund	10.4	50.0	250.0
<b>Funding Totals</b>	<b>10.4</b>	<b>50.0</b>	<b>250.0</b>

**Estimated Revenue Collections**

Description	Master Revenue Account	FY2007 Actuals	FY2008 Management Plan	FY2009 Governor
<b>Unrestricted Revenues</b>				
Worker's Compensation Benefits Guarantee	51491	10.4	50.0	250.0
<b>Unrestricted Total</b>		<b>10.4</b>	<b>50.0</b>	<b>250.0</b>
<b>Restricted Revenues</b>				
None.		0.0	0.0	0.0
<b>Restricted Total</b>		<b>0.0</b>	<b>0.0</b>	<b>0.0</b>
<b>Total Estimated Revenues</b>		<b>10.4</b>	<b>50.0</b>	<b>250.0</b>

**Summary of Component Budget Changes  
From FY2008 Management Plan to FY2009 Governor**

*All dollars shown in thousands*

	<u>General Funds</u>	<u>Federal Funds</u>	<u>Other Funds</u>	<u>Total Funds</u>
<b>FY2008 Management Plan</b>	<b>0.0</b>	<b>0.0</b>	<b>50.0</b>	<b>50.0</b>
<b>Proposed budget increases:</b>				
-Increase Workers Compensation Benefit Guaranty Fund Authorization to Allow Benefit Payments	0.0	0.0	200.0	200.0
<b>FY2009 Governor</b>	<b>0.0</b>	<b>0.0</b>	<b>250.0</b>	<b>250.0</b>