State of Alaska
FY2016 Governor Amended 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 2014

No major component accomplishments in FY2014.

Key Component Challenges

No key component challenges.

Significant Changes in Results to be Delivered in FY2016

No significant changes in results to be delivered are anticipated.

Statutory and Regulatory Authority

Statutory Authority:

AS 23.30.040	Second Injury Fund
AS 23.30.205	Injury Determination

Administrative Regulations:

8 AAC 50	Second Injury Fund

Contact Information

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Second Injury Fund
Component Financial Summary

All dollars shown in thousands

	FY2014 Actuals	FY2015 Management Plan	FY2016 Governor Amended
Non-Formula Program:			
Component Expenditures:			
71000 Personal Services	170.4	215.3	219.7
72000 Travel	2.9	1.5	1.5
73000 Services	40.2	42.9	42.9
74000 Commodities	0.0	4.4	4.4
75000 Capital Outlay	0.0	5.0	5.0
77000 Grants, Benefits	3,065.0	3,739.0	3,739.0
78000 Miscellaneous	0.0	0.0	0.0
Expenditure Totals	**3,278.5**	**4,008.1**	**4,012.5**
Funding Sources:			
1031 Second Injury Fund Reserve Account	3,278.5	4,008.1	4,012.5
Funding Totals	**3,278.5**	**4,008.1**	**4,012.5**

Estimated Revenue Collections

Description	Master Revenue Account	FY2014 Actuals	FY2015 Management Plan	FY2016 Governor Amended
Unrestricted Revenues				
Second Injury Fund Reserve Account	51075	3,278.5	4,008.1	4,012.5
Unrestricted Total		**3,278.5**	**4,008.1**	**4,012.5**
Restricted Revenues				
None.		0.0	0.0	0.0
Restricted Total		**0.0**	**0.0**	**0.0**
Total Estimated Revenues		**3,278.5**	**4,008.1**	**4,012.5**

Summary of Component Budget Changes
From FY2015 Management Plan to FY2016 Governor Amended

All dollars shown in thousands

	Unrestricted Gen (UGF)	Designated Gen (DGF)	Other Funds	Federal Funds	Total Funds
FY2015 Management Plan	**0.0**	**4,008.1**	**0.0**	**0.0**	**4,008.1**
Adjustments which continue current level of service:					
-FY2016 Salary Increases	0.0	4.6	0.0	0.0	4.6
-FY2016 Health Insurance Rate Reduction	0.0	-0.2	0.0	0.0	-0.2
FY2016 Governor Amended	**0.0**	**4,012.5**	**0.0**	**0.0**	**4,012.5**

Second Injury Fund
Personal Services Information

Authorized Positions			Personal Services Costs	
	FY2015 Management Plan	FY2016 Governor Amended		
			Annual Salaries	134,479
Full-time	2	2	COLA	4,536
Part-time	0	0	Premium Pay	0
Nonpermanent	0	0	Annual Benefits	82,342
			Less 0.75% Vacancy Factor	(1,657)
			Lump Sum Premium Pay	0
Totals	**2**	**2**	**Total Personal Services**	**219,700**

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 (AR28340) (2342)
RDU: Workers' Compensation (112)

	FY2014 Actuals	FY2015 Conference Committee	FY2015 Authorized	FY2015 Management Plan	FY2016 Governor Amended	FY2015 Management Plan vs FY2016 Governor Amended	
71000 Personal Services	170.4	214.3	214.3	215.3	219.7	4.4	2.0%
72000 Travel	2.9	1.5	1.5	1.5	1.5	0.0	0.0%
73000 Services	40.2	43.9	43.9	42.9	42.9	0.0	0.0%
74000 Commodities	0.0	4.4	4.4	4.4	4.4	0.0	0.0%
75000 Capital Outlay	0.0	5.0	5.0	5.0	5.0	0.0	0.0%
77000 Grants, Benefits	3,065.0	3,739.0	3,739.0	3,739.0	3,739.0	0.0	0.0%
78000 Miscellaneous	0.0	0.0	0.0	0.0	0.0	0.0	0.0%
Totals	**3,278.5**	**4,008.1**	**4,008.1**	**4,008.1**	**4,012.5**	**4.4**	**0.1%**
Fund Sources:							
1031Sec Injury (DGF)	3,278.5	4,008.1	4,008.1	4,008.1	4,012.5	4.4	0.1%
Unrestricted General (UGF)	**0.0**	**0.0**	**0.0**	**0.0**	**0.0**	**0.0**	**0.0%**
Designated General (DGF)	**3,278.5**	**4,008.1**	**4,008.1**	**4,008.1**	**4,012.5**	**4.4**	**0.1%**
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 PFT	Positions PPT	Positions NP
********** Changes From FY2015 Conference Committee To FY2015 Authorized **********												
FY2015 Conference Committee												
	ConfCom	4,008.1	214.3	1.5	43.9	4.4	5.0	3,739.0	0.0	2	0	0
1031 Sec Injury	4,008.1											
Additional Benefit Payments Sec18b Ch16 SLA2014 P76 L31 (HB266)												
	Language	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0	0	0
(b) If the amount necessary to pay benefit payments from the second injury fund (AS 23.30.040(a)) exceeds the amount appropriated for that purpose in sec. 1 of this Act, the additional amount necessary to make those benefit payments is appropriated for that purpose from the second injury fund to the Department of Labor and Workforce Development, second injury fund allocation, for the fiscal year ending June 30, 2015.												
Subtotal		**4,008.1**	**214.3**	**1.5**	**43.9**	**4.4**	**5.0**	**3,739.0**	**0.0**	**2**	**0**	**0**
********** Changes From FY2015 Authorized To FY2015 Management Plan **********												
Align Authority with Anticipated Expenses												
	LIT	0.0	1.0	0.0	-1.0	0.0	0.0	0.0	0.0	0	0	0
Transfer authority from services to pay anticipated personal services expenses. The remaining services authority is sufficient to cover anticipated expenses.												
Subtotal		**4,008.1**	**215.3**	**1.5**	**42.9**	**4.4**	**5.0**	**3,739.0**	**0.0**	**2**	**0**	**0**
********** Changes From FY2015 Management Plan To FY2016 Governor Amended **********												
FY2016 Salary Increases												
	SalAdj	4.6	4.6	0.0	0.0	0.0	0.0	0.0	0.0	0	0	0
1031 Sec Injury	4.6											
Cost of living adjustment for certain bargaining units: $4.6												
Year three cost of living adjustment for non-covered employees - 2.5%: $0.7												
Year three cost of living adjustment for Alaska State Employees Association/General Government Unit - 2.5%: $2.6												
Year three cost of living adjustment for Alaska Public Employees Association/Supervisory Unit - 2.5%: $1.3												
FY2016 Health Insurance Rate Reduction												
	SalAdj	-0.2	-0.2	0.0	0.0	0.0	0.0	0.0	0.0	0	0	0
1031 Sec Injury	-0.2											
Select Benefits health insurance rate reduction from $1,371 to $1,346: $-0.2												

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 PFT	Positions PPT	Positions NP
Reverse Additional Money as required to make benefit payments is appropriated from the Second Injury Fund												
	OTI	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0	0	0
	Totals	**4,012.5**	**219.7**	**1.5**	**42.9**	**4.4**	**5.0**	**3,739.0**	**0.0**	**2**	**0**	**0**

Personal Services Expenditure Detail
Department of Labor and Workforce Development

Scenario: FY2016 Governor Amended (12201)
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	18D	3.5	*	20,058	677	0	11,771	32,506	0
07-3001	Division Director	FT	A	XE	Juneau	N05	27F	2.0	*	21,622	729	0	10,252	32,603	0
07-3023	Administrative Assistant II	FT	A	SS	Juneau	205	14A	0.5	*	1,996	67	0	1,378	3,441	0
07-3026	Administrative Officer II	FT	A	SS	Anchorage	200	19E	2.5	*	14,863	501	0	8,595	23,959	0
07-3033	Office Assistant I	FT	A	GP	Juneau	205	8A / B	2.5	*	6,595	222	0	5,807	12,624	0
07-3046	Worker Comp Off I	FT	A	GP	Juneau	205	16G	6.0	**	31,458	1,061	0	19,395	51,914	0
07-3055	Worker Comp Technician	FT	A	GP	Juneau	205	12G	6.0	**	23,724	801	0	16,694	41,219	0
07-5527	Project Assistant	FT	A	GP	Juneau	205	16K	2.5	*	14,163	478	0	8,450	23,091	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:	134,479
Total COLA:	4,536
Total Premium Pay::	0
Total Benefits:	82,342
Total Pre-Vacancy:	221,357
Minus Vacancy Adjustment of 0.75%:	(1,657)
Total Post-Vacancy:	219,700
Plus Lump Sum Premium Pay:	0
Personal Services Line 100:	219,700

PCN Funding Sources:	Pre-Vacancy	Post-Vacancy	Percent
1031 Second Injury Fund Reserve Account	221,438	219,780	100.00%
Total PCN Funding:	**221,438**	**219,780**	**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	FY2014 Actuals	FY2015 Management Plan	FY2016 Governor Amended
72000	Travel	2.9	1.5	1.5

Expenditure Account	Servicing Agency	Explanation	FY2014 Actuals	FY2015 Management Plan	FY2016 Governor Amended
		72000 Travel Detail Totals	**2.9**	**1.5**	**1.5**
72110 Employee Travel (Instate)		Travel for public meetings to administer program activities	0.0	1.5	1.5
72120 Nonemployee Travel (Instate Travel)		Summer internship travel	2.9	0.0	0.0

Line Item Detail
Department of Labor and Workforce Development
Services

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

Line Number	Line Name	FY2014 Actuals	FY2015 Management Plan	FY2016 Governor Amended
73000	Services	40.2	42.9	42.9

Expenditure Account		Servicing Agency	Explanation	FY2014 Actuals	FY2015 Management Plan	FY2016 Governor Amended
			73000 Services Detail Totals	**40.2**	**42.9**	**42.9**
73156	Telecommunication		Cost for local and long distance charges and data network charges	0.1	1.0	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).	8.5	10.8	11.0
73225	Delivery Services		Transportation and freight charges	0.0	4.0	4.0
73254	Dp Operations Alloc	Data Processing	Allocation for Data Processing network and supportive services (I/A transfer to Data Processing)	3.6	3.3	3.3
73450	Advertising & Promos		Advertising for regulations, seminars, board meetings	0.0	2.6	2.6
73675	Equipment/Machinery		Machine and equipment repair and maintenance	0.5	1.8	1.8
73750	Other Services (Non IA Svcs)		Printing of forms, letterhead, envelopes, statutes and program booklets	0.0	1.8	1.6
73804	Economic/Development (IA Svcs)	Data Processing	Workers' Compensation SAGE	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	1.3	1.3
73806	IT-Telecommunication	Admin	Telecommunications Enterprise Productivity Rates (EPR) and Private Branch Exchange (PBX) chargeback (I/A transfer to DOA)	3.6	3.8	3.8
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	1.3	1.3
73811	Building Leases	Admin	Building leases chargeback (I/A transfer to DOA)	20.8	10.3	10.3
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	FY2014 Actuals	FY2015 Management Plan	FY2016 Governor Amended
			73000 Services Detail Totals	**40.2**	**42.9**	**42.9**
73815	Financial	Admin	State payroll and accounting system chargeback (I/A transfer to DOA)	0.3	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	FY2014 Actuals	FY2015 Management Plan	FY2016 Governor Amended
74000	Commodities	0.0	4.4	4.4

Expenditure Account	Servicing Agency	Explanation	FY2014 Actuals	FY2015 Management Plan	FY2016 Governor Amended
		74000 Commodities Detail Totals	**0.0**	**4.4**	**4.4**
74200 Business		Office supplies, information technology equipment and subscriptions	0.0	4.4	4.4

Line Item Detail
Department of Labor and Workforce Development
Capital Outlay

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

Line Number	Line Name	FY2014 Actuals	FY2015 Management Plan	FY2016 Governor Amended
75000	Capital Outlay	0.0	5.0	5.0

Expenditure Account	Servicing Agency	Explanation	FY2014 Actuals	FY2015 Management Plan	FY2016 Governor Amended
		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	FY2014 Actuals	FY2015 Management Plan	FY2016 Governor Amended
77000	Grants, Benefits	3,065.0	3,739.0	3,739.0

Expenditure Account	Servicing Agency	Explanation	FY2014 Actuals	FY2015 Management Plan	FY2016 Governor Amended
		77000 Grants, Benefits Detail Totals	**3,065.0**	**3,739.0**	**3,739.0**
77670 Benefits		Payments under AS 23.30.205 reflect the Second Injury Fund benefits to reinjured disabled workers through reimbursement to employers/insurers.	3,065.0	3,739.0	3,739.0

Unrestricted Revenue Detail
Department of Labor and Workforce Development

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

Master Account	Revenue Description	FY2014 Actuals	FY2015 Management Plan	FY2016 Governor Amended
51075	Second Injury Fund Reserve Account	3,278.5	4,008.1	4,012.5

Detail Information

Revenue Amount	Revenue Description	Component	Collocation Code	AKSAS Fund	FY2014 Actuals	FY2015 Management Plan	FY2016 Governor Amended
51075	Second Injury Fund	Second Injury Fund	7340600	11117	3,278.5	4,008.1	4,012.5

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	FY2014 Actuals	FY2015 Management Plan	FY2016 Governor Amended
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	8.5	10.8	11.0
				73169 Federal Indirect Rate Allocation subtotal:	**8.5**	**10.8**	**11.0**
73254	Dp Operations Alloc	Allocation for Data Processing network and supportive services (I/A transfer to Data Processing)	Intra-dept	Data Processing	3.6	3.3	3.3
				73254 Dp Operations Alloc subtotal:	**3.6**	**3.3**	**3.3**
73804	Economic/Development (IA Svcs)	Workers' Compensation SAGE	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	1.3	1.3
				73805 IT-Non-Telecommunication subtotal:	**1.5**	**1.3**	**1.3**
73806	IT-Telecommunication	Telecommunications Enterprise Productivity Rates (EPR) and Private Branch Exchange (PBX) chargeback (I/A transfer to DOA)	Inter-dept	Admin	3.6	3.8	3.8
				73806 IT-Telecommunication subtotal:	**3.6**	**3.8**	**3.8**
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	1.3	1.3
				73810 Human Resources subtotal:	**1.2**	**1.3**	**1.3**
73811	Building Leases	Building leases chargeback (I/A transfer to DOA)	Inter-dept	Admin	20.8	10.3	10.3
				73811 Building Leases subtotal:	**20.8**	**10.3**	**10.3**
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**
73815	Financial	State payroll and accounting system chargeback (I/A transfer to DOA)	Inter-dept	Admin	0.3	0.2	0.2
				73815 Financial subtotal:	**0.3**	**0.2**	**0.2**
				Second Injury Fund total:	**39.6**	**31.7**	**31.9**
				Grand Total:	**39.6**	**31.7**	**31.9**