

State of Alaska
FY2018 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 2016

No major component accomplishments.

Key Component Challenges

No key component challenges.

Significant Changes in Results to be Delivered in FY2018

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

Contact: Marie Marx, Director
Phone: (907) 465-6060
Fax: (907) 465-2797
E-mail: marie.marx@alaska.gov

Second Injury Fund Personal Services Information				
Authorized Positions			Personal Services Costs	
	<u>FY2017</u> <u>Management</u> <u>Plan</u>	<u>FY2018</u> <u>Governor</u>		
Full-time	2	2	Annual Salaries	130,437
Part-time	0	0	Premium Pay	0
Nonpermanent	0	0	Annual Benefits	82,562
			<i>Less 0.05% Vacancy Factor</i>	(99)
			Lump Sum Premium Pay	0
Totals	2	2	Total Personal Services	212,900

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

	FY2016 Actuals	FY2017 Conference Committee	FY2017 Authorized	FY2017 Management Plan	FY2018 Governor	FY2017 Management Plan vs FY2018 Governor	
71000 Personal Services	182.9	219.0	219.0	214.2	212.9	-1.3	-0.6%
72000 Travel	0.0	1.5	1.5	1.5	1.5	0.0	0.0%
73000 Services	35.4	41.6	41.6	48.5	52.2	3.7	7.6%
74000 Commodities	1.1	6.4	6.4	4.3	4.3	0.0	0.0%
75000 Capital Outlay	0.0	5.0	5.0	5.0	5.0	0.0	0.0%
77000 Grants, Benefits	3,412.3	3,139.0	3,139.0	3,139.0	3,139.0	0.0	0.0%
78000 Miscellaneous	0.0	0.0	0.0	0.0	0.0	0.0	0.0%
Totals	3,631.7	3,412.5	3,412.5	3,412.5	3,414.9	2.4	0.1%
Fund Sources:							
1031Sec Injury (DGF)	3,631.7	3,412.5	3,412.5	3,412.5	3,414.9	2.4	0.1%
Unrestricted General (UGF)	0.0	0.0	0.0	0.0	0.0	0.0	0.0%
Designated General (DGF)	3,631.7	3,412.5	3,412.5	3,412.5	3,414.9	2.4	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		NP
										PFT	PPT	
***** Changes From FY2017 Conference Committee To FY2017 Authorized *****												
FY2017 Conference Committee	ConfCom	3,412.5	219.0	1.5	41.6	6.4	5.0	3,139.0	0.0	2	0	0
1031 Sec Injury		3,412.5										
Subtotal		3,412.5	219.0	1.5	41.6	6.4	5.0	3,139.0	0.0	2	0	0
***** Changes From FY2017 Authorized To FY2017 Management Plan *****												
Align Authority with Anticipated Expenses	LIT	0.0	-4.8	0.0	6.9	-2.1	0.0	0.0	0.0	0	0	0
Transfer personal services and commodities authority to pay anticipated services expenses. The remaining personal services and commodities authority is sufficient to cover anticipated expenses.												
Subtotal		3,412.5	214.2	1.5	48.5	4.3	5.0	3,139.0	0.0	2	0	0
***** Changes From FY2017 Management Plan To FY2018 Governor *****												
Align Authority with Anticipated Expenses	LIT	0.0	-3.7	0.0	3.7	0.0	0.0	0.0	0.0	0	0	0
Transfer personal services authority to pay anticipated services expenses. The remaining personal services authority is sufficient to cover anticipated expenses.												
FY2018 Salary and Health Insurance Increases	SalAdj	0.7	0.7	0.0	0.0	0.0	0.0	0.0	0.0	0	0	0
1031 Sec Injury		0.7										
Includes: ACOA COLA, 2.25% per contract ending 6/30/2018; GGU HI increase from \$1346 to \$1389; LTC HI increase from \$1363 to \$1432.: \$0.7												
FY2018 PS Health Ins.: \$0.7												
Supervisory Unit 15 Hour Furlough Contract Terms	SalAdj	-0.1	-0.1	0.0	0.0	0.0	0.0	0.0	0.0	0	0	0
1031 Sec Injury		-0.1										
Alaska Public Employees Association, supervisory unit, 15 hours of furlough required for each permanent full-time employee in each year from July 1, 2016 to June 30, 2018.												
FY2018 Alaska Care & PSEA Health Insurance Increase	SalAdj	1.8	1.8	0.0	0.0	0.0	0.0	0.0	0.0	0	0	0
1031 Sec Injury		1.8										

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	PPT	NP
Alaska Care rate increase from \$1346 to \$1555 per month for APEA members. \$1.4												
Alaska Care rate increase from \$1346 to \$1555 per month for exempt and partially exempt employees. \$0.4												
Totals		3,414.9	212.9	1.5	52.2	4.3	5.0	3,139.0	0.0	2	0	0

Personal Services Expenditure Detail
Department of Labor and Workforce Development

Scenario: FY2018 Governor (13956)
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	18F	3.5	*	22,021	0	0	13,164	35,185	0
07-3001	Division Director	FT	A	XE	Juneau	N05	27B	2.0	*	19,107	0	0	9,770	28,877	0
07-3023	Administrative Assistant II	FT	A	SS	Juneau	605	14A	0.5	*	1,963	0	0	1,469	3,432	0
07-3026	Administrative Officer II	FT	A	SS	Juneau	205	19A	2.5	*	14,418	0	0	8,947	23,365	0
07-3033	Office Assistant I	FT	A	GP	Juneau	205	8A	2.5	*	6,568	0	0	5,790	12,358	0
07-3046	Worker Comp Off I	FT	A	GP	Juneau	205	16K	6.0	**	34,668	0	0	20,478	55,146	0
07-3055	Worker Comp Technician	FT	A	GP	Juneau	205	12A	6.0	**	20,016	0	0	15,376	35,392	0
07-5527	Project Assistant	FT	A	GP	Juneau	205	16C	2.5	*	11,676	0	0	7,568	19,244	0
													Total Salary Costs:	130,437	
													Total COLA:	0	
													Total Premium Pay:	0	
													Total Benefits:	82,562	
													Total Pre-Vacancy:	212,999	
													Minus Vacancy Adjustment of 0.05%:	(99)	
													Total Post-Vacancy:	212,900	
													Plus Lump Sum Premium Pay:	0	
													Personal Services Line 100:	212,900	

	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

PCN Funding Sources:	Pre-Vacancy	Post-Vacancy	Percent
1031 Second Injury Fund Reserve Account	212,999	212,900	100.00%
Total PCN Funding:	212,999	212,900	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		FY2016 Actuals	FY2017 Management Plan	FY2018 Governor
2000	Travel		0.0	1.5	1.5
Object Class	Servicing Agency	Explanation	FY2016 Actuals	FY2017 Management Plan	FY2018 Governor
2000 Travel Detail Totals			0.0	1.5	1.5
2000	In-State Employee Travel	Staff travel throughout the state 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			FY2016 Actuals	FY2017 Management Plan	FY2018 Governor
3000	Services			35.4	48.5	52.2
Object Class	Servicing Agency	Explanation		FY2016 Actuals	FY2017 Management Plan	FY2018 Governor
3000 Services Detail Totals				35.4	48.5	52.2
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	0.1	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		Other services for purposes yet to be determined	0.0	8.5	12.2
3012	Inter-Agency Federal Indirect Rate Allocation	Labor - Management Services (335)	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)	9.8	11.8	11.8
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)	3.9	4.1	4.1
3017	Inter-Agency Information Technology Non-Telecommunications	Admin - Department-wide	Computer services Enterprise Productivity Rates (EPR) chargeback (I/A transfer to DOA)	1.6	1.7	1.7
3018	Inter-Agency Information Technology	Admin - Department-wide	Telecommunications Enterprise	3.6	4.0	4.0

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

Component: Second Injury Fund (2342)

Object Class	Servicing Agency	Explanation	FY2016 Actuals	FY2017 Management Plan	FY2018 Governor
3000 Services Detail Totals			35.4	48.5	52.2
Telecommunications		Productivity Rates (EPR) and Private Branch Exchange (PBX) chargeback (I/A transfer to DOA)			
3021 Inter-Agency Mail	Admin - Department-wide	Centralized mail services chargeback (I/A transfer to DOA)	0.1	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)	13.9	14.0	14.0
3025 Inter-Agency Auditing	Admin - Department-wide	Auditing services chargeback (I/A transfer to DOA)	0.0	0.1	0.1
3026 Inter-Agency Insurance	Admin - Department-wide	Risk management services chargeback (I/A transfer to DOA)	0.2	0.2	0.2
3027 Inter-Agency Financial	Admin - Department-wide	State payroll and accounting system chargeback (I/A transfer to DOA)	0.2	0.2	0.2

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

Component: Second Injury Fund (2342)

Line Number	Line Name		FY2016 Actuals	FY2017 Management Plan	FY2018 Governor
4000	Commodities		1.1	4.3	4.3
Object Class	Servicing Agency	Explanation	FY2016 Actuals	FY2017 Management Plan	FY2018 Governor
		4000 Commodities Detail Totals	1.1	4.3	4.3
4000	Business	General business supplies such as office consumables, furniture, and computer equipment	1.1	4.3	4.3

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

Component: Second Injury Fund (2342)

Line Number	Line Name		FY2016 Actuals	FY2017 Management Plan	FY2018 Governor
5000	Capital Outlay		0.0	5.0	5.0
Object Class	Servicing Agency	Explanation	FY2016 Actuals	FY2017 Management Plan	FY2018 Governor
5000 Capital Outlay Detail Totals			0.0	5.0	5.0
5004	Equipment	Purchase of copiers and related equipment	0.0	5.0	5.0

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

Component: Second Injury Fund (2342)

Line Number	Line Name		FY2016 Actuals	FY2017 Management Plan	FY2018 Governor
7000	Grants, Benefits		3,412.3	3,139.0	3,139.0
Object Class	Servicing Agency	Explanation	FY2016 Actuals	FY2017 Management Plan	FY2018 Governor
		7000 Grants, Benefits Detail Totals	3,412.3	3,139.0	3,139.0
7002	Benefits	Payments under AS 23.30.205 reflect the Second Injury Fund benefits to reinjured disabled workers through reimbursement to employers/insurers.	3,412.3	3,139.0	3,139.0

Revenue Detail (1681)
Department of Labor and Workforce Development

Component: Second Injury Fund (2342)

Revenue Type (OMB Fund Code) Revenue Source	Component	Comment	FY2016 Actuals	FY2017 Management Plan	FY2018 Governor
6031 Sec Injury (1031 Sec Injury)			3,631.7	3,412.5	3,414.9
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> <p>These funds are used to pay benefits to injured workers and to support operations of the Second Injury Fund program.</p>	3,631.7	3,412.5	3,414.9

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

Component: Second Injury Fund (2342)

	FY2016 Actuals	FY2017 Management Plan	FY2018 Governor
Component Totals	35.3	38.3	38.3
With Department of Administration	21.6	22.4	22.4
With Department of Labor and Workforce Development	13.7	15.9	15.9

Object Class	Servicing Agency	Explanation	FY2016 Actuals	FY2017 Management Plan	FY2018 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, state accounting, federal accounting reports, personnel training, contracts, and fiscal services provided by Management Services (I/A transfer to Management Services)	9.8	11.8	11.8
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)	3.9	4.1	4.1
3017	Inter-Agency Information Technology Non-Telecommunications	Admin - Department-wide	Computer services Enterprise Productivity Rates (EPR) chargeback (I/A transfer to DOA)	1.6	1.7	1.7
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)	3.6	4.0	4.0
3021	Inter-Agency Mail	Admin - Department-wide	Centralized mail services chargeback (I/A transfer to DOA)	0.1	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)	13.9	14.0	14.0
3025	Inter-Agency Auditing	Admin - Department-wide	Auditing services chargeback (I/A	0.0	0.1	0.1

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

Component: Second Injury Fund (2342)

Object Class		Servicing Agency	Explanation	FY2016 Actuals	FY2017 Management Plan	FY2018 Governor
3026	Inter-Agency Insurance	Admin - Department-wide	transfer to DOA) Risk management services chargeback (I/A transfer to DOA)	0.2	0.2	0.2
3027	Inter-Agency Financial	Admin - Department-wide	State payroll and accounting system chargeback (I/A transfer to DOA)	0.2	0.2	0.2