

State of Alaska FY2020 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 to the injured worker.

Core Services

- Provide Workers' Compensation benefits to injured employees of uninsured employers.
- Collect penalties from uninsured employers.
- Seek reimbursement of benefit payments from uninsured employers.

Major Component Accomplishments in 2018

During FY2018, the Workers' Compensation Benefits Guaranty Fund collected \$780,000 in revenue.

Key Component Challenges

A key challenge facing the Workers' Compensation Benefits Guaranty Fund component is a significant liability against the Fund. There are currently 61 open claims against the Fund with a potential liability of over \$6 million.

Significant Changes in Results to be Delivered in FY2020

No significant changes in results to be delivered are anticipated.

Statutory and Regulatory Authority

Statutory Authority:
AS 23.30.082 Workers' Compensation Benefits Guaranty Fund

Contact Information

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

Workers' Compensation Benefits Guaranty Fund Personal Services Information					
Authorized Positions			Personal Services Costs		
	<u>FY2019</u> <u>Management</u> <u>Plan</u>	<u>FY2020</u> <u>Governor</u>			
			Annual Salaries		57,881
Full-time	1	1	COLA		2,333
Part-time	0	0	Premium Pay		0
Nonpermanent	0	0	Annual Benefits		38,390
			<i>Less 0.00% Vacancy Factor</i>		(0)
			Lump Sum Premium Pay		0
Totals	1	1	Total Personal Services		98,604

Position Classification Summary					
Job Class Title	Anchorage	Fairbanks	Juneau	Others	Total
Loan/Collection Off I	0	0	1	0	1
Totals	0	0	1	0	1

Component Detail All Funds
Department of Labor and Workforce Development

Component: Workers' Compensation Benefits Guaranty Fund (2820)
RDU: Workers' Compensation (112)

Non-Formula Component

	FY2018 Actuals	FY2019 Conference Committee	FY2019 Authorized	FY2019 Management Plan	FY2020 Governor	FY2019 Management Plan vs FY2020 Governor	
71000 Personal Services	89.1	90.2	90.2	92.6	98.6	6.0	6.5%
72000 Travel	0.0	0.0	0.0	0.0	0.0	0.0	0.0%
73000 Services	157.4	250.0	250.0	247.6	245.2	-2.4	-1.0%
74000 Commodities	0.0	2.0	2.0	2.0	2.0	0.0	0.0%
75000 Capital Outlay	0.0	0.0	0.0	0.0	0.0	0.0	0.0%
77000 Grants, Benefits	300.2	432.7	432.7	432.7	432.7	0.0	0.0%
78000 Miscellaneous	0.0	0.0	0.0	0.0	0.0	0.0	0.0%
Totals	546.7	774.9	774.9	774.9	778.5	3.6	0.5%
Fund Sources:							
1203 WCBG Fund (DGF)	546.7	774.9	774.9	774.9	778.5	3.6	0.5%
Unrestricted General (UGF)	0.0	0.0	0.0	0.0	0.0	0.0	0.0%
Designated General (DGF)	546.7	774.9	774.9	774.9	778.5	3.6	0.5%
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	1	1	1	1	1	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: Workers' Compensation Benefits Guaranty Fund (2820)

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 FY2019 Conference Committee To FY2019 Authorized *****												
FY2019 Conference Committee	ConfCom	774.9	90.2	0.0	250.0	2.0	0.0	432.7	0.0	1	0	0
1203 WCBG Fund		774.9										
Subtotal		774.9	90.2	0.0	250.0	2.0	0.0	432.7	0.0	1	0	0
***** Changes From FY2019 Authorized To FY2019 Management Plan *****												
Align Authority with Anticipated Expenditures	LIT	0.0	2.4	0.0	-2.4	0.0	0.0	0.0	0.0	0	0	0
Transfer services authority to pay anticipated personal services expenditures. The remaining services authority is sufficient to cover anticipated expenditures.												
Subtotal		774.9	92.6	0.0	247.6	2.0	0.0	432.7	0.0	1	0	0
***** Changes From FY2019 Management Plan To FY2020 Governor *****												
Align Authority with Anticipated Expenditures	LIT	0.0	2.4	0.0	-2.4	0.0	0.0	0.0	0.0	0	0	0
Transfer services authority to pay anticipated personal services expenditures. The remaining services authority is sufficient to cover anticipated expenditures.												
FY2020 Salary Adjustments - GGU, CEA, TEAME	SalAdj	3.5	3.5	0.0	0.0	0.0	0.0	0.0	0.0	0	0	0
1203 WCBG Fund		3.5										
FY2020 Salary Adjustments - GGU, CEA, TEAME: \$3.5												
FY2020 GGU HI from \$1432 to \$1530: \$1.2												
FY2020 GGU 3% COLA: \$2.3												
Reverse Alaska State Employees Association (GGU) 15 Hour Furlough	SalAdj	0.1	0.1	0.0	0.0	0.0	0.0	0.0	0.0	0	0	0
1203 WCBG Fund		0.1										
The Alaska State Employees Association (representing the general government unit) contractually required 15 hours of furlough for each permanent full-time employee in each year from July 1, 2016, to June 30, 2019. The furlough requirement was removed from the contract in FY2020.												
Totals		778.5	98.6	0.0	245.2	2.0	0.0	432.7	0.0	1	0	0

Personal Services Expenditure Detail
Department of Labor and Workforce Development

Scenario: FY2020 Governor (15610)
Component: Workers' Compensation Benefits Guaranty Fund (2820)
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
21-3047	Loan/Collection Off I	FT	A	GP	Juneau	205	16C / D	12.0		57,881	2,333	0	38,390	98,604	0
													Total Salary Costs:	57,881	
													Total COLA:	2,333	
													Total Premium Pay::	0	
													Total Benefits:	38,390	
													Total Pre-Vacancy:	98,604	
													Minus Vacancy Adjustment of 0.00%:	(0)	
													Total Post-Vacancy:	98,604	
													Plus Lump Sum Premium Pay:	0	
													Personal Services Line 100:	98,604	

PCN Funding Sources:	Pre-Vacancy	Post-Vacancy	Percent
1203 Workers' Compensation Benefits Guaranty Fund	98,604	98,604	100.00%
Total PCN Funding:	98,604	98,604	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
Services

Component: Workers' Compensation Benefits Guaranty Fund (2820)

Line Number	Line Name		FY2018 Actuals	FY2019 Management Plan
3000	Services		157.4	247.6
Object Class	Servicing Agency	Explanation	FY2018 Actuals	FY2019 Management Plan
3000 Services Detail Totals			157.4	247.6
3001	Financial Services	Professional services contract for an adjuster to review claims filed against the Workers' Compensation Benefits Guaranty Fund	32.5	32.5
3002	Legal and Judicial Services	Legal and judicial services	0.1	9.8
3003	Information Technology	Admin - Department-wide Software licensing fee chargeback (I/A transfer to DOA)	0.4	0.4
3012	Inter-Agency Federal Indirect Rate Allocation	Labor - Management Services (335) Indirect cost allocation for departmental purchasing, accounting, reports, personnel consultation and other services provided by Management Services (I/A transfer to Management Services)	5.3	5.5
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)	1.7	1.7
3017	Inter-Agency Information Technology Non-Telecommunications	Admin - Department-wide Computer Services Enterprise Productivity Rates (EPR) chargeback (I/A transfer to DOA)	0.9	0.9
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)	0.9	0.9
3022	Inter-Agency Human Resources	Admin - Department-wide Human resource services chargeback (I/A transfer to DOA)	0.7	0.7
3023	Inter-Agency Building Leases	Admin - Department-wide Building leases chargeback (I/A transfer to DOA)	4.8	4.8

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

Component: Workers' Compensation Benefits Guaranty Fund (2820)

Object Class		Servicing Agency	Explanation	FY2018 Actuals	FY2019 Management Plan
3000 Services Detail Totals				157.4	247.6
3024	Inter-Agency Legal	Law - Department-wide	Legal Services (I/A transfer to Law)	109.7	190.0
3025	Inter-Agency Auditing	Admin - Department-wide	Auditing services chargeback (I/A transfer to DOA)	0.1	0.1
3026	Inter-Agency Insurance	Admin - Department-wide	Risk management services chargeback (I/A transfer to DOA)	0.1	0.1
3027	Inter-Agency Financial	Admin - Department-wide	State payroll and accounting system chargeback (I/A transfer to DOA)	0.2	0.2

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

Component: Workers' Compensation Benefits Guaranty Fund (2820)

Line Number	Line Name		FY2018 Actuals	FY2019 Management Plan
4000	Commodities		0.0	2.0
Object Class	Servicing Agency	Explanation	FY2018 Actuals	FY2019 Management Plan
4000 Commodities Detail Totals			0.0	2.0
4000	Business	General business supplies such as office consumables and computer equipment	0.0	2.0

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

Component: Workers' Compensation Benefits Guaranty Fund (2820)

Line Number	Line Name		FY2018 Actuals	FY2019 Management Plan
7000	Grants, Benefits		300.2	432.7
Object Class	Servicing Agency	Explanation	FY2018 Actuals	FY2019 Management Plan
7000 Grants, Benefits Detail Totals			300.2	432.7
7002	Benefits	Benefits to workers who were injured while working for an employer without workers' compensation insurance	300.2	432.7

Revenue Detail (1681)
Department of Labor and Workforce Development

Component: Workers' Compensation Benefits Guaranty Fund (2820)

Revenue Type (OMB Fund Code) Revenue Source	Component	Comment	FY2018 Actuals	FY2019 Management Plan
6203 WCBG Fund (1203 WCBG Fund)			546.7	774.9
6862 Workers Comp Benefits Guaranty Fund - Miscellaneous		The Workers' Compensation Benefits Guaranty Fund (AS 23.30.082) consists of revenue from penalties and fines assessed against employers that do not comply with the requirements of AS 23.30 or the orders of the Alaska Workers' Compensation Board.	546.7	774.9

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

Component: Workers' Compensation Benefits Guaranty Fund (2820)

				FY2018 Actuals	FY2019 Management Plan
Component Totals				124.8	205.3
				8.1	8.1
				7.0	7.2
				109.7	190.0
Object Class	Servicing Agency	Explanation	FY2018 Actuals	FY2019 Management Plan	
3003	Information Technology	Admin - Department-wide	Software licensing fee chargeback (I/A transfer to DOA)	0.4	0.4
3012	Inter-Agency Federal Indirect Rate Allocation	Labor - Management Services (335)	Indirect cost allocation for departmental purchasing, accounting, reports, personnel consultation and other services provided by Management Services (I/A transfer to Management Services)	5.3	5.5
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)	1.7	1.7
3017	Inter-Agency Information Technology Non-Telecommunications	Admin - Department-wide	Computer Services Enterprise Productivity Rates (EPR) chargeback (I/A transfer to DOA)	0.9	0.9
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)	0.9	0.9
3022	Inter-Agency Human Resources	Admin - Department-wide	Human resource services chargeback (I/A transfer to DOA)	0.7	0.7
3023	Inter-Agency Building Leases	Admin - Department-wide	Building leases chargeback (I/A transfer to DOA)	4.8	4.8
3024	Inter-Agency Legal	Law - Department-wide	Legal Services (I/A transfer to Law)	109.7	190.0
3025	Inter-Agency Auditing	Admin - Department-wide	Auditing services chargeback (I/A transfer to DOA)	0.1	0.1

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

Component: Workers' Compensation Benefits Guaranty Fund (2820)

Object Class		Servicing Agency	Explanation	FY2018 Actuals	FY2019 Management Plan
3026	Inter-Agency Insurance	Admin - Department-wide	Risk management services chargeback (I/A transfer to DOA)	0.1	0.1
3027	Inter-Agency Financial	Admin - Department-wide	State payroll and accounting system chargeback (I/A transfer to DOA)	0.2	0.2