

# **State of Alaska FY2021 Governor's Operating Budget**

## **Department of Labor and Workforce Development Workers' Compensation Benefits Guaranty Fund Component Budget Summary**

<b>Component: Workers' Compensation Benefits Guaranty Fund</b>
--

**Contribution to Department's Mission**

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 2019**

During FY2019, the Workers' Compensation Benefits Guaranty Fund collected \$763,000 in revenue.

**Key Component Challenges**

A key challenge facing the Workers' Compensation Benefits Guaranty Fund (WCBGF) component is a significant potential liability of \$6 million against the fund from 54 open claims – exceeding the current fund balance of approximately \$3.5 million. The actual liability to the fund is likely much lower than \$6 million as the potential liability of each claim is usually reduced through the adjudication process or by finding the WCBGF not liable.

**Significant Changes in Results to be Delivered in FY2021**

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

<b>Contact Information</b>
<b>Contact:</b> Grey Mitchell, Director <b>Phone:</b> (907) 465-6060 <b>E-mail:</b> grey.mitchell@alaska.gov

<b>Workers' Compensation Benefits Guaranty Fund Personal Services Information</b>					
<b>Authorized Positions</b>			<b>Personal Services Costs</b>		
	<b>FY2020 Management Plan</b>	<b>FY2021 Governor</b>			
Full-time	1	1	Annual Salaries		56,295
Part-time	0	0	COLA		757
Nonpermanent	0	0	Premium Pay		0
			Annual Benefits		38,145
			<i>Less 0.10% Vacancy Factor</i>		(97)
			Lump Sum Premium Pay		0
<b>Totals</b>	<b>1</b>	<b>1</b>	<b>Total Personal Services</b>		<b>95,100</b>

<b>Position Classification Summary</b>					
<b>Job Class Title</b>	<b>Anchorage</b>	<b>Fairbanks</b>	<b>Juneau</b>	<b>Others</b>	<b>Total</b>
Loan/Collection Officer I	0	0	1	0	1
<b>Totals</b>	<b>0</b>	<b>0</b>	<b>1</b>	<b>0</b>	<b>1</b>

**Component Detail All Funds**  
**Department of Labor and Workforce Development**

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

Non-Formula Component

	FY2019 Actuals	FY2020 Conference Committee	FY2020 Authorized	FY2020 Management Plan	FY2021 Governor	FY2020 Management Plan vs FY2021 Governor	
71000 Personal Services	82.9	98.6	98.6	91.5	95.1	3.6	3.9%
72000 Travel	0.0	0.0	0.0	0.0	0.0	0.0	0.0%
73000 Services	107.2	245.2	245.2	252.3	249.8	-2.5	-1.0%
74000 Commodities	0.2	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	366.6	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%
<b>Totals</b>	<b>556.9</b>	<b>778.5</b>	<b>778.5</b>	<b>778.5</b>	<b>779.6</b>	<b>1.1</b>	<b>0.1%</b>
<b>Fund Sources:</b>							
1203 WCBG Fund (DGF)	556.9	778.5	778.5	778.5	779.6	1.1	0.1%
<b>Unrestricted General (UGF)</b>	<b>0.0</b>	<b>0.0</b>	<b>0.0</b>	<b>0.0</b>	<b>0.0</b>	<b>0.0</b>	<b>0.0%</b>
<b>Designated General (DGF)</b>	<b>556.9</b>	<b>778.5</b>	<b>778.5</b>	<b>778.5</b>	<b>779.6</b>	<b>1.1</b>	<b>0.1%</b>
<b>Other Funds</b>	<b>0.0</b>	<b>0.0</b>	<b>0.0</b>	<b>0.0</b>	<b>0.0</b>	<b>0.0</b>	<b>0.0%</b>
<b>Federal Funds</b>	<b>0.0</b>	<b>0.0</b>	<b>0.0</b>	<b>0.0</b>	<b>0.0</b>	<b>0.0</b>	<b>0.0%</b>
<b>Positions:</b>							
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 FY2020 Conference Committee To FY2020 Authorized *****												
<b>FY2020 Conference Committee</b>	ConfCom	778.5	98.6	0.0	245.2	2.0	0.0	432.7	0.0	1	0	0
1203 WCBG Fund		778.5										
<b>Subtotal</b>		<b>778.5</b>	<b>98.6</b>	<b>0.0</b>	<b>245.2</b>	<b>2.0</b>	<b>0.0</b>	<b>432.7</b>	<b>0.0</b>	<b>1</b>	<b>0</b>	<b>0</b>
***** Changes From FY2020 Authorized To FY2020 Management Plan *****												
<b>Align Authority with Anticipated Expenditures</b>	LIT	0.0	-7.1	0.0	7.1	0.0	0.0	0.0	0.0	0	0	0
Transfer authority from personal services to cover anticipated services costs. The remaining personal services authority is sufficient to cover anticipated expenditures.												
<b>Subtotal</b>		<b>778.5</b>	<b>91.5</b>	<b>0.0</b>	<b>252.3</b>	<b>2.0</b>	<b>0.0</b>	<b>432.7</b>	<b>0.0</b>	<b>1</b>	<b>0</b>	<b>0</b>
***** Changes From FY2020 Management Plan To FY2021 Governor *****												
<b>FY2021 Salary and Health Insurance Increases</b>	SalAdj	1.1	1.1	0.0	0.0	0.0	0.0	0.0	0.0	0	0	0
1203 WCBG Fund		1.1										
FY2021 GGU Salary Increases: \$0.8												
FY2021 increase to GGU Health Insurance from \$1530 to \$1555 per member per month: \$0.3												
<b>Align Authority with Anticipated Expenditures</b>	LIT	0.0	2.5	0.0	-2.5	0.0	0.0	0.0	0.0	0	0	0
Transfer authority from services to cover anticipated personal services costs. The remaining services authority is sufficient to cover anticipated expenditures.												
<b>Totals</b>		<b>779.6</b>	<b>95.1</b>	<b>0.0</b>	<b>249.8</b>	<b>2.0</b>	<b>0.0</b>	<b>432.7</b>	<b>0.0</b>	<b>1</b>	<b>0</b>	<b>0</b>

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

**Component:** Workers' Compensation Benefits Guaranty Fund (2820)

Line Number	Line Name		FY2019 Actuals	FY2020 Management Plan	FY2021 Governor
3000	Services		107.2	252.3	249.8
Object Class	Servicing Agency	Explanation	FY2019 Actuals	FY2020 Management Plan	FY2021 Governor
<b>3000 Services Detail Totals</b>			<b>107.2</b>	<b>252.3</b>	<b>249.8</b>
3001	Financial Services	Professional services contract for an adjuster to review claims filed against the Workers' Compensation Benefits Guaranty Fund.	32.5	36.0	36.0
3002	Legal and Judicial Services	Custody care, attorney fees, expert and non-expert witnesses, mediation services, transcription and recording services, case costs, and settlement fees.	0.1	7.1	7.1
3010	Equipment/Machinery	Machinery, furniture, and equipment purchase, repairs, maintenance, rentals, and leases.	0.1	0.1	0.1
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.	4.9	6.5	6.5
3013	Inter-Agency Data Processing Operations Allocation	Labor - Data Processing (334) Allocation for Data Processing network and support services.	1.0	2.0	2.0
3017	Inter-Agency Information Technology Non-Telecommunications	Admin - Department-wide Reimbursable services agreement with the Office of Information Technology rate for non-telecommunications support, including software and computer services.	2.9	3.5	3.5
3018	Inter-Agency Information Technology Telecommunications	Admin - Department-wide Reimbursable services agreement with the Office of Information Technology for telecommunication	0.0	0.9	0.9

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

**Component:** Workers' Compensation Benefits Guaranty Fund (2820)

Object Class		Servicing Agency	Explanation	FY2019 Actuals	FY2020 Management Plan	FY2021 Governor
<b>3000 Services Detail Totals</b>				<b>107.2</b>	<b>252.3</b>	<b>249.8</b>
3022	Inter-Agency Human Resources	Admin - Department-wide	support. Reimbursable services agreement with the Division of Personnel and Labor Relations for human resources and personnel services.	0.7	1.0	1.0
3023	Inter-Agency Building Leases	Admin - Department-wide	State-owned facility space rent or other property leases.	3.1	4.3	4.3
3024	Inter-Agency Legal	Law - Department-wide	Reimbursable services agreement with the Department of Law for legal services.	61.6	190.0	187.5
3025	Inter-Agency Auditing	Admin - Department-wide	Reimbursable services agreement with the Department of Administration for auditing services, including federal compliance audits.	0.0	0.1	0.1
3026	Inter-Agency Insurance	Admin - Department-wide	Reimbursable services agreement with the Division of Risk Management for risk management insurance charges for leased buildings, repossessed properties, public official bonds, and overhead.	0.1	0.1	0.1
3027	Inter-Agency Financial	Admin - Department-wide	Reimbursable services agreement with the Division of Finance for system services for State accounting and payroll (IRIS), and reporting (ALDER) systems.	0.2	0.2	0.2
3038	Inter-Agency Management/Consulting	Admin - Department-wide	Reimbursable services agreement with Shared Services of Alaska for travel and accounts payable services.	0.0	0.5	0.5

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

**Component:** Workers' Compensation Benefits Guaranty Fund (2820)

Line Number	Line Name		FY2019 Actuals	FY2020 Management Plan	FY2021 Governor
4000	Commodities		0.2	2.0	2.0
Object Class	Servicing Agency	Explanation	FY2019 Actuals	FY2020 Management Plan	FY2021 Governor
		<b>4000 Commodities Detail Totals</b>	<b>0.2</b>	<b>2.0</b>	<b>2.0</b>
4000	Business	General business supplies such as office consumables and computer equipment.	0.2	2.0	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		FY2019 Actuals	FY2020 Management Plan	FY2021 Governor
7000	Grants, Benefits		366.6	432.7	432.7
Object Class	Servicing Agency	Explanation	FY2019 Actuals	FY2020 Management Plan	FY2021 Governor
		<b>7000 Grants, Benefits Detail Totals</b>	<b>366.6</b>	<b>432.7</b>	<b>432.7</b>
7002	Benefits	Benefits to workers who were injured while working for an employer without workers' compensation insurance.	366.6	432.7	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	FY2019 Actuals	FY2020 Management Plan	FY2021 Governor
<b>6203 WCBG Fund (1203 WCBG Fund)</b>			<b>763.5</b>	<b>778.5</b>	<b>779.6</b>
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.	763.5	778.5	779.6

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

**Component:** Workers' Compensation Benefits Guaranty Fund (2820)

				FY2019 Actuals	FY2020 Management Plan	FY2021 Governor
<b>Component Totals</b>				<b>74.5</b>	<b>209.1</b>	<b>206.6</b>
With Department of Labor and Workforce Development				5.9	8.5	8.5
With Department of Administration				7.0	10.6	10.6
With Department of Law				61.6	190.0	187.5
<b>Object Class</b>	<b>Servicing Agency</b>	<b>Explanation</b>		FY2019 Actuals	FY2020 Management Plan	FY2021 Governor
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.	4.9	6.5	6.5
3013	Inter-Agency Data Processing Operations Allocation	Labor - Data Processing (334)	Allocation for Data Processing network and support services.	1.0	2.0	2.0
3017	Inter-Agency Information Technology Non-Telecommunications	Admin - Department-wide	Reimbursable services agreement with the Office of Information Technology rate for non-telecommunications support, including software and computer services.	2.9	3.5	3.5
3018	Inter-Agency Information Technology Telecommunications	Admin - Department-wide	Reimbursable services agreement with the Office of Information Technology for telecommunication support.	0.0	0.9	0.9
3022	Inter-Agency Human Resources	Admin - Department-wide	Reimbursable services agreement with the Division of Personnel and Labor Relations for human resources and personnel services.	0.7	1.0	1.0
3023	Inter-Agency Building Leases	Admin - Department-wide	State-owned facility space rent or other property leases.	3.1	4.3	4.3
3024	Inter-Agency Legal	Law - Department-wide	Reimbursable services agreement with the Department of Law for legal services.	61.6	190.0	187.5
3025	Inter-Agency Auditing	Admin - Department-wide	Reimbursable services agreement	0.0	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	FY2019 Actuals	FY2020 Management Plan	FY2021 Governor
3026	Inter-Agency Insurance	Admin - Department-wide			
		with the Department of Administration for auditing services, including federal compliance audits.			
		Reimbursable services agreement with the Division of Risk Management for risk management insurance charges for leased buildings, repossessed properties, public official bonds, and overhead.	0.1	0.1	0.1
3027	Inter-Agency Financial	Admin - Department-wide			
		Reimbursable services agreement with the Division of Finance for system services for State accounting and payroll (IRIS), and reporting (ALDER) systems.	0.2	0.2	0.2
3038	Inter-Agency Management/Consulting	Admin - Department-wide			
		Reimbursable services agreement with Shared Services of Alaska for travel and accounts payable services.	0.0	0.5	0.5

**Personal Services Expenditure Detail**  
**Department of Labor and Workforce Development**

**Scenario:** FY2021 Governor (16414)  
**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 Officer I	FT	A	GP	Juneau	205	16B / C	12.0		56,295	757	0	38,145	95,197	0
													<b>Total Salary Costs:</b>	56,295	
													<b>Total COLA:</b>	757	
													<b>Total Premium Pay:</b>	0	
													<b>Total Benefits:</b>	38,145	
													<b>Total Pre-Vacancy:</b>	95,197	
													<b>Minus Vacancy Adjustment of 0.10%:</b>	(97)	
													<b>Total Post-Vacancy:</b>	95,100	
													<b>Plus Lump Sum Premium Pay:</b>	0	
													<b>Personal Services Line 100:</b>	95,100	
<b>Total Component Months:</b>		12.0													

<b>PCN Funding Sources:</b>		<b>Pre-Vacancy</b>	<b>Post-Vacancy</b>	<b>Percent</b>
1203	Workers' Compensation Benefits Guaranty Fund	95,197	95,100	100.00%
<b>Total PCN Funding:</b>		<b>95,197</b>	<b>95,100</b>	<b>100.00%</b>

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.

Department of Labor and Workforce Development  
Workers' Compensation / Workers' Compensation Benefits Guaranty Fund  
FY2021 Governor Organization Chart

