

State of Alaska FY2023 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

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 2021

During FY2021, the Workers' Compensation Benefits Guaranty Fund collected \$1,059,133 in revenue.

Key Component Challenges

A key challenge facing the Workers' Compensation Benefits Guaranty Fund (WCBGF) component is a significant potential liability of \$5.0 million against the fund from 29 open/pending claims – exceeding the current fund balance of approximately \$3.88 million. The actual liability to the fund is likely much lower than \$5.0 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 FY2023

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

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Workers' Compensation Benefits Guaranty Fund Personal Services Information				
Authorized Positions			Personal Services Costs	
	<u>FY2022</u> <u>Management</u> <u>Plan</u>	<u>FY2023</u> <u>Governor</u>		
Full-time	1	1	Annual Salaries	56,106
Part-time	0	0	Premium Pay	0
Nonpermanent	0	0	Annual Benefits	39,698
			<i>Less 3.00% Vacancy Factor</i>	<i>(2,874)</i>
			Lump Sum Premium Pay	0
Totals	1	1	Total Personal Services	92,930

Position Classification Summary					
Job Class Title	Anchorage	Fairbanks	Juneau	Others	Total
Loan/Collection Officer 1	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

	FY2021 Actuals	FY2022 Conference Committee	FY2022 Authorized	FY2022 Management Plan	FY2023 Governor	FY2022 Management Plan vs FY2023 Governor	
71000 Personal Services	95.3	100.6	100.6	95.1	92.9	-2.2	-2.3%
72000 Travel	0.0	0.0	0.0	0.0	0.0	0.0	0.0%
73000 Services	150.9	249.8	249.8	255.3	254.6	-0.7	-0.3%
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	362.3	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	608.5	785.1	785.1	785.1	782.2	-2.9	-0.4%
Fund Sources:							
1203 WCBG Fund (DGF)	608.5	785.1	785.1	785.1	782.2	-2.9	-0.4%
Unrestricted General (UGF)	0.0	0.0	0.0	0.0	0.0	0.0	0.0%
Designated General (DGF)	608.5	785.1	785.1	785.1	782.2	-2.9	-0.4%
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 FY2022 Conference Committee To FY2022 Authorized *****												
FY2022 Conference Committee	ConfCom	785.1	100.6	0.0	249.8	2.0	0.0	432.7	0.0	1	0	0
1203 WCBG Fund		785.1										
Subtotal		785.1	100.6	0.0	249.8	2.0	0.0	432.7	0.0	1	0	0
***** Changes From FY2022 Authorized To FY2022 Management Plan *****												
Align Authority to Comply with Vacancy Factor	LIT	0.0	-5.5	0.0	5.5	0.0	0.0	0.0	0.0	0	0	0
Transfer authority from personal services to services to align with anticipated personal service costs. The remaining personal services authority is sufficient to meet the needs of the component.												
Subtotal		785.1	95.1	0.0	255.3	2.0	0.0	432.7	0.0	1	0	0
***** Changes From FY2022 Management Plan To FY2023 Governor *****												
FY2023 General Government Unit SBS and Risk Management Rate Changes	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										
FY2023 Change General Government Unit (GG, GP, GY, GZ) SBS and Risk Management Rates: \$0.1												
FY2023 PERS Actuarial Rate Adjustment to 24.79% Ch9 SLA2021 (SB55)	SalAdj	-3.0	-3.0	0.0	0.0	0.0	0.0	0.0	0.0	0	0	0
1203 WCBG Fund		-3.0										
Includes: FY2023 Adjustment for PERS ARM Board Approved Rate of 24.79% (from 30.11%): \$-3.0												
Align Authority to Reflect Anticipated Expenditures	LIT	0.0	0.7	0.0	-0.7	0.0	0.0	0.0	0.0	0	0	0
Transfer authority from personal services to services to reflect anticipated expenditures. Remaining personal services authority is sufficient to cover anticipated expenditures.												
Totals		782.2	92.9	0.0	254.6	2.0	0.0	432.7	0.0	1	0	0

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

Component: Workers' Compensation Benefits Guaranty Fund (2820)

Line Number	Line Name		FY2021 Actuals	FY2022 Management Plan	FY2023 Governor
3000	Services		150.9	255.3	254.6
Object Class	Servicing Agency	Explanation	FY2021 Actuals	FY2022 Management Plan	FY2023 Governor
3000 Services Detail Totals			150.9	255.3	254.6
3001	Financial Services	Financial services, including auditing and accounting, consulting, insurance, or interest expense.	32.5	32.5	32.5
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.	2.4	2.4	2.4
3011	Other Services	Other services, including interpreters; consulting; print, copy, and graphic services; and safety services.	0.5	41.3	40.6
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.	6.0	6.0	6.0
3013	Inter-Agency Data Processing Operations Allocation	Labor - Data Processing (334) Allocation for Data Processing network and support services.	1.2	3.7	3.7
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.	3.1	3.1	3.1
3022	Inter-Agency Human Resources	Admin - Department-wide Reimbursable services agreement with the Division of Personnel and Labor Relations for human resources	0.6	0.6	0.6

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

Component: Workers' Compensation Benefits Guaranty Fund (2820)

Object Class		Servicing Agency	Explanation	FY2021 Actuals	FY2022 Management Plan	FY2023 Governor
3000 Services Detail Totals				150.9	255.3	254.6
			and personnel services.			
3024	Inter-Agency Legal	Law - Department-wide	Reimbursable services agreement with the Department of Law for legal services.	103.9	165.0	165.0
3025	Inter-Agency Auditing	Admin - Department-wide	Reimbursable services agreement with the Department of Administration for auditing services, including federal compliance audits.	0.1	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.	0.5	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		FY2021 Actuals	FY2022 Management Plan	FY2023 Governor
4000	Commodities		0.0	2.0	2.0
Object Class	Servicing Agency	Explanation	FY2021 Actuals	FY2022 Management Plan	FY2023 Governor
		4000 Commodities Detail Totals	0.0	2.0	2.0
4000	Business	General business supplies such as office consumables and computer equipment.	0.0	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		FY2021 Actuals	FY2022 Management Plan	FY2023 Governor
7000	Grants, Benefits		362.3	432.7	432.7
Object Class	Servicing Agency	Explanation	FY2021 Actuals	FY2022 Management Plan	FY2023 Governor
		7000 Grants, Benefits Detail Totals	362.3	432.7	432.7
7002	Benefits	Benefits to workers who were injured while working for an employer without workers' compensation insurance.	362.3	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)				FY2022	
Revenue Source	Component	Comment	FY2021 Actuals	Management Plan	FY2023 Governor
6203 WCBG Fund (1203 WCBG Fund)			608.5	785.1	782.2
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.	608.5	785.1	782.2

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

Component: Workers' Compensation Benefits Guaranty Fund (2820)

				FY2021 Actuals	FY2022 Management Plan	FY2023 Governor
Component Totals				115.5	179.1	179.1
With Department of Labor and Workforce Development				7.2	9.7	9.7
With Department of Administration				4.4	4.4	4.4
With Department of Law				103.9	165.0	165.0
Object Class	Servicing Agency	Explanation		FY2021 Actuals	FY2022 Management Plan	FY2023 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.	6.0	6.0	6.0
3013	Inter-Agency Data Processing Operations Allocation	Labor - Data Processing (334)	Allocation for Data Processing network and support services.	1.2	3.7	3.7
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.	3.1	3.1	3.1
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.	0.6	0.6	0.6
3024	Inter-Agency Legal	Law - Department-wide	Reimbursable services agreement with the Department of Law for legal services.	103.9	165.0	165.0
3025	Inter-Agency Auditing	Admin - Department-wide	Reimbursable services agreement with the Department of Administration for auditing services, including federal compliance audits.	0.1	0.1	0.1
3026	Inter-Agency Insurance	Admin - Department-wide	Reimbursable services agreement with the Division of Risk Management for risk management	0.1	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	FY2021 Actuals	FY2022 Management Plan	FY2023 Governor
3027	Inter-Agency Financial	Admin - Department-wide			
		insurance charges for leased buildings, repossessed properties, public official bonds, and overhead.			
		Reimbursable services agreement with the Division of Finance for system services for State accounting and payroll (IRIS), and reporting (ALDER) systems.	0.5	0.5	0.5

Personal Services Expenditure Detail
Department of Labor and Workforce Development

Scenario: FY2023 Governor (18673)
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 1	FT	A	GP	Juneau	205	16A / B	12.0		56,106	0	0	39,698	95,804	0
													Total Salary Costs:	56,106	
													Total COLA:	0	
													Total Premium Pay:	0	
													Total Benefits:	39,698	
													Total Pre-Vacancy:	95,804	
													Minus Vacancy Adjustment of 3.00%:	(2,874)	
													Total Post-Vacancy:	92,930	
													Plus Lump Sum Premium Pay:	0	
													Personal Services Line 100:	92,930	
Total Component Months:		12.0													

PCN Funding Sources:		Pre-Vacancy	Post-Vacancy	Percent
1203 Workers' Compensation Benefits Guaranty Fund		95,804	92,930	100.00%
Total PCN Funding:		95,804	92,930	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.

Department of Labor and Workforce Development
Workers' Compensation / Workers' Compensation Benefits Guaranty Fund
FY2023 Governor Organization Chart

