

# **State of Alaska FY2024 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 2022**

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 FY2024**

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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<b>Workers' Compensation Benefits Guaranty Fund Personal Services Information</b>					
<b>Authorized Positions</b>			<b>Personal Services Costs</b>		
	<b>FY2023 Management Plan</b>	<b>FY2024 Governor</b>			
			Annual Salaries		70,517
Full-time	1	1	COLA		2,429
Part-time	0	0	Premium Pay		0
Nonpermanent	0	0	Annual Benefits		45,647
			<i>Less 1.01% Vacancy Factor</i>		<i>(1,200)</i>
			Lump Sum Premium Pay		0
<b>Totals</b>	<b>1</b>	<b>1</b>	<b>Total Personal Services</b>		<b>117,393</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 1	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

	<b>FY2022 Actuals</b>	<b>FY2023 Conference Committee</b>	<b>FY2023 Authorized</b>	<b>FY2023 Management Plan</b>	<b>FY2024 Governor</b>	<b>FY2023 Management Plan vs FY2024 Governor</b>	
71000 Personal Services	34.3	95.4	95.4	114.7	117.4	2.7	2.4%
72000 Travel	0.0	0.0	0.0	0.0	0.0	0.0	0.0%
73000 Services	102.1	254.6	255.0	235.7	235.7	0.0	0.0%
74000 Commodities	2.7	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	62.6	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>201.7</b>	<b>784.7</b>	<b>785.1</b>	<b>785.1</b>	<b>787.8</b>	<b>2.7</b>	<b>0.3%</b>
<b>Fund Sources:</b>							
1203 WCBG Fund (DGF)	201.7	784.7	785.1	785.1	787.8	2.7	0.3%
<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>201.7</b>	<b>784.7</b>	<b>785.1</b>	<b>785.1</b>	<b>787.8</b>	<b>2.7</b>	<b>0.3%</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	
<b>***** Changes From FY2023 Conference Committee To FY2023 Authorized *****</b>												
<b>FY2023 Conference Committee</b>	ConfCom	784.7	95.4	0.0	254.6	2.0	0.0	432.7	0.0	1	0	0
1203 WCBG Fund		784.7										
<b>Unallocated Rates Adjustment</b>	Unalloc	0.4	0.0	0.0	0.4	0.0	0.0	0.0	0.0	0	0	0
1203 WCBG Fund		0.4										
This change will be allocated across the department's programs in accordance with the department's approved cost allocation processes.												
<b>Subtotal</b>		<b>785.1</b>	<b>95.4</b>	<b>0.0</b>	<b>255.0</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>
<b>***** Changes From FY2023 Authorized To FY2023 Management Plan *****</b>												
<b>Align Authority with Anticipated Expenditures</b>	LIT	0.0	19.3	0.0	-19.3	0.0	0.0	0.0	0.0	0	0	0
Transfer authority from services to personal services to cover anticipated costs. The remaining services authority is sufficient to meet anticipated expenditures.												
<b>Subtotal</b>		<b>785.1</b>	<b>114.7</b>	<b>0.0</b>	<b>235.7</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>
<b>***** Changes From FY2023 Management Plan To FY2024 Governor *****</b>												
<b>FY2024 PERS Rate Adjustment</b>	SalAdj	0.2	0.2	0.0	0.0	0.0	0.0	0.0	0.0	0	0	0
1203 WCBG Fund		0.2										
FY2024 PERS rate adjustment to 25.10%: \$0.2												
<b>FY2024 Salary and Health Insurance Increases</b>	SalAdj	2.5	2.5	0.0	0.0	0.0	0.0	0.0	0.0	0	0	0
1203 WCBG Fund		2.5										
FY2024 Salary and Health Insurance Increases: \$2.5												
FY2024 GGU cost of living increase 2.5%: \$2.4												
FY2024 GGU health insurance increase from \$1,567.50 to \$1,573.50 per member per month.: \$0.1												
<b>Totals</b>		<b>787.8</b>	<b>117.4</b>	<b>0.0</b>	<b>235.7</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		FY2022 Actuals	FY2023 Management Plan	FY2024 Governor
3000	Services		102.1	235.7	235.7
Object Class	Servicing Agency	Explanation	FY2022 Actuals	FY2023 Management Plan	FY2024 Governor
<b>3000 Services Detail Totals</b>			<b>102.1</b>	<b>235.7</b>	<b>235.7</b>
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.	3.2	2.4	2.4
3003	Information Technology	Information technology, including training, consulting, leases, and software licensing and maintenance.	0.1	0.0	0.0
3011	Other Services	Other services, including interpreters; consulting; print, copy, and graphic services; and safety services.	0.0	24.8	24.8
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.	2.2	6.0	6.0
3013	Inter-Agency Data Processing Operations Allocation	Admin - Department-wide Allocation for Data Processing network and support services.	0.6	0.7	0.7
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.	3.3	3.3	3.3

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

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

Object Class	Servicing Agency	Explanation	FY2022 Actuals	FY2023 Management Plan	FY2024 Governor	
<b>3000 Services Detail Totals</b>			<b>102.1</b>	<b>235.7</b>	<b>235.7</b>	
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	0.7	0.7
3024	Inter-Agency Legal	Law - Department-wide	Reimbursable services agreement with the Department of Law for legal services.	59.3	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.	0.0	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	0.0	0.0
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

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

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

Line Number	Line Name		FY2022 Actuals	FY2023 Management Plan	FY2024 Governor
4000	Commodities		2.7	2.0	2.0
Object Class	Servicing Agency	Explanation	FY2022 Actuals	FY2023 Management Plan	FY2024 Governor
		<b>4000 Commodities Detail Totals</b>	<b>2.7</b>	<b>2.0</b>	<b>2.0</b>
4000	Business	General business supplies such as office consumables and computer equipment.	2.7	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		FY2022 Actuals	FY2023 Management Plan	FY2024 Governor
7000	Grants, Benefits		62.6	432.7	432.7
Object Class	Servicing Agency	Explanation	FY2022 Actuals	FY2023 Management Plan	FY2024 Governor
		<b>7000 Grants, Benefits Detail Totals</b>	<b>62.6</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.	62.6	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	FY2022 Actuals	FY2023 Management Plan	FY2024 Governor
<b>6203 WCBG Fund (1203 WCBG Fund)</b>			<b>741.9</b>	<b>785.1</b>	<b>787.8</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.	741.9	785.1	787.8

## Inter-Agency Services (1682)

### Department of Labor and Workforce Development

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

				FY2022 Actuals	FY2023 Management Plan	FY2024 Governor
<b>Component Totals</b>				<b>66.3</b>	<b>176.0</b>	<b>176.0</b>
With Department of Labor and Workforce Development				2.2	6.0	6.0
With Department of Administration				4.8	5.0	5.0
With Department of Law				59.3	165.0	165.0
Object Class	Servicing Agency	Explanation				
			FY2022 Actuals	FY2023 Management Plan	FY2024 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.	2.2	6.0	6.0
3013	Inter-Agency Data Processing Operations Allocation	Admin - Department-wide	Allocation for Data Processing network and support services.	0.6	0.7	0.7
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.	3.3	3.3	3.3
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	0.7	0.7
3024	Inter-Agency Legal	Law - Department-wide	Reimbursable services agreement with the Department of Law for legal services.	59.3	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.	0.0	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	0.0	0.0

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

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

Object Class	Servicing Agency	Explanation	FY2022 Actuals	FY2023 Management Plan	FY2024 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.	0.2	0.2	0.2

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

**Scenario:** FY2024 Governor (19867)  
**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	16G / J	12.0		70,517	2,429	0	45,647	118,593	0
													<b>Total Salary Costs:</b>	70,517	
													<b>Total COLA:</b>	2,429	
													<b>Total Premium Pay:</b>	0	
													<b>Total Benefits:</b>	45,647	
													<b>Total Pre-Vacancy:</b>	118,593	
													<b>Minus Vacancy Adjustment of 1.01%:</b>	(1,200)	
													<b>Total Post-Vacancy:</b>	117,393	
													<b>Plus Lump Sum Premium Pay:</b>	0	
													<b>Personal Services Line 100:</b>	117,393	

PCN Funding Sources:	Pre-Vacancy	Post-Vacancy	Percent
1203 Workers' Compensation Benefits Guaranty Fund	118,593	117,393	100.00%
<b>Total PCN Funding:</b>	<b>118,593</b>	<b>117,393</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  
FY2024 Governor Organization Chart

