

State of Alaska FY2026 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

Facilitates 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 2024

No major accomplishments.

Key Component Challenges

No key component challenges.

Significant Changes in Results to be Delivered in FY2026

No significant changes in results to be delivered in FY2026.

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

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Second Injury Fund Personal Services Information					
Authorized Positions			Personal Services Costs		
	<u>FY2025</u> <u>Management</u> <u>Plan</u>	<u>FY2026</u> <u>Governor</u>			
Full-time	1	1	Annual Salaries		158,254
Part-time	0	0	COLA		4,033
Nonpermanent	0	0	Premium Pay		0
			Annual Benefits		99,530
			<i>Less 1.76% Vacancy Factor</i>		(4,600)
			Lump Sum Premium Pay		0
Totals	1	1	Total Personal Services		257,217

Position Classification Summary					
Job Class Title	Anchorage	Fairbanks	Juneau	Others	Total
Workers Compensation Officer 1	0	0	1	0	1
Totals	0	0	1	0	1

Component Detail All Funds
Department of Labor and Workforce Development

Component: Second Injury Fund (2342)
RDU: Workers' Compensation (112)

Non-Formula Component

	FY2024 Actuals	FY2025 Enrolled	FY2025 Authorized	FY2025 Management Plan	FY2026 Governor Adjusted Base	FY2026 Governor	FY2025 Management Plan vs FY2026 Governor	
1000 Personal Services	218.6	239.0	242.4	249.4	257.2	257.2	7.8	3.1%
2000 Travel	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0%
3000 Services	32.7	72.7	72.7	65.7	65.7	65.7	0.0	0.0%
4000 Commodities	0.0	4.3	4.3	4.3	4.3	4.3	0.0	0.0%
5000 Capital Outlay	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0%
7000 Grants, Benefits	1,650.0	2,568.3	2,568.3	2,568.3	2,568.3	2,568.3	0.0	0.0%
8000 Miscellaneous	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0%
Totals	1,901.3	2,884.3	2,887.7	2,887.7	2,895.5	2,895.5	7.8	0.3%
Fund Sources:								
1031 Sec Injury (DGF)	1,901.3	2,884.3	2,887.7	2,887.7	2,895.5	2,895.5	7.8	0.3%
Unrestricted General (UGF)	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0%
Designated General (DGF)	1,901.3	2,884.3	2,887.7	2,887.7	2,895.5	2,895.5	7.8	0.3%
Other Funds	0.0	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	0.0%
Positions:								
Permanent Full Time	1	1	1	1	1	1	0	0.0%
Permanent Part Time	0	0	0	0	0	0	0	0.0%
Non Permanent	0	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 FY2025 Enrolled To FY2025 Authorized *****												
FY2025 Enrolled												
1031 Sec Injury	Enrolled	2,884.3	239.0	0.0	72.7	4.3	0.0	2,568.3	0.0	1	0	0
		2,884.3										
Compensation for Certain State Employees Ch5 SLA2024 (SB259) (Sec2 Ch7 SLA2024 P54 L23 (HB268))												
1031 Sec Injury	FisNot	1.4	1.4	0.0	0.0	0.0	0.0	0.0	0.0	0	0	0
One salary step adjustment for employees not covered by a collective bargaining agreement.: \$1.4												
Compensation for Certain State Employees Ch5 SLA2024 (SB259) (Sec2 Ch7 SLA2024 P54 L23 (HB268))												
1031 Sec Injury	FisNot	2.0	2.0	0.0	0.0	0.0	0.0	0.0	0.0	0	0	0
Five percent cost of living adjustment for employees not covered by a collective bargaining unit.: \$2.0												
Subtotal		2,887.7	242.4	0.0	72.7	4.3	0.0	2,568.3	0.0	1	0	0
***** Changes From FY2025 Authorized To FY2025 Management Plan *****												
Align Authority to Address Personal Services Needs												
	LIT	0.0	7.0	0.0	-7.0	0.0	0.0	0.0	0.0	0	0	0
Transfer Fishermen's Fund authority from services to personal services to align authority with projected personal services needs.												
Subtotal		2,887.7	249.4	0.0	65.7	4.3	0.0	2,568.3	0.0	1	0	0
***** Changes From FY2025 Management Plan To FY2026 Governor Adjusted Base *****												
FY2026 Salary, Health Insurance, and Retirement Increases												
1031 Sec Injury	SalAdj	7.8	7.8	0.0	0.0	0.0	0.0	0.0	0.0	0	0	0
Salary, health and retirement increases: \$7.8												
AlaskaCare increase from \$1908 to \$2030.11 per member per month: \$1.3												
FY2026 APEA (non-law enforcement) 3% cost of living adjustment: \$2.7												
FY2026 3% cost of living adjustment for employees not covered by a collective bargaining agreement: \$1.3												
FY2026 PERS rate adjustment from 26.76% to 28.33%: \$2.5												

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
	Subtotal	2,895.5	257.2	0.0	65.7	4.3	0.0	2,568.3	0.0	1	0	0
		***** Changes From FY2026 Governor Adjusted Base To FY2026 Governor *****										
	Totals	2,895.5	257.2	0.0	65.7	4.3	0.0	2,568.3	0.0	1	0	0

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

Component: Second Injury Fund (2342)

Line Number	Line Name			FY2024 Actuals	FY2025 Management Plan	FY2026 Governor
3000	Services			32.7	65.7	65.7
Object Class	Servicing Agency	Explanation		FY2024 Actuals	FY2025 Management Plan	FY2026 Governor
3000 Services Detail Totals				32.7	65.7	65.7
3011	Other Services	Other services including interpreters, consulting, print, copy and graphic services, and safety services.		0.0	32.3	32.3
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.		13.8	15.6	15.6
3013	Inter-Agency Data Processing Operations Allocation	Labor - Management Services (335) Allocation for Data Processing network and support services.		0.8	2.0	2.0
3017	Inter-Agency Information Technology Non-Telecommunications	Admin - Department-wide Reimbursable services agreement with the Office of Information Technology for non-telecommunications support, including software and computer services.		3.1	3.0	3.0
3018	Inter-Agency Information Technology Telecommunications	Admin - Department-wide Reimbursable services agreement with the Office of Information Technology for telecommunication support.		0.5	0.5	0.5
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
3023	Inter-Agency Building Leases	Admin - Department-wide State-owned facility space rent or other property leases.		13.1	10.8	10.8
3026	Inter-Agency Insurance	Admin - Department-wide Reimbursable services agreement with the Division of Risk		0.1	0.1	0.1

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

Component: Second Injury Fund (2342)

Object Class	Servicing Agency	Explanation	FY2024 Actuals	FY2025 Management Plan	FY2026 Governor
3000 Services Detail Totals			32.7	65.7	65.7
3027	Inter-Agency Financial	Admin - Department-wide			
		Management for risk management 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.	0.7	0.8	0.8

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

Component: Second Injury Fund (2342)

Line Number	Line Name		FY2024 Actuals	FY2025 Management Plan	FY2026 Governor
4000	Commodities		0.0	4.3	4.3
Object Class	Servicing Agency	Explanation	FY2024 Actuals	FY2025 Management Plan	FY2026 Governor
		4000 Commodities Detail Totals	0.0	4.3	4.3
4000	Business	General business supplies such as office consumables and computer equipment.	0.0	4.3	4.3

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

Component: Second Injury Fund (2342)

Line Number	Line Name		FY2024 Actuals	FY2025 Management Plan	FY2026 Governor
7000	Grants, Benefits		1,650.0	2,568.3	2,568.3
Object Class	Servicing Agency	Explanation	FY2024 Actuals	FY2025 Management Plan	FY2026 Governor
		7000 Grants, Benefits Detail Totals	1,650.0	2,568.3	2,568.3
7002	Benefits	Second Injury Fund (AS 23.30.203) provides benefits to employers/insurers of injured disabled workers through reimbursement.	1,650.0	2,568.3	2,568.3

Revenue Detail (1681)
Department of Labor and Workforce Development

Component: Second Injury Fund (2342)

Revenue Type (OMB Fund Code) Revenue Source	Component	Comment	FY2024 Actuals	FY2025 Management Plan	FY2026 Governor
6031 Sec Injury (1031 Sec Injury)			1,901.3	2,887.7	2,895.5
6421 Second Injury Fund Reserve Account - Contributions		The Second Injury Fund Reserve Account (AS 23.30.040) is a dedicated fund established to encourage employers to hire and retain persons with pre-existing physical conditions. Employers and insurers support the fund.	1,901.3	2,887.7	2,895.5

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

Component: Second Injury Fund (2342)

				FY2024 Actuals	FY2025 Management Plan	FY2026 Governor
Component Totals				32.7	33.4	33.4
With Department of Labor and Workforce Development				14.6	17.6	17.6
With Department of Administration				18.1	15.8	15.8
Object Class	Servicing Agency	Explanation				
			FY2024 Actuals	FY2025 Management Plan	FY2026 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.	13.8	15.6	15.6
3013	Inter-Agency Data Processing Operations Allocation	Labor - Management Services (335)	Allocation for Data Processing network and support services.	0.8	2.0	2.0
3017	Inter-Agency Information Technology Non-Telecommunications	Admin - Department-wide	Reimbursable services agreement with the Office of Information Technology for non-telecommunications support, including software and computer services.	3.1	3.0	3.0
3018	Inter-Agency Information Technology Telecommunications	Admin - Department-wide	Reimbursable services agreement with the Office of Information Technology for telecommunication support.	0.5	0.5	0.5
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
3023	Inter-Agency Building Leases	Admin - Department-wide	State-owned facility space rent or other property leases.	13.1	10.8	10.8
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,	0.1	0.1	0.1

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

Component: Second Injury Fund (2342)

Object Class	Servicing Agency	Explanation	FY2024 Actuals	FY2025 Management Plan	FY2026 Governor
3027	Inter-Agency Financial	Admin - Department-wide			
		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.	0.7	0.8	0.8

Personal Services Expenditure Detail
Department of Labor and Workforce Development

Scenario: FY2026 Governor (22363)
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
071026	Program Coordinator 2	FT	A	SS	Juneau	205	20M / N	3.0	*	29,164	1,232	0	18,034	48,430	0
073001	Division Director - Px	FT	A	XE	Juneau	N05	27J	2.5	*	31,659	1,337	0	18,001	50,997	0
073026	Administrative Officer 2	FT	A	SS	Juneau	205	19K / L	2.5	*	21,372	903	0	13,832	36,107	0
073046	Workers Compensation Officer 1	FT	A	GP	Juneau	205	16O	6.0	**	45,884	0	0	28,265	74,149	0
073055	Administrative Assistant 2	FT	A	SS	Juneau	605	14D	2.5	*	13,284	561	0	10,530	24,375	0
075527	Project Assistant	FT	A	GP	Juneau	205	16K	2.5	*	16,891	0	0	10,868	27,759	0
													Total Salary Costs:	158,254	
													Total COLA:	4,033	
													Total Premium Pay:	0	
													Total Benefits:	99,530	
													Total Pre-Vacancy:	261,817	
													Minus Vacancy Adjustment of 1.76%:	(4,600)	
													Total Post-Vacancy:	257,217	
													Plus Lump Sum Premium Pay:	0	
													Personal Services Line 100:	257,217	

	Total Positions	New	Deleted
Full Time Positions:	1	0	0
Part Time Positions:	0	0	0
Non Permanent Positions:	0	0	0
Positions in Component:	1	0	0

Total Component Months:	19.0
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PCN Funding Sources:	Pre-Vacancy	Post-Vacancy	Percent
1031 Second Injury Fund Reserve Account	261,817	257,217	100.00%
Total PCN Funding:	261,817	257,217	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
Division of Workers' Compensation
Second Injury Fund (2342)
FY2026 Governor Organization Chart

