

# Fiscal Note

State of Alaska  
2017 Legislative Session

Bill Version: HB 79  
Fiscal Note Number: \_\_\_\_\_  
( ) Publish Date: \_\_\_\_\_

Identifier: HB079CS(L&C)-DOLWD-WC-03-28-17  
Title: OMNIBUS WORKERS' COMPENSATION  
Sponsor: RLS BY REQUEST OF THE GOVERNOR  
Requester: House Judiciary

Department: Department of Labor and Workforce Development  
Appropriation: Workers' Compensation  
Allocation: Workers' Compensation  
OMB Component Number: 344

## Expenditures/Revenues

Note: Amounts do not include inflation unless otherwise noted below. (Thousands of Dollars)

|                               | FY2018                  | Included in               | Out-Year Cost Estimates |               |               |               |               |
|-------------------------------|-------------------------|---------------------------|-------------------------|---------------|---------------|---------------|---------------|
|                               | Appropriation Requested | Governor's FY2018 Request | FY 2019                 | FY 2020       | FY 2021       | FY 2022       | FY 2023       |
| <b>OPERATING EXPENDITURES</b> | <b>FY 2018</b>          | <b>FY 2018</b>            |                         |               |               |               |               |
| Personal Services             |                         |                           | (59.3)                  | (59.3)        | (59.3)        | (59.3)        | (59.3)        |
| Travel                        |                         |                           |                         |               |               |               |               |
| Services                      |                         |                           |                         |               |               |               |               |
| Commodities                   |                         |                           |                         |               |               |               |               |
| Capital Outlay                |                         |                           |                         |               |               |               |               |
| Grants & Benefits             |                         |                           |                         |               |               |               |               |
| Miscellaneous                 |                         |                           |                         |               |               |               |               |
| <b>Total Operating</b>        | <b>0.0</b>              | <b>0.0</b>                | <b>(59.3)</b>           | <b>(59.3)</b> | <b>(59.3)</b> | <b>(59.3)</b> | <b>(59.3)</b> |

## Fund Source (Operating Only)

|                       |            |            |               |               |               |               |               |
|-----------------------|------------|------------|---------------|---------------|---------------|---------------|---------------|
| 1157 Wrkrs Safe (DGF) |            |            | (59.3)        | (59.3)        | (59.3)        | (59.3)        | (59.3)        |
| <b>Total</b>          | <b>0.0</b> | <b>0.0</b> | <b>(59.3)</b> | <b>(59.3)</b> | <b>(59.3)</b> | <b>(59.3)</b> | <b>(59.3)</b> |

## Positions

|           |  |  |       |       |       |       |       |
|-----------|--|--|-------|-------|-------|-------|-------|
| Full-time |  |  | (1.0) | (1.0) | (1.0) | (1.0) | (1.0) |
| Part-time |  |  |       |       |       |       |       |
| Temporary |  |  |       |       |       |       |       |

## Change in Revenues

|              |            |            |            |            |            |            |            |
|--------------|------------|------------|------------|------------|------------|------------|------------|
| None         |            |            |            |            |            |            |            |
| <b>Total</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> |

**Estimated SUPPLEMENTAL (FY2017) cost:** 0.0 *(separate supplemental appropriation required)*  
*(discuss reasons and fund source(s) in analysis section)*

**Estimated CAPITAL (FY2018) cost:** 0.0 *(separate capital appropriation required)*  
*(discuss reasons and fund source(s) in analysis section)*

## ASSOCIATED REGULATIONS

Does the bill direct, or will the bill result in, regulation changes adopted by your agency? **Yes**  
If yes, by what date are the regulations to be adopted, amended or repealed? **12/31/18**

## Why this fiscal note differs from previous version:

Updated to reflect the need for regulation changes.

|   |                           |
|---|---------------------------|
| Prepared By: Marie Marx, Director                     | Phone: (907)465-6060      |
| Division: Workers' Compensation                       | Date: 03/28/2017 12:30 PM |
| Approved By: Heidi Drygas, Commissioner               | Date: 03/28/17            |
| Agency: Department of Labor and Workforce Development |                           |

FISCAL NOTE ANALYSIS

STATE OF ALASKA  
2017 LEGISLATIVE SESSION

BILL NO. CSHB 79

**Analysis**

This legislation makes a number of changes to the Workers' Compensation Act. One of these changes mandates electronic filing of documents. Once all employers have converted to electronic filing, which is anticipated to occur by FY2019, the department will be able to eliminate one position that currently supports paper filings.

Additionally, this legislation would increase the percent of fees deposited into the Workers' Compensation Administration Account (WSCAA) fund. Under current statute, AS 21.09.210, the Division of Insurance collects a 2.7% tax from insurers on their annual Workers' Compensation premiums. Of this, 1.82% is deposited into the WSCAA fund and the remaining .88% is deposited into the general fund.

This legislation would increase the tax deposited into WSCAA to 2.50% and decrease the tax deposited into the UGF to .20%. Based on FY2016 collected tax revenue, the .68% tax distribution change from GF to WSCAA equates to \$1,890.9 annually.