

Fiscal Note

State of Alaska
2018 Legislative Session

Bill Version: SB 112
Fiscal Note Number: _____
() Publish Date: _____

Identifier: SB112-DOLWD-WC-01-30-18
Title: WORKERS COMPENSATION;DRUG DATABASE
& TEST
Sponsor: GIESSEL
Requester: (S) Labor & Commerce

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)

	FY2019 Appropriation Requested	Included in Governor's FY2019 Request	Out-Year Cost Estimates				
OPERATING EXPENDITURES	FY 2019	FY 2019	FY 2020	FY 2021	FY 2022	FY 2023	FY 2024
Personal Services				(1,292.1)	(1,292.1)	(1,292.1)	(1,292.1)
Travel				(10.0)	(10.0)	(10.0)	(10.0)
Services				(240.0)	(240.0)	(240.0)	(240.0)
Commodities				(14.4)	(14.4)	(14.4)	(14.4)
Capital Outlay							
Grants & Benefits							
Miscellaneous							
Total Operating	0.0	0.0	0.0	(1,556.5)	(1,556.5)	(1,556.5)	(1,556.5)

Fund Source (Operating Only)

1157 Wrkrs Safe (DGF)				(1,556.5)	(1,556.5)	(1,556.5)	(1,556.5)
Total	0.0	0.0	0.0	(1,556.5)	(1,556.5)	(1,556.5)	(1,556.5)

Positions

Full-time				(12.0)	(12.0)	(12.0)	(12.0)
Part-time							
Temporary							

Change in Revenues

None							
Total	0.0	0.0	0.0	0.0	0.0	0.0	0.0

Estimated SUPPLEMENTAL (FY2018) cost: 0.0 (separate supplemental appropriation required)
(discuss reasons and fund source(s) in analysis section)

Estimated CAPITAL (FY2019) 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If yes, by what date are the regulations to be adopted, amended or repealed? 12/31/19

Why this fiscal note differs from previous version/comments:

Not applicable, initial version.

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Approved By: Greg Cashen, Acting Commissioner
Agency: Department of Labor and Workforce Development
Phone: (907)465-6060
Date: 01/29/2018
Date: 01/30/18

FISCAL NOTE ANALYSIS

STATE OF ALASKA
2018 LEGISLATIVE SESSION

BILL NO. SB 112

Analysis

This legislation would transfer the jurisdiction of most Workers' Compensation (WC) claims filed after the effective date from the Workers' Compensation Board to the Office of Administrative Hearings. The WC Board would retain jurisdiction of claims filed before the effective date. There are a significant number of claims pending, and these take an average of two years to be fully adjudicated. Therefore, the WC division does not anticipate a reduction of staff for two years.

After two years, this change in jurisdiction would result in the elimination of 11 positions. Additionally, this legislation changes the Reemployment Benefits program to a voucher system. Again, existing Reemployment Benefits claims would need to continue to be processed, but after two years it is anticipated that this change would result in the elimination of one position. Also at that time the WC division would experience a reduction in travel costs related to mediations and a reduction in services and commodities costs resulting from fewer staff.

The WC Board would retain jurisdiction over settlement agreements, claims relating to third-party liability, discrimination for reporting a work injury, failure to insure matters, supplemental default orders, and the revised Reemployment Benefits program.

The deleted positions include:

Office Assistant I, range 8, located in Anchorage (2)

WC Officer I, range 16, located in Anchorage (2)

WC Officer II, range 18, located in Anchorage (3)

WC Hearing Officer I, range 21, located in Fairbanks (1)

WC Hearing Officer II, range 22, located in Anchorage (4)