

FISCAL NOTE

STATE OF ALASKA
2005 LEGISLATIVE SESSION

Fiscal Note Number: 10
 Bill Version: HCS CSSB 130(JUD)
 (H) Publish Date: 5/6/05

Revision Date/Time: _____ Department: **Labor and Workforce Development**
 Title: Workers' Compensation/Insurance RDU: **Workers' Compensation**
 Component: **Workers' Compensation**
 Sponsor: Senate Rules
 Requester: House Judiciary Component Number: 344

Expenditures/Revenues (Thousands of Dollars)

Note: Amounts do not include inflation unless otherwise noted below.

OPERATING EXPENDITURES	FY 2006	FY 2007	FY 2008	FY 2009	FY 2010	FY 2011
Personal Services	468.3	468.3	468.3	468.3	468.3	468.3
Travel	95.0	90.0	90.0	90.0	90.0	90.0
Contractual	330.3	265.3	265.3	265.3	265.3	265.3
Supplies	25.5	25.5	25.5	25.5	25.5	25.5
Equipment	70.0					
Land & Structures						
Grants & Claims						
Miscellaneous						
TOTAL OPERATING	989.1	849.1	849.1	849.1	849.1	849.1

CAPITAL EXPENDITURES						
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CHANGE IN REVENUES (1157)	* 0.0	* 0.0	* 0.0	* 0.0	* 0.0	* 0.0
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FUND SOURCE (Thousands of Dollars)

1002 Federal Receipts						
1003 GF Match						
1004 GF						
1005 GF/Program Receipts						
1037 GF/Mental Health						
1157 Workers' Safety Account	989.1	849.1	849.1	849.1	849.1	849.1
TOTAL	989.1	849.1	849.1	849.1	849.1	849.1

Estimate of any current year (FY2005) cost: None

Mark this box (X) if funding for this bill is included in the Governor's FY 2006 budget proposal:

POSITIONS

Full-time	7	7	7	7	7	7
Part-time						
Temporary						

ANALYSIS: (Attach a separate page if necessary)

(See attached.)

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 Division: Workers' Compensation
 Approved by: Greg O'Claray, Commissioner
 Agency: Department of Labor and Workforce Development

Phone: 465-6059
 Date/Time: 5/5/05 11:21 AM
 Date: 5/5/2005

FISCAL NOTE #10

**STATE OF ALASKA
2005 LEGISLATIVE SESSION**

BILL VERSION: HCS CSSB 130(JUD)

ANALYSIS: (continued)

Personal Services:

A new position (WC Officer II) is requested to allow the reemployment benefits section to increase the amount of outreach and counseling to injured workers potentially eligible for retraining (cost \$71.1).

Six new positions (Investigator IV, 2 Investigators III, 2 Investigators II, and an Administrative Clerk III) will form a fraud investigation unit (cost \$397.2).

Travel:

Funding of \$30.0 is necessary for travel and per-diem for the staff and members of the medical review committee. An additional \$5.0 is requested in FY06 to attend the legislative task force meetings. On-going funding of \$60.0 is necessary for the travel, per diem and hotel costs to enable the fraud investigators to travel throughout the state.

Contractual:

Funds of \$100.0 for a consultant and other costs associated with the Medical Services Review Committee are included in the first year for the committee to study the medical delivery system for workers' compensation and \$35.0 thereafter. On-going contractual services funding of \$35.0 for rehabilitation program outcome tracking by the Labor Market Information component is required. Contractual services for the new positions include lease costs (\$56.7); mail (\$8.7); administrative support costs (\$83.2); transcripts, copies, printing, etc (\$16.7), training for the fraud investigators (\$15.0). The establishment of a toll free line is estimated to cost \$15.0.

Commodities: Funding of \$25.5 for supplies for the new positions is required.

Equipment: One time funding for office equipment for the new positions of \$70.0 is requested.

New Fees/Fines:

This bill authorizes the Workers' Compensation Board to impose civil penalties against employers that violate the statutory requirement to insure or properly self-insure their employees for workers' compensation benefits.

* Penalties may be up to \$1,000.00 per employee per day. In FY04 over 150 employers were found without workers' compensation insurance; however, the amount of any penalties cannot be determined. Any penalties assessed will be deposited to the Workers' Compensation Guaranty Fund established by this legislation. The Guaranty Fund will use those funds to pay benefits to workers injured while employed by an uninsured employer. The amount of those benefits is also indeterminate.