

FISCAL NOTE

STATE OF ALASKA
2005 LEGISLATIVE SESSION

Fiscal Note Number: 13
 Bill Version: HCS CSSB 130(JUD)
 (H) Publish Date: 5/6/05

Revision Date/Time (Note if correction): _____ Dept. Affected: LAW
 Title "An Act relating to a special deposit for workers' RDU CIVIL
compensation and employers' liability insurers..." Component Labor & State Affairs
 Sponsor Rules Committee Appeals
 Requester Governor Component No 2718

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	104.4	104.4	104.4	104.4	104.4	104.4
Travel	0.3	0.3	0.3	0.3	0.3	0.3
Contractual	12.3	12.3	12.3	12.3	12.3	12.3
Supplies	1.6	1.6	1.6	1.6	1.6	1.6
Equipment	7.4	7.4	7.4	7.4	7.4	7.4
Land & Structures						
Grants & Claims						
Miscellaneous						
TOTAL OPERATING	126.0	126.0	126.0	126.0	126.0	126.0

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

1002 Federal Receipts						
1003 GF Match						
1004 GF	126.0	126.0	126.0	126.0	126.0	126.0
1005 GF/Program Receipts						
1037 GF/Mental Health						
Other (Specify Type--Do not abbreviate)						
TOTAL	126.0	126.0	126.0	126.0	126.0	126.0

Estimate of any current year (FY2005) cost: 0.0

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

POSITIONS

Full-time	1	1	1	1	1	1
Part-time						
Temporary						

ANALYSIS: (Attach a separate page if necessary)

This bill amends AS 21 and AS 23 in order to increase the efficiency and flexibility of the current workers' compensation system. This fiscal note addresses Section 4 which changes the number of panels that hear workers' compensation matters and requires regulations. Similarly, Section 6 related to the Commissioner of Labor or a designee to hear and decide matters will also require new regulations. Section 26 creates the Workers' Compensation benefits Guaranty Fund and allows subrogation of the fund when employers default on benefits and compensation owed to employees. This section will result in the pursuit of civil claims and subrogation claims on behalf of the fund and defense against improper claims. Section 32 will also require new regulations to establish fees for medical treatment and services under worker's compensation. Additionally, Section 60 of the bill establishes a an investigation section within the workers compensation division and Section 29 requires a medical

Prepared by: Kathryn A. Daughetee, Director Phone 465-3673
 Division Administrative Services Division Date/Time 5/5/05 10:53 AM
 Approved by: Kathryn Daughetee for David Márquez, Attorney General Date 5/5/2005
 Agency Department of Law

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ANALYSIS CONTINUATION

services review committee be established. These newly established units would need require a certain amount of legal advice. It is estimated that the services of three quarters of an attorney would be needed for the previously discussed changes. The Department prefers to add a full-time position which it may very well need to fill part-time. These services cannot be paid

The cost associated with a three-quarters time attorney is in accordance with the Department of Law's FY 2006 timekeeping and billing rate and includes overhead costs and equipment consistent with the addition of a new attorney position in the Department of Law. Given that the number of issues the designated position would need to handle is not known, a full time position may be necessary.

The cost associated with a half time attorney is in accordance with the Department of Law's FY 2006 timekeeping and billing rate and includes overhead costs and equipment consistent with the addition of a new attorney position in the Department of Law.