

FISCAL NOTE

STATE OF ALASKA
2005 LEGISLATIVE SESSION

Fiscal Note Number: 8
 Bill Version: CSSB 130(FIN)
 (S) Publish Date: 4/11/05

Revision Date/Time (Note if correction): _____ Department: **Labor and Workforce Development**
 Title: Workers' Compensation RDU: **Workers' Compensation**
 Component: **Workers' Compensation**
 Sponsor: Senate Rules
 Requester: Senate Finance 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	71.1	71.1	71.1	71.1	71.1	71.1
Travel	50.0	45.0				
Contractual	292.6	267.6	167.6	167.6	167.6	167.6
Supplies	0.5	0.5	0.5	0.5	0.5	0.5
Equipment	6.0					
Land & Structures						
Grants & Claims						
Miscellaneous						
TOTAL OPERATING	420.2	384.2	239.2	239.2	239.2	239.2

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	420.2	384.2	239.2	239.2	239.2	239.2
TOTAL	420.2	384.2	239.2	239.2	239.2	239.2

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	1	1	1	1	1	1
Part-time						
Temporary						

ANALYSIS: (Attach a separate page if necessary)

(See attached.)

Prepared by: Paul F. Lisankie, Director Phone: 465-6059
 Division: Workers' Compensation Date/Time: 4/8/05 4:13 PM
 Approved by: Greg O'Claray, Commissioner Date: 4/8/2005
 Agency: Department of Labor and Workforce Development

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STATE OF ALASKA
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BILL VERSION: CS SB 130(FIN)

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). This position would also aid injured workers in assessing options of retraining versus job dislocation benefits.

Travel: Funding of \$45.0 is necessary for travel and per-diem for the staff and members of the medical review committee for FY06 and FY 07. An additional \$5.0 is requested to attend the legislative task force meetings.

Contractual: To implement section 9 (contracting with a non-profit organization to provide legal representation for employees) \$75.0 is requested in FY06 and \$50.0 in FY07 and following years. Funds of \$100.0 for a consultant and other costs associated with the Medical Services Review Committee are included in the first two fiscal years for the committee to study the medical delivery system for workers' compensation (due date 3/1/07). On-going contractual services funding of \$95.0 for fraud detection through an interagency contract with the Employment Security Division (\$60.0) and for rehabilitation program outcome tracking by the Labor Market Information component (\$35.0) is required. Contractual services for the new position include lease costs (\$6.7); mail (\$2.0); and interagency transfers (\$13.9).

Commodities: Funding for supplies for the new position of \$.5.

Equipment: One time funding for office equipment for the new position of \$6.0.

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.