

Fiscal Note

State of Alaska
2018 Legislative Session

Bill Version:	CSHB 38(FIN)
Fiscal Note Number:	5
(H) Publish Date:	3/2/2018

Identifier: HB38-OOG-OMB-02-28-18
 Title: WORKERS' COMPENSATION: DEATH BENEFITS
 Sponsor: JOSEPHSON
 Requester: HFIN

Department: Various (for Fiscal Notes only)
 Appropriation: Various
 Allocation: All Branches
 OMB Component Number: 0

Expenditures/Revenues

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

	FY2019	Included in	Out-Year Cost Estimates					
	Appropriation Requested	Governor's FY2019 Request	FY 2019	FY 2020	FY 2021	FY 2022	FY 2023	FY 2024
OPERATING EXPENDITURES	FY 2019	FY 2019	FY 2020	FY 2021	FY 2022	FY 2023	FY 2024	
Personal Services	271.8		543.6	543.6	543.6	543.6	543.6	543.6
Travel								
Services								
Commodities								
Capital Outlay								
Grants & Benefits								
Miscellaneous								
Total Operating	271.8	0.0	543.6	543.6	543.6	543.6	543.6	543.6

Fund Source (Operating Only)

1002 Fed Rcpts (Fed)	38.1		76.1	76.1	76.1	76.1	76.1	76.1
1004 Gen Fund (UGF)	135.9		271.8	271.8	271.8	271.8	271.8	271.8
1178 temp code (UGF)	97.8		195.7	195.7	195.7	195.7	195.7	195.7
Total	271.8	0.0	543.6	543.6	543.6	543.6	543.6	543.6

Positions

Full-time								
Part-time								
Temporary								

Change in Revenues

None								
Total	0.0	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? no
 If yes, by what date are the regulations to be adopted, amended or repealed?

Why this fiscal note differs from previous version/comments:

Updated to reflect updated cost calculation from Division of Risk Management.

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 Agency: Office of Management and Budget

Phone: (907)465-4663
 Date: 02/28/2018 01:00 PM
 Date: 02/28/18

**REPORTED OUT OF
HFC 03/01/2018**
 Control Code: zjgGO

FISCAL NOTE ANALYSIS

STATE OF ALASKA
2018 LEGISLATIVE SESSION

Analysis

This legislation will change statutes relating to workers' compensation. The Division of Risk Management administers the state's self-insured workers' compensation program for state employees. The Division is funded through inter-agency receipts from all departments and is collected through rates calculated each year and applied to each agency's personal services budget.

The Division of Risk Management has submitted a separate fiscal note that details the projected costs of this legislation. The bill has an effective date of January 1, 2019, which is half-way through FY19. The division anticipates a FY19 cost of \$271.8, half of expected one-year costs. The Division estimates out-year costs for FY20-FY24 at \$543.6 each year.

These costs will be passed on through rates charged to the personal services lines for all agencies. As such, these costs are being reflected in an Office of Management and Budget (OMB) various fiscal note for all agencies. Based on current fund source allocation for personal services across agencies, OMB has estimated costs as follows:

FY19 (\$ in thousands):

Total costs = \$271.8

50% UGF = \$135.9

14% Fed = \$38.1

36% DGF/Other (shown as temp code) = \$97.8

FY20 - FY24 (\$ in thousands):

Total costs = \$543.6

50% UGF = \$271.8

14% Fed = \$76.1

36% DGF/Other (shown as temp code) = \$195.7