

The Legislature of the State of Alaska
 FISCAL NOTE
 Second Session - Eighth Legislature

I. REQUEST

Bill Identification: SB 146, Sponsor Substitute
 Title: An act relating to weekly rate & amounts payable for Workmen's Compensation
 Requested by: _____ Date: _____
 Return Date Requested: _____
 Agency: Dept. of Administration Program: _____
General Government - Prepared by Div. of General Services & Supply, Office of Risk Mgmt.

II. FISCAL DETAIL

Budget Request Unit(s) Affected: All State Agencies
 A. EXPENDITURES: (Thousands of dollars)

OBJECT	FY 74	FY 75	FY 76	FY 77	FY 78	FY 79
100 PERSONAL SERVICES	-0-	-0-	275.0			
200 TRAVEL						
300 CONTRACTUAL						
400 COMMODITIES						
500 EQUIPMENT						
600 LAND & STRUCTURES						
700 GRANTS, CLAIMS, ETC.						
TOTAL	-0-	-0-	275.0			

B. FUNDING: (Thousands of dollars)

GENERAL FUND	90		247.5			
FEDERAL FUNDS	10		27.5			
OTHER						

C. POSITIONS:

PERMANENT/TEMPORARY	/	/	/	/	/	/
MAN MONTHS (P./T.)	/	/	/	/	/	/

III. ANALYSIS (See Fiscal Note Preparation Instructions, Section III)

Increased cost of insurance benefits for Fy 76. Future years impact is proportional to increases in the bill and increased State payroll. Workmen's Compensation is not an optional program. Increased costs of this coverage must be paid by the State.

IV. ATTACHMENTS

V. DATE: 5/22/75

PREPARED BY: _____

John George
 John George
 Risk Manager

Original: Legislative Finance
 cc: Budget and Management
 Prime Sponsor (First Legislator Named)

FISCAL NOTE
1st Session - 9th Legislature

I. REQUEST

Bill Identification: SB 146
 Title: An Act Relating to Workmen's Compensation Benefits
 Requested by: Senate Finance Date: 4-3-75
 Return Date Requested:
 Agency: Labor Program: Workmen's Compensation

II. FISCAL DETAIL

Budget Request Unit(s) Affected: Administration of Workmen's Compensation
 07-67-9-03-00-00

A. EXPENDITURES: (Thousands of dollars)

OBJECT	FY 76	FY '77	FY 78	FY 79
100 PERSONAL SERVICES				
200 TRAVEL				
300 CONTRACTURAL				
400 COMMODITIES				
500 EQUIPMENT				
600 LAND & STRUCTURES				
700 GRANTS, CLAIMS, ETC.	145.9	147.3	140.3	136.5
TOTAL	145.9	147.3	140.3	136.5

B. FUNDING: (Thousands of dollars)

GENERAL FUND	145.9	147.3	140.3	136.5
FEDERAL FUNDS				
OTHER				

C. PURPOSE:

PERMANENT/TEMPORARY	/	/	/0	/0	/0	/0
MAN MONTHS (P./T.)	/	/	/0	/0	/0	/0

III. ANALYSIS SB 146 would increase supplemental payments being made for permanent total disability compensation by the State of Alaska in accordance with provisions of AS 23.30.172. It would increase by 1-2/3% the percentage of the injured employee's wage in all cases presently being paid and would increase the maximum weekly rate depending on the employee's wage and the state average wage. The estimated state average wage used in our calculation was \$295.10 in 1975, \$305.80 in 1976, \$299.60 in 1977 and \$278.50 in 1978. Past experience indicates the number of new permanent total disability cases approximate 15% a year, and we have added this percentage to the estimated present costs of known permanent total cases.

In addition, S.B. 146 would increase supplemental State payments for temporary total disability for injuries occurring prior to ~~June 4, 1974~~ ^{May 4, 1974}, the effective date of AS 23.30.172. Costs for temporary disability compensation is extremely difficult to predict; however, liability of the State would decrease rapidly as the temporarily disabled recover and return to work. The average length of temporary disability for injuries causing more than three days loss of work is 28 days. In February, 1975 only seven cases of injury in 1972, seven in 1973 and fourteen injured prior to May 4, 1974 were being paid temporary compensation. Often additional temporary disability occurs from a worsening of the condition months or even years after the worker has returned to employment. The carriers and employers are liable for increase in benefits for injuries on and after May 4, 1974.

PERMANENT TOTAL

Period

October 1, 1975 through September 30, 1976	-	74.7 + 15% = \$85.9
October 1, 1976 through September 30, 1977	-	93.3 + 15% = \$107.3
October 1, 1977 through September 30, 1978	-	103.7 + 15% = \$120.3
October 1, 1978 through September 30, 1979	-	110.0 + 15% = \$126.5

TEMPORARY TOTAL

FY 76	60.0
FY 77	40.0
FY 78	20.0
FY 79	10.0

IV. ATTACHMENTS: None

V. DATE: April 4, 1975

PREPARED BY: _____

John Cook, Director
Workmen's Compensation
Division

MEMORANDUM

THE CITY AND BOROUGH OF JUNEAU

CAPITAL OF ALASKA

155 SOUTH SEWARD ST. JUNEAU, ALASKA 99801

TO:

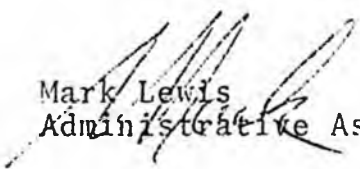
Mar Winegar
City-Borough Manager

DATE: March 10, 1975

FILE NO.

SUBJECT: Senate Bill 146

FROM:


Mark Lewis
Administrative Assistant

Hold For

Recently I asked our insurance company to review three Senate Bills to evaluate their possible effect on the City-Borough insurance costs. They reported back that two of the Bills they reviewed would have little or no effect on our insurance costs. The third Bill, however, (SB 146) the company felt would have a "devastating" effect on the City-Borough's insurance costs.

In brief, this Bill removes certain limits on the employer's obligation to make payments to workmen injured on the job. The State feels should the Bill become law it would increase their Workmen's Compensation costs by 65%. Assuming that this Bill would have relatively the same effect on our Workmen's Compensation costs, our costs would increase from approximately \$100,000 to \$165,000 per year. This Bill is currently in the Senate Labor and Management Committee.

ML/kh

Copy to, Bill Kay, Mike Miller, Jim Prater