

HB

159

Finance: unanimous do pass:

0 notification ok

LAC notification: announced subject matter
not bill in weekly schedule - had
bill on day's schedule however
fiscal notes ok (317.9)

Carrier: Martin

COMMITTEE REPORT

HOUSE

4/2 Rules

(11)

FURTHER:

3/3/82

Date: 4/1/82

Mr. Speaker:

The Committee on FINANCE has had HB 159

"An Act relating to workers' compensation; and providing for an effective date."

under consideration and ~~(a majority of the committee)~~ ~~(the committee)~~ reports it back with the following recommendations:

- do pass do not pass
- do pass with attached amendments(s)
- replace with CS for HB 159 (Fin) same title
- new title
- and recommends do pass
- AND attaches a "Letter of Intent" ~~New Fiscal~~ Note
- reports it back without recommendation (2178) Sub 35
- referred to the no note Committee

MEMBERS SIGNING

DO PASS

Debra Adams, ch.

R. B. ...

...

...

...

David Cuddy

Joseph ...

Meekins

Jarrell

Montgomery

MEMBERS HAVING

OTHER RECOMMENDATIONS:

Debra Adams

CHAIRMAN

COMMITTEE REPORT

3/3

HOUSE

2/13/81

FURTHER: FINANCE

(5)

Date: 3-2-82

Mr. Speaker:

The Committee on LABOR & COMMERCE has had HB 159

"An Act relating to workers' compensation; and providing for an effective date."

under consideration and (a majority of the committee) (the committee) reports it back with the following recommendations:

- do pass do not pass
- do pass with attached amendments(s)
- replace with CS for HB 159 (L.C.) same title
revises and recommends do pass new title
- AND attaches a "Letter of Intent" New Fiscal Note
- reports it back without recommendation
- referred to the _____ Committee

MEMBERS SIGNING
DO PASS

[Signature]

[Signature]

[Signature]

[Signature]

MEMBERS HAVING
OTHER RECOMMENDATIONS:

[Signature] NO Rec

[Signature]
CHAIRMAN

A M E N D M E N T

Offered in the HOUSE

By Martin and Rogers

TO: CSHB 159(L&C)

Page 2, after line 6: insert the following new material:

* Sec. 3. AS 23.30.040(a) is repealed and reenacted to read:

(a) There is created a second~~st~~ injury fund, administered by the commissioner. Money in the second injury fund may be used only for

(1) payments for the benefit of persons entitled to benefits from the second injury fund under this chapter as ordered or awarded by the board; and

(2) the cost of the rehabilitation services administered under AS 23.30.041.

Renumber subsequent bill sections.

Opportunity

- Section 1. This section sets forth the legislative intent of AS 23.30.041 as found in section 5.
- Section 2. This section allows for the issuance of an insurance policy that provides for a deductible amount to be paid by the employer. The policy must provide that the deductible amount be paid by the insurer to the employee on behalf of the employer. The deductible may be recovered from the employer.
- Section 3. This section forgives contributions by the employer or insurance carrier to the second injury fund in those cases in which the total contribution is less than \$20. Contributions of less than \$20 result in administrative costs by the carrier and the Division of Workers' Compensation which offset any positive contribution to the second injury fund.
- Section 4. This section deletes language now provided in AS 23.30.041 found in section 5. Additionally, standards are established for the award of an additional \$200 per month for maintenance from the second injury fund. A \$10,000 maximum payment for books, tuition, tools, and supplies has been eliminated because reports indicated expectation was created by its inclusion.
- Section 5. This section provides for the administration of rehabilitation and establishes fundamental duties and obligations of the parties. Primary responsibility to provide necessary and appropriate rehabilitation services is the employer's. The Board is charged with adopting regulations which will specify those cases when rehabilitation services are warranted. In the event the employer, or carrier, does not voluntarily offer the rehabilitation services, the Rehabilitation Administrator may retain a rehabilitation provider.
- The Rehabilitation Administrator is a new partially exempt position and will be selected and employed by the Board. The intent is to create a strong impartial referee to resolve disputes and provide information prior to entering the rehabilitation process. The administrator's decision may be appealed to the Board by requesting a hearing.
- Vocational rehabilitation services are limited to 37 weeks, with an additional 37 weeks allowed if special circumstances exist. The intent is to quickly return an injured worker to gainful employment. Most direct return to work programs and on the job training programs can be accomplished in less than the initial 37 weeks. Temporary total or temporary partial disability compensation shall be paid to an injured worker during the rehabilitation process.
- Section 6. This section adds language necessary because of the addition of AS 23.30.041 found in section 5.
- Section 7. This section allows placement of disabled employees who are being rehabilitated for gainful employment into work situations where the employer is willing to pay some wages to the trainee but is not willing to accept the risk of new injury to the handicapped person. The statute presently is limited to situations in which the trainee is not being paid at all. This section also permits the Board to place eligible persons in rehabilitation programs with an employer in the event a request is not made through the Division of Vocational Rehabilitation in the Department of Education.
- Section 8. This section deals with the employer's failure to insure and provides authority for the issuance of a stop order if an employer fails to file evidence of insurance or obtain a certificate of self-insurance. It also provides for a civil penalty of \$1,000 a day for failure to comply with a stop order, and the employer may

- Section 9. This section provides authority for the Board to establish time limits for the submission of medical reports by physicians treating injured workers.
- Section 10. This section deletes language which gives the right to the injured worker to have his physician present, paid for by the employer, at an examination requested by the employer or ordered by the Board.
- Section 11. This section directs the Board to adopt and use a schedule determining the existence and degree of permanent impairment consistent with the American Medical Association's Guide to the Evaluation of Permanent Impairment.
- Section 12. This section specifically provides for the release of medical and rehabilitation information to the Rehabilitation Administrator. This section does not limit the obligation of the parties to provide relevant medical and rehabilitation information to other parties upon request.
- Section 13. This section removes the "presumption of compensability" contained in AS 23.30.120 if the employee fails to provide notice of the injury to the employer within 30 days of its occurrence.
- Section 14. This section provides realistic time frames in the Board hearing process and rids the statute of Board authorization to rule on a claim without benefit of the parties to be heard.
- Section 15. This section reflects changes necessary because of amendments to AS 23.30.235 found in section 31.
- Section 16. This section clarifies and emphasizes the role of the Board in determining the credibility of witnesses and the weight to be accorded medical testimony and reports. The Board's findings are conclusive, even if the evidence is conflicting or susceptible of contrary conclusions. It is the intent of this section to restore to the Board the decision making power granted by the Legislature when it enacted the Alaska Workers' Compensation Act. Credibility is a difficult area to articulate objective standards. Such factors as demeanor, recollection, bias, and motive are best determined by the fact finding agency and not the reviewing court. Because the Board has a certain amount of expertise, particularly in the area of medicine, it has the ability to assign weight to the testimony or reports of the medical community.
- Section 17. This section allows an employer who has advanced or overpaid compensation to be recompensed out of any unpaid installment or installments of compensation. The employer must obtain prior approval by the Board.
- Section 18. This section increases the minimum compensation from \$65 to \$110 per week and reflects changes necessary because of the reenactment of AS 23.30.220 found in section 29 which makes spendable weekly wage of an employee the basis of compensation.
- Section 19. This section changes the method by which the average weekly wage is determined in all jurisdictions for purposes of computing compensation and provides for a consistent and equitable means to adjust compensation rates for claims being paid to out-of-state recipients.
- Section 20. This section clarifies the rules under which compensation rates are adjusted for recipients not residing in Alaska consistent with legislative intent and regulations, insures adequate benefit levels for those recipients and provides for an annual adjustment in the compensation rate commensurate with changes in average weekly wages.
- Section 21. This section authorizes the Commissioner of Labor to determine the average weekly wage in jurisdictions in which no average weekly wage is computed by the Secretary of Labor.

section 29 which makes the employees spendable weekly wage the basis for determining compensation.

Eighty percent of the employee's spendable weekly wage minimizes the possibility of an employee receiving more in workers' compensation than his take home pay while working. The change is consistent with recommendation of the 1972 Report of the National Commission on State Workers' Compensation Law which states at page 19:

The decision fixing the proportion of lost wages to be replaced must balance incentives to employers to improve safety within incentives to the disabled to take full advantage of rehabilitation services and to return to work.

We recommend that cash benefits for [disability compensation] be at least two-thirds of the workers' gross weekly wage. The two-thirds formulation should be used only on a transitional basis until the State adopts a provision making payments at least 80 percent of the worker's spendable weekly earnings.

- Section 23. See comments to section 22.
- Section 24. See comments to section 22. Additionally, this section provides for inflationary increases in the maximums paid for "scheduled" and "unscheduled" permanent partial disabilities.
- Section 25. See comments to section 22.
- Section 26. This section reflects changes consistent with the repeal and reenactment of AS 23.30.220 found in section 29.
- Section 27. See comments to section 22. Additionally, this section provides for inflationary increases in funeral expenses on death claims. The current limit for reasonable and necessary funeral expenses are not adequate and result in a hardship to the family of the deceased or the employer for payment of the additional costs.
- Section 28. This section reflects changes consistent with the repeal and reenactment of AS 23.30.220 found in section 29. Additionally, the minimum weekly compensation for a widow or widower is increased from \$45 to \$75 per week.
- Section 29. This section adopts a new basis for computing compensation known as the "spendable weekly wage". The spendable weekly wage is the employees gross weekly earnings, minus payroll tax deductions, which are defined in section 35. The change is consistent with the 1972 report of the National Commission on State Worker's Compensation Laws.

It is an administratively feasible procedure which can simultaneously take into account the difference between gross and spendable earnings, the virtues of dependents' allowances and the impact of the progressive income tax. This procedure first determines the worker's gross earnings prior to disability (which must be determined under the present Act) and the number of his dependents. The gross earnings and dependency data are then inserted into a formula prepared and published by the Department of Labor to determine the worker's spendable earnings. Once spendable earnings are calculated, workers' compensation benefits for all sizes of families can be calculated as a fixed proportion of spendable weekly earnings. No further allowances for dependents for tax considerations are necessary or appropriate.

This section also adopts a new basis for determining the gross earnings of an injured worker. If the injured worker has been in the employ of the employer for the full reporting quarter

computed by dividing by 100 the gross earnings of that reporting quarter. This allows for a more current basis for compensation for the portion of the work force that is "permanently employed". Utilizing a reporting quarter allows an easy method for the employer to provide wage information to the carrier which should allow compensation to be timely paid.

If an injured worker has not been in the employ of the employer for the full reporting quarter preceding the injury, his gross weekly earnings are computed by dividing by 100 the gross earnings of the employee in the two calendar years immediately preceding the injury. This formula provides a basis for computing compensation for the portion of the labor force which is not "permanently employed". Utilizing the preceding two years tends to eliminate the cyclical nature of many industries. Dividing by 100 instead of 104 tends to adjust previous years' earnings for inflation.

Section 30. This section clarifies the relationship between workers' compensation and unemployment benefits. Temporary total and permanent total disability compensation are not consistent with the eligibility of an injured worker to receive unemployment benefits, and accordingly, are not payable to an injured worker receiving unemployment benefits. This section does not affect the payment of temporary partial or permanent partial disability compensation to an employee who is receiving unemployment benefits.

Section 31. This section changes the instances when compensation is not payable to an injured employee. If the injury is proximately caused by the employee's willful intent to injure or kill himself or another, or by intoxication by the injured employee then compensation is not payable. Under the present act an employer must prove the injury was occasioned solely as a result of the employee's intoxication.

The employee is still aided by the presumption contained in AS 23.30.120 found in section 15 which presumes the injury was not proximately caused by the intoxication of the injured employee. The term proximately caused means legally caused, i.e., a substantial factor.

Section 32. This section provides penalties for persons who willfully make false or misleading statements for the purpose of obtaining or denying workers' compensation benefits.

Section 33. This section provides for criminal sanctions for the failure to secure the payment of workers' compensation.

Section 34. See comment to Section 33.

Section 35. This section provides for new definitions.

"Arising out of and in the course of employment" is limited to exclude activities of a personal nature away from employer provided facilities. The intent is to limit the scope of the "bunkhouse rule" or "remote site doctrine" which has evolved in workers' compensation law.

Specifically excluded from coverage are activities of a personal nature not sanctioned by the employer which occur away from employer provided facilities such as personal hunting trips, travel to and from a job site when employer provided housing at the site is available to the employee, travel to a banking facility when check-cashing facilities are available at the remote site, and similar incidents. Travel to and from a job site provided or required by the employer, recreational activities sanctioned by the employer or activities within the confines of or immediately surrounding the "bunkhouse" or premises, are not excluded from coverage.

"Gross earnings" includes payments before any authorized or lawfully required deduction such as credit union, dues check off, social security, federal withholding, or deferred compensation which is optional to the employee at the time of his injury. Specifically,

to those employees of government and non-profit corporations and associations which may elect to defer income from a particular pay period or pay periods but have the option of terminating the deferral of that income at any time during their employment. Excluded from gross earnings are irregular bonuses, reimbursement of expenses, expense allowances and any benefits not taxable to the employee during the pay period. "Any benefit not taxable to the employee during the pay period" would include the general items referred to as "fringe benefits" such as: payments providing for health, welfare, retirement, vacation or annual leave and other similar benefits received by the employee for which he is not taxed other than deferred compensation which is optional to the employee at the time of his injury.

The value of room and board may be considered in gross earnings only for those injured workers whose gross weekly earnings otherwise computed are less than the Alaska average weekly wage at the time of injury. The value of room and board may be included only to raise the gross weekly earnings up to the level of the Alaska average weekly wage. The value of room and board that would raise an employee's gross weekly earnings above the Alaska average weekly wage is excluded.

Payroll taxes are defined to exclude to the amount that would be withheld from an employee's gross weekly earnings under the Internal Revenue code as though he had claimed the maximum number of dependents per actual dependency, blindness, and old age. Also deducted is the amount of earnings subject to the Social Security Act irrespective of whether the employee may have paid the maximum Social Security for the year at the time the injury occurs. Employees of employers not subject to the Social Security Act are not subject to the payroll deduction for Social Security withholding.

"Suitable gainful employment" provides criteria for determining the need for, and the appropriateness of, rehabilitation or a particular rehabilitation plan.

- Section 36. This section designates the Rehabilitation Administrator as a partially exempt position.
- Section 37. This section repeals provisions that are unnecessary or inconsistent with proposed legislation.
- Section 38. This section requires the board to publish Section 31 and 32 of this Act as part of a document describing the employee's rights and obligations under the Alaska Workers' Compensation Act.
- Section 39. This section provides that sections 5, 18-29, 31, and 35 of the Act apply only to injuries sustained after the effective date of this Act.
- Section 40. This section provides that the Act takes effect July 1, 1982.

I. REQUEST

Bill/Resolution No. Committee Substitute for House Bill No. 159 (L & C) (1 of 3)
 Title "An Act relating to workers' compensation, and providing for an effective . . ."
 Requested by Labor and Commerce Committee Date 3/1/82

II. FISCAL DETAIL

Agency Affected Labor
 Program Category Affected Worker Protection
 BRU, Program, or Subprogram(s) Affected Workers' Compensation
 (Note: If more than one budget component is affected, separate line-item amounts and funding for each component in the analysis section.)

EXPENDITURES (Thousands of Dollars)

	FY 82	FY 83	FY 84	FY 85	FY 86	FY 87
100 PERSONAL SERVICES		161.8	178.0	18.8	215.4	236.9
200 TRAVEL		20.0	22.0	24.2	26.6	29.3
300 CONTRACTUAL		122.3	71.3	78.4	86.2	94.9
400 COMMODITIES		3.4	3.7	4.1	4.5	4.9
500 EQUIPMENT		10.4	0	0	0	0
600 LAND & STRUCTURES						
700 GRANTS, CLAIMS, ETC.						
TOTAL	0	317.9	275.0	302.5	332.7	366.0

FUNDING (Thousands of Dollars)

GENERAL FUND	0	(132.3)	(197.2)	(216.9)	(233.6)	(262.5)
FEDERAL FUNDS						
OTHER (Specify Fund Source)						
**Second Injury Fund		450.2	472.2	519.4	571.3	628.5

POSITIONS

FULL TIME	0	4	4	4	4	4
PART TIME						
TEMPORARY						

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

It is the intent of the Legislature that an injured worker receive rehabilitation services which enhance returning to work as quickly as possible at earnings as close as possible to the worker's gross earnings at the time of the injury. The implementation of a delivery system to provide timely and adequate rehabilitation services is fundamental in meeting this objective.

This fiscal note provides that the state administrative costs for rehabilitation under the proposed AS 23.30.041 be paid from the Second Injury Fund. This includes the costs of four new positions, plus the cost of four existing positions which entails a transfer in funding source from General Funds to Second Injury Funds.
 (Continued page 2)

IV. DATE 3/2/82 PREPARED BY Nico Bus
 AGENCY Labor
 PHONE 465-2720
 Original: Legislative Finance
 cc: Budget and Management
 Time Sponsor (First Legislator Named)

1. Assumes an inflation rate of 10% per annum after FY '83.
2. Assumes an effective date of July 1, 1982.
3. The total cost for FY'83 for the four new positions is detailed on attached forms 13. In addition the following items are included in the FY '83 costs.

A Workers' Compensation Officer I reclassification to a Workers' Compensation Officer II with related travel and contractual services. Cost \$16.6

100 Personal Services	\$ 5.5
200 Travel	5.0
300. Auto, Lease, Indirect, etc.	6.1
	<u>\$16.6</u>

The data processing operations cost will increase by \$14.0 because of enhancements for a tickler system, running two systems parallel and the files expansion to retain the addresses of all claimants.

The printing of 10,000 Workers' Compensation Acts and 25,000 Employee Information booklets. \$35.0

The design and printing of new forms. \$2.5

Computer program modifications to implement the changes introduced by the bill. \$20.0

Equipment expense for computer terminals, panelling, cabinets, and files. \$6.0

Included one-time items in FY '83

Equipment	\$10.4
Booklets and Acts	35.0
Design and printing of new forms	2.5
Computer programs	20.0
	<u>\$67.9</u>

Funding Change

Items included in the FY 83 Governor's budget that will change funding sources from General Fund to the Second Injury Fund.

4 positions (including benefits)	\$141.3
Non-personal service costs relating to these 4 existing positions	
200: travel	9.9
300: contractual	25.8
400: commodities	2.3
	<u>179.3</u>

TITLE: An Act relating to workers' compensation, and providing for an effective . . ."

Agency Affected: Department of Labor

Page 3

FY'83 Component Breakdown:

Workers' Compensation Administration

Second Injury Fund

PS		\$161.8
Travel		20.0
Contract*	\$47.0	75.3
Commodities		3.4
Equipment		10.4
TOTAL	<u>\$47.0</u>	<u>\$270.9</u>

<u>Funding</u>	General Fund	Second Injury
Funding transfer	(179.3)	179.3
Rehabilitation Services/ delivery system	47.0	270.9
	<u>(132.3)</u>	<u>450.2</u>

*\$35,000 Workers Compensation Acts and Information Booklets; \$12,000 Data Processing

**Second Injury Fund is currently being reviewed to determine whether revenues are sufficient to cover the cost of rehabilitation. It may be necessary to amend AS 23.30.040 to increase the maximum percentage contribution rate.

1	POSITION TITLE Rehabilitation Administrator			RANGE/STEP 22A	BARG. UNIT.	LOCATION ERA	APPROV. BY:	DISAPP.
2	TYPE OF POSITION PFT	STAFF MONTHS 12	RP No. N/A	PCN No. New Position	PRIORITY	FORM 12 PAGE/LINE N/A	APPROV. LED:	DISAPP.

3	TYPE OF EXPENDITURE		AMOUNT
	1	2	3
4	PERSONAL SERVICES: SALARY 3714 x 12		44,568
5	BENEFITS .1592		7,095
6	SBS .0613		2,188
7	FIXED BENEFITS 183 x 12		2,196
8	TOTAL PERSONAL SERVICES 01		56,047
9	TRAVEL 02		10,000
10	CONTRACTUAL 03		15,607
11	COMMODITIES 04		850
12	EQUIPMENT 05		1,600
13	OTHER		
14	TOTAL COST		84,104

JUSTIFICATION:
It is the intent of the Legislature that an injured worker receive rehabilitation services which enhance returning to work as quickly as possible at earnings as close as possible to the worker's gross earnings at the time of the injury. The implementation of a delivery system to provide timely and adequate rehabilitation services is fundamental in meeting this objective.

The rehabilitation administrator is necessary to develop and implement a workers' compensation rehabilitation program designed to administer and monitor the rehabilitation benefits of industrially injured workers covered by the Alaska Workers' Compensation Act.

	RECEIPT CODE	FUNDING SOURCE	
15		FED RCPTS. 1002	
16		GF MATCH. 1003	
17	100	GEN. FUND 1004	
18		I-A RCPTS. 1005	
19		PGM RCPTS 1028	
20	841	OTHER Second Injury Fund	84,104

Extensive travel within the state is necessary to provide assistance to approximately 12,000 employers in developing programs for re-employment of injured workers and coordinating counselor services with workers, insurers/employers, labor unions, and rehabilitation providers.

- 9. Travel: \$10,000 (20 trips @ \$500 per trip)
- 10. Contractual: Space \$3,100 (to be transferred to DOA)
Auto Lease & Operating Costs \$5,600
Indirect (11.46% x 44,568 = \$5,107)
Other costs which include communications, equipment rental, etc., \$1,800
- 11. Commodities: Cost per position
- 12. Equipment: Desk, desk chair, side chairs, bookcase, file - \$1,600

21	CONTINUATION		FOR B&M USE ONLY
22	ADDITION	X	

AGENCY Labor PROGRAM Worker Protection

BRU Workers' Compensation

COMPONENT Second Injury Fund

13 REQUEST FOR NEW POSITION.

FY 83

1	POSITION TITLE Workers Compensation Officer II			RANGE/STEP 18A	BARG. UNIT. GRU	LOCATION JBA	GOV.	APPROV.	DISAPP.
2	TYPE OF POSITION PFT	STAFF MONTHS 12	PP No. N/A	PCN No. New Position	PRIORITY	FORM 12 N/A	PAGE/LINE N/A	LEG.	

3 TYPE OF EXPENDITURE		AMOUNT
1	2	3
PERSONAL SERVICES:		
4	SALARY 3249 x 12	38,988
5	BENEFITS .1592	6,207
6	SBS .0613	2,188
7	FIXED BENEFITS 183 x 12	2,196
8	TOTAL PERSONAL SERVICES 01	49,579
9	TRAVEL 02	5,000
0	CONTRACTUAL 03	14,968
1	COMMODITIES 04	850
2	EQUIPMENT 05	1,395
3	OTHER	0
4	TOTAL COST	71,792

JUSTIFICATION:

It is the intent of the Legislature that an injured worker receive rehabilitation services which enhance returning to work as quickly as possible at earnings as close as possible to the worker's gross earnings at the time of the injury. The implementation of a delivery system to provide timely and adequate rehabilitation services is fundamental in meeting this objective.

The workers' compensation officer is necessary to coordinate with workers, employers, insurers and rehabilitation providers to expedite the retraining and re-employment of injured workers. Travel within the Fairbanks and Northern regions will be necessary to coordinate this effort.

- 9. Travel: \$5,000 (10 trips @ \$500 per trip)
- 10. Contractual: Space \$3,100 (to be transferred to DOA) Auto Lease, Maintenance Agreement & Operating Costs \$5,600 Indirect Costs (11.45% x 38,988 = \$4,468) Other costs which include communications, equipment rental, etc. \$1,800
- 11. Commodities: Cost per position
- 12. Equipment: Desk, desk chair, side chair, file, work-table, bookcase \$1,395

RECEIPT CODE	FUNDING SOURCE	AMOUNT
	FED RCPTS. 1002	
	GF MATCH. 1003	
100	GEN. FUND 1004	
	I-A RCPTS. 1005	
	PGM RCPTS 1028	
841	OTHER Second Injury Fund	71,792
CONTINUATION ADDITION	X	

FOR B&M USE ONLY

1A KEY NUMBER	COLUMN NO.
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NCY Labor PROGRAM Worker Protection
Workers' Compensation
 DRU Second Injury Fund
 COMPONENT _____

13 REQUEST FOR NEW POSITION.

Page 2 of 4 REVISED DATE _____

FY 83

1	POSITION TITLE Clerk Typist III				RANGE/STEP 8B	BARG. UNIT. GRU	LOCATION AWA	GOV.	APPROV.	DIGAPP.
2	TYPE OF POSITION PFT	STAFF MONTHS. 12	RP No. N/A	PCN No. New Position	PRIORITY	FORM 12	PAGE/LINE N/A	LEG.		

3	TYPE OF EXPENDITURE	AMOUNT
	1	2
4	PERSONAL SERVICES: SALARY 1530 x 12	18,360
5	BENEFITS .1592	2,923
6	SBS .0613	1,125
7	FIXED BENEFITS 183 x 12	2,196
8	TOTAL PERSONAL SERVICES 01	24,604
9	TRAVEL 02	
10	CONTRACTUAL 03	7,004
11	COMMODITIES 04	850
12	EQUIPMENT 05	700
13	OTHER	
14	TOTAL COST	33,158

JUSTIFICATION:

It is the intent of the Legislature that an injured worker receive rehabilitation services which enhance returning to work as quickly as possible at earnings as close as possible to the worker's gross earnings at the time of the injury. The implementation of a delivery system to provide timely and adequate rehabilitation services is fundamental in meeting this objective.

The Clerk III position will provide clerical assistance to the Workers' Compensation Officer in the Juneau Second Injury Fund office and will be responsible for providing and coordinating distribution of information from the claim files to the other regions.

10. Contractual: Space \$3,100 (to be transferred to DOA)
Indirect (11.46% x 18,360 = \$2,104)
Other costs which include communications, equipment rental, etc. \$1,800

11. Commodities: Cost per position

12. Equipment: Desk, desk chair \$700

	RECEIPT CODE	FUNDING SOURCE	
15		FED RCPTS. 1002	
16		GF MATCH. 1003	
17	100	GEN. FUND 1004	
18		I-A RCPTS. 1005	
19		PGM RCPTS 1028	
20	841	OTHER Second Injury Fund	33,158

21	CONTINUATION		FOR B&M USE ONLY
22	ADDITION	X	

4A	KEY NUMBER	COLUMN NO.
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AGENCY Labor PROGRAM Worker Protection

DRU Workers' Compensation

COMPONENT Second Injury Fund

Page 3 of 4 REVISED DATE _____

FY 80

13 REQUEST FOR NEW POSITION

1	POSITION TITLE Clerk IV			RANGE/STEP 9B	BARG. UNIT. GBUJ	LOCATION ERA	GOV.	APPROV.	DISAPP.
2	TYPE OF POSITION PFT	STAFF MONTHS 12	RP No. N/A	PCN No. New Position	PRIORITY	FORM 12 N/A	PAGE/LINE		

3	TYPE OF EXPENDITURE	AMOUNT
	1	2
4	PERSONAL SERVICES: SALARY 1627 x 12	19,524
5	BENEFITS .1592	3,108
6	SBS .0613	1,197
7	FIXED BENEFITS 183 x 12	2,196
8	TOTAL PERSONAL SERVICES 01	26,025
9	TRAVEL 02	0
10	CONTRACTUAL 03	7,137
11	COMMODITIES 04	850
12	EQUIPMENT 05	700
13	OTHER	
14	TOTAL COST	34,712

JUSTIFICATION:

It is the intent of the Legislature that an injured worker receive rehabilitation services which enhance returning to work as quickly as possible at earnings as close as possible to the worker's gross earnings at the time of the injury. The implementation of a delivery system to provide timely and adequate rehabilitation services is fundamental in meeting this objective.

The Clerk IV position will provide clerical assistance to the Rehabilitation Administrator and Workers' Compensation Officer and will be responsible for maintaining follow-up on all rehabilitation files.

- 10. Contractual: Space \$3,100 (to be transferred to DOA) Indirect (11.46% x \$19,524 = \$2,237) Other costs which include communications, equipment rental, etc. \$1,800
- 11. Commodities: Cost per position
- 12. Equipment: Desk and desk chair \$700

	RECEIPT CODE	FUNDING SOURCE
15		FED RCPTS. 1002
16		GF MATCH. 1003
17	100	GEN. FUND 1001
18		I-A RCPTS. 1005
19		PGM RCPTS 1028
20	841	OTHER Second Injury Fund 34,712

21 CONTINUATION
22 ADDITION X

FOR B&M USE ONLY

4A - KEY NUMBER _____ COLUMN NO: _____

AGENCY Labor PROGRAM Worker Protection

BRU Workers' Compensation

COMPONENT Second Injury Fund

FY 83

13 REQUEST FOR NEW POSITION.

Page 4 of 4 REVISED DATE _____

To: Rep. Al Adams - Chairman - Finance
Rep. Joe Montgomery - Vice Chairman
Rep. Bettisworth Rep. Fuller
Rep. Carney Rep. Haugen
Rep. Chuckwuk Rep. Hurlbert
Rep. Cotton Rep. Meekins
Rep. Cuddy

From: Bob Nestel, CPCU, ARM
P. O. Box 1753
Eagle River, Alaska 99577-1753
(907) 694-4372

Subject: CS for House Bill 159 (L&C) "An Act Relating To Workers' Compensation and Providing For An Effective Date."

This is a follow up to my public opinion message of 3/12/82.

- Section 1. Rehabilitation Services. AS 23.30.041
This is a duplication of rehabilitation service currently provided by private worker compensation who use private rehab facilities.
Isn't this a duplication of the activities of the Division of Vocational Rehabilitation?
- Section 2. AS 23.30.025 Permitting a Deductible.
This is a new section.
No limit is placed on the size of deductible.
Is the insured going to have to prove his financial ability by filing a sworn statement with the Div. of Workers' Compensation.
Currently self insureds on Workers' Compensation have a self insured retention (S.I.R.).
How is the deductible different from a S.I.R.?
- Section 5. AS 23.30.041 Rehabilitation of Injured Workers (New Section)
Div. of Vocational Rehabilitation currently is established.
Why create another division when private carriers provide this service?
- Section 6. AS 23.30.045 Payment to Employees.
What if the subcontractor carries his own W/C Policy.
No action needed by contractor?

Section 22. AS 23.30.180 Permanent Total Disability
why increase the amount from 66 2/3 to
80%? The 66 2/3 was assumed to be a persons
take home salary.
All that has been eliminated is State Income Tax.
Federal Income Tax and FICA is certainly more
than 20% on wages. Don't enact legislation to
reward an employee by paying him more for than if
the person was working.

Section 29. AS 23.30.220 "Determination of Spendable Weekly Wage."
What if Federal Taxes and FICA total to 28% of wages;
does the injured collect 72% or 80%?

The Bill has many sections that must be addressed in your committee.

AMENDED TITLE:

AN ACT RELATING TO WORKERS' COMPENSATION; AND PROVIDING FOR AN EFFECTIVE DATE

PRIME SPONSOR: HOUSE RULES COMMITTEE.

CO-SPONSORS:

CURRENT STATUS: 3/03/82 IN (H) FINANCE

HB 159 HOUSE ACTION
DATE SEQ PAGE

LEGISLATIVE ACTION

02/13/81 01 0249
03/03/82 02 0643
03/03/82 03 0643

FIRST READING -- COMMITTEE REPORTS
L&C -- CS01, NR01
FISCAL NOTE HCE SUPPL #20
FINANCE
RULES

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