

COMMITTEE REPORT
SENATE

6/2/81

FURTHER: None

Date: 6/20/81

Mr. President:

The Committee on FINANCE has had OSHE 94(Fir) am
workers' compensation

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 _____ same title
 new title
- and recommends _____
- AND attaches a "Letter of Intent" New Fiscal Note
- reports it back without recommendation
- referred to the _____ Committee

MEMBERS SIGNING
DO PASS

MEMBERS HAVING
OTHER RECOMMENDATIONS:

CHAIRMAN

Original sponsor: Rules/Governor

Offered: 5/14/81
Referred: Rules

1 IN THE HOUSE

BY THE FINANCE COMMITTEE

2

CS FOR HOUSE BILL NO. 94 (Finance) am

3

IN THE LEGISLATURE OF THE STATE OF ALASKA

4

TWELFTH LEGISLATURE - FIRST SESSION

5

A BILL

6

For an Act entitled: "An Act relating to workers' compensation; and provid-
7 ing for an effective date."

8

BE IT ENACTED BY THE LEGISLATURE OF THE STATE OF ALASKA:

9

* Section 1. AS 23.30.005(a) is amended to read:

10

(a) The Alaska Workers' Compensation Board shall consist of nine
11 [SEVEN] members, including a southern panel of three members sitting
12 for the first judicial district, a northern panel of three members
13 sitting for the second and fourth judicial districts, [AND] a south-
14 central panel of three members sitting for the third judicial district,
15 and one panel of three members which may sit in any judicial district.

16

Each panel shall include the commissioner of labor or his designated
17 representative, a representative of industry and a representative of
18 labor. The latter two members of each panel shall be appointed by the
19 governor. All panel members are subject to confirmation by a majority
20 of the members of the legislature in joint session.

21

* Sec. 2. AS 23.30.040 is repealed and reenacted to read:

22

Sec. 23.30.040. SECOND INJURY FUND. (a) There is created a
23 second injury fund, administered by the commissioner of labor. Money
24 in the second injury fund may only be paid for the benefit of those
25 persons entitled to payment of benefits from the second injury fund
26 under this chapter. Payments from the second injury fund must be made
27 by the commissioner of labor in accordance with the orders and awards
28 of the board.

29

(b) If an employee suffers a compensable injury which results in

1 temporary total disability, temporary partial disability, permanent
 2 partial disability, or permanent total disability, the employer or
 3 insurance carrier shall contribute to the second injury fund. The
 4 contribution shall be made by one year from the date of the injury or
 5 on termination of the employee's claim, whichever is sooner. If the
 6 claim is not terminated within one year, subsequent contributions shall
 7 be made yearly until the termination of the employee's claim. The
 8 amount of the contribution is the product of the compensation to which
 9 the employee is entitled for temporary total disability, temporary
 10 partial disability, permanent partial disability, permanent total
 11 disability, or for rehabilitation under AS 23.30.191 and the applicable
 12 contribution rate set out in column A of this subsection. By
 13 December 15 of each year the commissioner shall determine and make
 14 available to the public the applicable contribution rate for the follow-
 15 ing calendar year according to the reserve rate of the second injury
 16 fund in Column B of this subsection:

Column A		Column B	
Second Injury Fund		Reserve Rate	
Contribution Rate		At Least	But Less Than
(Percent)		(Percent)	(Percent)
6		0	50
5		50	75
4		75	100
3		100	125
2		125	150
1		150	175
0		175	-

28 (c) If an employee suffers a compensable injury which results in
 29 death and the employee is not survived by a widow, widower, child, or

1 dependent relative eligible to receive death benefits under AS 23.-
2 30.215, the employer or insurance carrier shall pay \$10,000 to the
3 second injury fund.

4 (d) The board may refund a payment made into the second injury
5 fund if the employer or insurance carrier shows that it made the pay-
6 ment by mistake or inadvertence, or if it shows there existed at the
7 time of the death of the employee a beneficiary entitled to benefits
8 under AS 23.30.215.

9 (e) The board may direct and provide the vocational retraining
10 and vocational rehabilitation of a permanently disabled person whose
11 condition is a result of an injury compensable under this chapter by
12 making cooperative arrangements with insurance carriers, private organ-
13 izations and institutions, or state or federal agencies. The person
14 being retrained or rehabilitated is entitled to receive additional
15 compensation from the second injury fund for maintenance during the
16 period of retraining and rehabilitation in the sum which the board
17 considers necessary, not to exceed \$200 a month. The total expendi-
18 tures for maintenance, retraining, rehabilitation, and necessary trans-
19 portation may not exceed \$10,000 for one person.

20 (f) All amounts collected as civil penalties under AS 23.30.-
21 155(c) shall be paid into the second injury fund.

22 (g) The attorney general may investigate claims and hire expert
23 witnesses necessary to prevent fraudulent or excessive claims for money
24 in the second injury fund.

25 (h) Administration expenses of the state under this section and
26 AS 23.30.205 shall be paid from the general fund.

27 * Sec. 3. AS 23.30.155 is amended to read:

28 Sec. 23.30.155. PAYMENT OF COMPENSATION. (a) Compensation
29 under this chapter shall be paid periodically, promptly, and directly

1 to the person entitled to it, without an award, except where liability
2 to pay compensation is controverted by the employer. To controvert a
3 claim the employer must file a notice, on a form prescribed by the
4 board, stating

5 (1) that the right of the employee to compensation is
6 controverted;

7 (2) the name of the employee;

8 (3) the name of the employer;

9 (4) the date of the alleged injury or death; and

10 (5) the type of compensation and all grounds upon which the
11 right to compensation is controverted.

12 (b) The first installment of compensation becomes due on the 14th
13 day after the employer has knowledge of the injury or death. On this
14 date all compensation then due shall be paid. Subsequent compensation
15 shall be paid in installments, every 14 days [SEMIMONTHLY], except
16 where the board determines that payment in installments should be made
17 monthly or at some other period.

18 (c) Upon making the first payment, and upon an increase, reduc-
19 tion, termination, suspension, resumption or a change in rate or type
20 of compensation paid [OF PAYMENT FOR ANY CAUSE], the employer shall
21 [IMMEDIATELY] notify the board within 14 days, on [IN ACCORDANCE WITH]
22 a form prescribed by the board, that payment of compensation has begun
23 or has been increased, reduced, terminated, resumed, changed, or sus-
24 pending, as the case may be. If the employer fails to notify the board
25 within 14 days, the board shall assess against the employer a civil
26 penalty of \$100 plus \$25 for each day in excess of 14 days that the
27 employer fails to give notice. Total penalties under this section may
28 not exceed \$2,500 for each failure to file a required report.

29 (d) If the employer controverts the right to compensation he

1 shall file with the board on or before the 14th day after he has knowl-
2 edge of the alleged injury or death or on or before an installment of
3 compensation payable without an award is due, a notice of controversion
4 on [, IN ACCORDANCE WITH] a form prescribed by the board [, STATING
5 THAT THE RIGHT TO COMPENSATION IS CONTROVERTED, THE NAME OF THE CLAI-
6 MANT, THE NAME OF THE EMPLOYEP, THE DATE OF THE ALLEGED INJURY OR
7 DEATH, AND THE GROUNDS UPON WHICH THE RIGHT TO COMPENSATION IS CONTRO-
8 VERTED].

9 (e) If any installment of compensation payable without an award
10 is not paid within 14 days after it becomes due, as provided in (b) of
11 this section, there shall be added to the unpaid installment an amount
12 equal to 20 percent of it, which shall be paid at the same time as, and
13 in addition to, the installment, unless notice is filed under (d) of
14 this section or unless the nonpayment is excused by the board after a
15 showing by the employer that owing to conditions over which he had no
16 control the installment could not be paid within the period prescribed
17 for the payment.

18 (f) If compensation payable under the terms of an award is not
19 paid within 14 days after it becomes due, there shall be added to that
20 [SUCH] unpaid compensation an amount equal to 20 percent of it, which
21 shall be paid at the same time as, but in addition to, the compen-
22 sation, unless review of the compensation order making the award is had
23 as provided in AS 23.30.125 and an interlocutory injunction staying
24 payments is allowed by the court.

25 [(g) WITHIN 16 DAYS AFTER FINAL PAYMENT OF COMPENSATION HAS BEEN
26 MADE, THE EMPLOYER SHALL SEND TO THE BOARD A NOTICE IN ACCORDANCE WITH
27 A FORM PRESCRIBED BY THE BOARD STATING THE FACT THAT FINAL PAYMENT HAS
28 BEEN MADE, THE TOTAL AMOUNT OF COMPENSATION PAID, THE NAME OF THE
29 EMPLOYEE AND OF ANY OTHER PERSON TO WHOM COMPENSATION HAS BEEN PAID,

1 THE DATE OF THE INJURY OR DEATH, AND THE DATE TO WHICH WHICH COMPENSA-
2 TION HAS BEEN PAID. IF THE EMPLOYER FAILS TO SO NOTIFY THE BOARD WITHIN
3 THIS TIME, THE BOARD SHALL ASSESS AGAINST THE EMPLOYER A CIVIL PENALTY
4 IN THE AMOUNT OF \$100.]

5 (h) The board may upon its own initiative at any time in a case
6 in which payments are being made with or without an award, [AND SHALL
7 IN A CASE] where right to compensation is controverted, or where pay-
8 ments of compensation have been increased, reduced, terminated, changed,
9 [STOPPED] or suspended, upon receipt of notice from a person entitled
10 to compensation, or from the employer, that the right to compensation
11 is controverted, or that payments of compensation have been increased,
12 reduced, terminated, changed, [STOPPED] or suspended, make the investi-
13 gations, cause the medical examinations to be made, or hold the hear-
14 ings, and take the further action which it considers will properly
15 protect the rights of all parties.

16 (i) When the board considers it advisable it may require an
17 employer to make a deposit with the Department of Revenue to secure the
18 prompt and convenient payment of the compensation, and payments from
19 the deposit upon an award shall be made upon order of the board.

20 (j) If an employer has made advance payments of compensation, he
21 is entitled to be reimbursed out of any unpaid installment or install-
22 ments of compensation due.

23 (k) An injured employee or in case of death his dependents or
24 personal representative, shall give receipts for payment of compensation
25 to the employer paying it and the employer shall produce them for
26 inspection by the board, whenever required.

27 (l) (repealed)

28 (m) An employer shall file on or before the date one year from
29 the date of injury or upon termination of the claim, whichever is

1 sooner, a report on a form prescribed by the board, showing the total
2 amount of all compensation, medical and related benefits, legal fees,
3 and penalties paid during the period since the injury including the
4 name of the claimant, the date of injury, and the claim number. If the
5 claim is not terminated within one year, subsequent reports shall be
6 made yearly until the termination of the claim.

7 * Sec. 4. AS 23.30.265 is amended by adding a new paragraph to read:

8 (28) "reserve rate" means the unencumbered second injury fund
9 balance on October 31 of each year as a percentage of disbursements
10 from the second injury fund during the 12-month period ending on June 30
11 of the same calendar year.

12 * Sec. 5. The amount of a payment to the second injury fund and the
13 conditions under which a payment is required of an employer or insurance
14 carrier must be in accordance with the version of AS 23.30.040(b) in effect
15 on the date that the injury to the employee occurred.

16 * Sec. 6. Notwithstanding the provisions of AS 23.30.040(b) as reenacted
17 in sec. 2 of this Act, the contribution rate for the second injury fund is
18 six percent from July 1, 1981, until December 31, 1982.

19 * Sec. 7. The division of workers' compensation in the Department of
20 Labor shall undertake a comprehensive study of vocational rehabilitation of
21 injured workers to include the following topics: (1) the organizational
22 planning for a central agency to supervise and control the sequence, timeli-
23 ness, duration and quality of rehabilitative care; (2) the coordination of
24 programs for the distribution of services with other involved agencies; (3)
25 the determination of the relationship of the obligations of employers and
26 employees in the rehabilitative process as well as the accountability for
27 the performance of rehabilitation facilities; (4) the development of methods
28 to minimize the adversary environment and create an atmosphere conducive to
29 successful reemployment; (5) the development of reemployment programs for

1 disabled workers; (6) the integration of workers' compensation with other
2 programs for the disabled; and (7) a review of incentives and disincentives
3 for employees, employers, and insurers involved in the rehabilitative process.
4 The division of workers' compensation shall report its recommendations for
5 legislation or administrative action by the 30th day of the Second Session
6 of the Twelfth Legislature.

7 * Sec. 8. This Act takes effect on July 1, 1981.

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THE LEGISLATURE OF THE STATE OF ALASKA
TWELFTH LEGISLATURE

*fiscal note
passed w/bill
from SFC 6/30/81*

FISCAL NOTE

I. REQUEST

Bill/Resolution No. Committee Substitute for House Bill 94
Title "An Act Relating to Workers' Compensation"
Requested by Senate Finance Committee Date 6/19/81

II. FISCAL DETAIL

Agency Affected Labor
Program Category Affected Public 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 81	FY 82	FY 83	FY 84	FY 85	FY 86
100 PERSONAL SERVICES		43.5	47.0	50.8	54.9	59.3
200 TRAVEL		0	0	0	0	0
300 CONTRACTUAL		9.8	10.6	11.5	12.4	13.4
400 COMMODITIES		1.0	1.1	1.2	1.3	1.4
500 EQUIPMENT		1.4				
600 LAND & STRUCTURES						
700 GRANTS, CLAIMS, ETC.						
800 MISCELLANEOUS		160.0				
TOTAL	0	215.7	58.7	63.5	68.6	74.1

FUNDING (Thousands of Dollars)

	0	215.7	58.7	63.5	68.6	74.1
GENERAL FUND						
FEDERAL FUNDS						
OTHER (Specify Fund Source)						

POSITIONS

	0	2	2	2	2	2
FULL TIME						
PART TIME						
TEMPORARY						

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

- I. Reporting Requirement (AS 23.30.155)
1 Clerk I (See attached Form 13)
1 Data Control Clerk I (See attached Form 13)

- 1.) Personal Services Cost at current salary and benefit cost (1/1/81).
- 2.) Contractual Services - includes Indirect Cost (Administrative Services), rental space and other.
- 3.) Equipment - one time items to set up the new employees with desk, chair, cabinets and partitions.
- 4.) Assumes effective date July 1, 1981.
- 5.) Inflation factor used 8%, all items.

(Continued)

IV. DATE 6/19/81 PREPARED BY J. L. McClintock
AGENCY Labor
PHONE 465-2790

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

Fiscal Note for Committee Substitute House Bill 94
Analysis continued

II. Rehabilitation Study (section 7)	\$160.0
Project Employees	
1 Project Coordinator (6 months)	30.0
1 Research Analyst (6 months)	15.0
2 Secretarial/Clerical (2 @ 6 months)	25.0
1 Legal Researcher & Drafter (6 months)	25.0
Travel and Per Diem	
In-state (including 3 public hearings)	10.0
Out-of-state (consult with other states)	15.0
Contractual	
Technical Consultants	15.0
Office Costs and Support (postage, leased equipment, telephone, etc.)	25.0

1.	Position Title Clerk I	Range/Step 6 A	Barg. Unit G	Location Juneau	Gov.	Approv.	Disapp.
2.	Type of Position PFT	Staff Months 12	RP No.	PCN No.	Priority	Form 12 page/line	Leg.

3.	Type of Expenditure	Amount
	1	2
4.	Personal Services:	
	Salary 1249 x 12	14,988
5.	Benefits 15.87	2,379
6.	FICA .0613	919
7.	Health Ins.	1,800
8.	Total Personal Services 01	20,086
9.	Travel 02	
10.	Contractual 03	4,161
11.	Commodities 04	500
12.	Equipment 05	700
13.	Other	
14.	Total Cost	25,447

The 4.2 contractual consists of 2.7 space rental and 1.5 indirect (Administrative Services). The .5 commodities is for office supplies; the .7 equipment is a desk and chair.

This position will provide full-time filing and general clerical assistance to the Division. The additional reports required of employers insurance carriers will be distributed and filed by this position. A full-time filing position will allow the filing to be kept current and avoid delays in searching for unfiled reports.

	CODE	FUNDING SOURCE
15.		FED RCPT. 1002
16.		GF MATCH. 1003
17.		GEN. FUND 1004
18.		I-A RCPTS. 1005
19.		PGM RCPTS 1028
20.		OTHER
21.	CONTINUATION	
22.	ADDITION	

FOR B&M USE ONLY

4A KEY NUMBER _____ COLUMN NO. _____

AGENCY Labor

PROGRAM Worker Protection

REVISED DATE _____

BRU Workers' Compensation

PAGE 2 OF FY 82

COMPONENT Workers' Compensation

13 REQUEST FOR NEW POSITION.



1.	Position Title Data Control Clerk I			Range/Step 9 A	Barg. Unit G	Location Juneau	Gov.	Approv.	Disapp.
2.	Type of Position PFT	Staff Months 12	RP No.	PCN No.	Priority	Form 12 page/line	Leg.		
3.	Type of Expenditure			Amount					
	1	2	3						
4.	Personal Services:								
4.	Salary	1475 x 12	17,700						
5.	Benefits	15.87	2,809						
6.	FICA	.0613	1,085						
7.	Health Ins.		1,800						
8.	Total Personal Services	01	23,394						
9.	Travel	02	-0-						
10.	Contractual	03	5,626						
11.	Commodities	04	500						
12.	Equipment	05	700						
13.	Other								
14.	Total Cost		30,220						
	CODE	FUNDING SOURCE							
15.		FED RECPT. 1002							
16.		GF MATCH. 1003							
17.		GEN. FUND 1004							30,220
18.		I-A RCPTS. 1005							
19.		PGM RCPTS 1028							
20.		OTHER							
21.	CONTINUATION								
22.	ADDIT								

The 5.6 contractual consists of 2.7 space rental, 1.7 indirect (Administrative Services) and 1.2 for computer terminal leasing. The .5 commodities is for office supplies. The .7 equipment is a desk and chair.

This position will handle part of the increased workload in the filing and coding units due to the increased reporting requirements of employers' insurance carriers. The information from the additional reports will be entered via computer terminal into our new information handling system. This data will give the Division accurate statistics on all costs of every claim as well as precise computations as to the carrier's change in any claimant payment.

FOR B&M USE ONLY

4A KEY NUMBER _____ COLUMN NO. _____

AGENCY Labor

PROGRAM Worker Protection

REVISED
DATE _____

BRU Workers' Compensation

PAGE 3 OF FY 82

COMPONENT Workers' Compensation

13 REQUEST FOR NEW
POSITION.



REQUEST
 Bill/Resolution No. Committee Substitute for House Bill No. 94 amended
 Title "An Act relating to Workers' Compensation."
 Requested by Senate Finance Committee ✓ Date June 11, 1981

II. FISCAL DETAIL

Agency Affected Labor
 Program Category Affected Worker Protection
 BRU, Program, or Subprogram(s) Affected Second Injury Fund
 (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 81	FY 82	FY 83	FY 84	FY 85	FY 86
100 PERSONAL SERVICES						
200 TRAVEL						
300 CONTRACTUAL						
400 COMMODITIES						
500 EQUIPMENT						
600 LAND & STRUCTURES						
700 GRANTS, CLAIMS, ETC.	0	87.1	97.6	109.3	122.4	137.1
TOTAL	0	87.1	97.6	109.3	122.4	137.1

FUNDING (Thousands of Dollars)

GENERAL FUND		¹⁾ 199.4	215.4	232.6	251.2	271.3
FEDERAL FUNDS						
OTHER (Specify Fund Source)						
Second Injury Fund		(100.4)	(215.4)	(232.6)	(251.2)	(271.3)
Second Injury Fund (2)	0	87.1	97.6	109.3	122.4	137.1

POSITIONS

FULL TIME						
PART TIME						
TEMPORARY						

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

1) Since enactment of the Second Injury Fund statutes in 1959, total operating costs of the program have been paid from revenues contributed by employers/carriers. During recent hearings held by the Workers' Compensation Study Commission, employers and their carriers voiced strong concern as to why administrative costs of the program are being paid from the Second Injury Fund rather than out of the State General Fund. Present Second Injury Fund statutes provide for payments to be made to the Fund and disbursements to be made from the Fund under certain prescribed conditions. There is no provision however, that addresses the payment of administrative costs.

This fiscal note reflects the impact on the General Fund and the Second Injury Fund when administrative cost will be paid out of General Funds for FY 1982 through FY 1986.

Assumes an inflation factor of 8%.

IV. DATE June 11, 1981 PREPARED BY Nico Bus, Finance Officer
 AGENCY Labor
 PHONE 465-2720

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

Assumes an effective date of July 1, 1961.

2) Assumes an annual increase of 20% as a result of the raise in the maximum from \$5,000 to \$10,000 for vocational retraining and rehabilitation benefits.

In the department's estimation, the proposed bill will provide adequate revenue for the Second Injury Fund to meet its statutory obligations to the Alaskan worker, employer and insurance carrier and preclude the use of the State General Fund in future years.

6/20/81
Senate Fin. Comm Meeting

This fiscal note
was pulled from
the orig bill
and replaced
w/ a new one
dated 6/11/81

FISCAL NOTE

REQUEST

Bill/Resolution No. Committee Substitute for House Bill No. 94 (Fin) # 1 (Page 1 of 2)

Title "An Act relating to Workers' Compensation . . ."

Requested by House Labor & Commerce Committee Date April 27, 1981

II. FISCAL DETAIL

Agency Affected Labor

Program Category Affected Worker Protection

BRU, Program, or Subprogram(s) Affected Second Injury Fund

(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 81	FY 82	FY 83	FY 84	FY 85	FY 86
100 PERSONAL SERVICES						
200 TRAVEL						
300 CONTRACTUAL						
400 COMMODITIES						
500 EQUIPMENT						
600 LAND & STRUCTURES						
700 GRANTS, CLAIMS, ETC.	0	87.1	97.6	109.3	122.4	137.1
TOTAL	0	87.1	97.6	109.3	122.4	137.1

FUNDING (Thousands of Dollars)

GENERAL FUND		¹⁾ 799.4	215.4	232.6	251.2	271.3
FEDERAL FUNDS						
OTHER (Specify Fund Source)						
Second Injury Fund		(799.4)	(215.4)	(232.6)	(251.2)	(271.3)
Second Injury Fund ²⁾	0	87.1	97.6	109.3	122.4	137.1

POSITIONS

FULL TIME	0	0	0	0	0	0
PART TIME						
TEMPORARY						

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

1) The FY '82 General Fund request will allow the Fund to meet its outstanding obligations. Because of a shortfall in revenues the Fund has accumulated approximately \$600.0 in unpaid obligations. Failure to pay these obligations as they become due is in violation of AS 23.30.205, which requires the Fund to reimburse the employer/carrier in full for compensation paid to injured workers under certain prescribed conditions. Since enactment of the Second Injury Fund statutes in 1959, total operating costs of the program have been paid from revenues contributed by employers/carriers. During recent hearings held by the Workers' Compensation Study Commission, employers and their carriers voiced strong concern as to why administrative costs of the program are being paid from the Second Injury Fund rather than out of the State General Fund. Present Second Injury Fund statutes provide for payments to be made to the Fund and disbursements to be made from the Fund under certain prescribed conditions. There is no provision however, that addresses the payment of administrative costs.

IV. DATE April 27, 1981

PREPARED BY Nico Bus, Finance Officer

AGENCY Labor

PHONE 465-2720

Original: Legislative Finance

cc: Budget and Management

Prime Sponsor (First Legislator Named)

This fiscal note reflects the impact on the General Fund and the Second Injury Fund when administrative cost will be paid out of General Funds for FY 1982 through FY 1986.

Assumes an inflation factor of 8%.

Assumes an effective date of July 1, 1981.

2) Assumes an annual increase of 20% as a result of the raise in the maximum from \$5,000 to \$10,000 for vocational retraining and rehabilitation benefits.

In the department's estimation, the proposed bill will provide adequate revenue for the Second Injury Fund to meet its statutory obligations to the Alaskan worker, employer and insurance carrier and preclude the use of State General Funds in future years.

FISCAL NOTE

I. REQUEST

Bill/Resolution No. Committee Substitute for House Bill 94
 Title "An Act Relating to Workers' Compensation"
 Requested by Senate Finance Committee Date 5/19/81

II. FISCAL DETAIL

Agency Affected Labor
 Program Category Affected Public 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)

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FUNDING (Thousands of Dollars)

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GENERAL FUND	0	215.7	58.7	63.5	68.6	74.1
FEDERAL FUNDS						
OTHER (Specify Fund Source)						

POSITIONS

	FY 81	FY 82	FY 83	FY 84	FY 85	FY 86
FULL TIME	0	2	2	2	2	2
PART TIME						
TEMPORARY						

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

I. Reporting Requirement (AS 23.30.155)

- 1 Clerk I (See attached Form 13)
- 1 Data Control Clerk I (See attached Form 13)

- 1.) Personal Services Cost at current salary and benefit cost (1/1/81).
- 2.) Contractual Services - includes Indirect Cost (Administrative Services), rental space and other.
- 3.) Equipment - one time items to set up the new employees with desk, chair, cabinets and partitions.
- 4.) Assumes effective date July 1, 1981.
- 5.) Inflation factor used 8%, all items.

(Continued)

IV. DATE 6/19/81 PREPARED BY J. L. McClintock
 AGENCY Labor
 PHONE 465-2790

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

II. Rehabilitation Study (section 7)	\$160.0
Project Employees	
1 Project Coordinator (6 months)	30.0
1 Research Analyst (6 months)	15.0
2 Secretarial/Clerical (2 @ 6 months)	25.0
1 Legal Researcher & Drafter (6 months)	25.0
Travel and Per Diem	
In-state (including 3 public hearings)	10.0
Out-of-state (consult with other states)	15.0
Contractual	
Technical Consultants	15.0
Office Costs and Support (postage, leased equipment, telephone, etc.)	25.0

1.	Position Title Clerk I	Range/Step 5 A	Barg. Unit G	Location Juneau	Gov.	Approv.	Disapp.
2.	Type of Position PFT	Staff Months 12	RP No.	PCN No.	Priority	Form 12 page/line	Leg.

3.	Type of Expenditure	Amount
	1	2
	3	
4.	Personal Services:	
5.	Salary 1249 x 12	14,988
6.	Benefits 15.87	2,379
7.	FICA .0613	919
8.	Health Ins.	1,800
9.	Total Personal Services 01	20,086
10.	Travel 02	
11.	Contractual 03	4,161
12.	Commodities 04	500
13.	Equipment 05	700
14.	Other	
14.	Total Cost	25,447

The 4.2 contractual consists of 2.7 space rental and 1.5 indirect (Administrative Services). The .5 commodities is for office supplies; the .7 equipment is a desk and chair.

This position will provide full-time filing and general clerical assistance to the Division. The additional reports required of employers insurance carriers will be distributed and filed by this position. A full-time filing position will allow the filing to be kept current and avoid delays in searching for unfiled reports.

	CODE	FUNDING SOURCE	
15.		FED RECPT. 1002	
16.		GF MATCH. 1003	
17.		GEN. FUND 1004	25,447
18.		T-A RCPTS. 1005	
19.		PGM RCPTS 1028	
20.		OTHER	
21.	CONTINUATION		
22.	ADDITION		

FOR B&M USE ONLY

4A KEY NUMBER _____ COLUMN NO. _____

AGENCY Labor

PROGRAM Worker Protection

REVISED DATE _____

BRU Workers' Compensation

PAGE 2 OF 4 **FY 82**

COMPONENT Workers' Compensation

13 REQUEST FOR NEW POSITION.

1

1.	Position Title Data Control Clerk I			Range/Step 9 A	Barg. Unit G	Location Juneau	Gov.	Approv.	Disapp.
2.	Type of Position PFT	Staff Months 12	RP No.	PCN No.	Priority	Form 12 page/line	Leg.		
3.	Type of Expenditure		Amount			<p>The 5.6 contractual consists of 2.7 space rental, 1.7 indirect (Administrative Services) and 1.2 for computer terminal leasing. The .5 commodities is for office supplies. The .7 equipment is a desk and chair.</p> <p>This position will handle part of the increased workload in the filing and coding units due to the increased reporting requirements of employers' insurance carriers. The information from the additional reports will be entered via computer terminal into our new information handling system. This data will give the Division accurate statistics on all costs of every claim as well as precise computations as to the carrier's change in any claimant payment.</p>			
	1	2	3						
4.	Personal Services:								
	Salary	1475 x 12	17,700						
5.	Benefits	15.87	2,809						
6.	FICA	.0613	1,085						
7.	Health Ins.		1,800						
8.	Total Personal Services	01	23,394						
9.	Travel	02	-0-						
10.	Contractual	03	5,626						
11.	Commodities	04	500						
12.	Equipment	05	700						
13.	Other								
14.	Total Cost		30,220						
	CODE	FUNDING SOURCE							
15.		FED RECPT. 1002							
16.		GF MATCH. 1003							
17.		GEN. FUND 1004		30,220					
18.		I-A RCPTS. 1005							
19.		PGM RCPTS 1028							
20.		OTHER							
21.	CONTINUATION								
22.	ADDITION								

FOR B&M USE ONLY

4A KEY NUMBER _____

COLUMN NO. _____

AGENCY Labor

PROGRAM Worker Protection

REVISED DATE _____

BRU Workers' Compensation

PAGE 3 OF FY 82

COMPONENT Workers' Compensation

13 REQUEST FOR NEW POSITION.



Original sponsor: Rules/Governor

Offered: 5/14/81
Referred: Rules

1 IN THE HOUSE

BY THE FINANCE COMMITTEE

2 CS FOR HOUSE BILL NO. 94 (Finance) am

3 IN THE LEGISLATURE OF THE STATE OF ALASKA

4 TWELFTH LEGISLATURE - FIRST SESSION

5 A BILL

6 For an Act entitled: "An Act relating to workers' compensation; and provid-
7 ing for an effective date."

8 BE IT ENACTED BY THE LEGISLATURE OF THE STATE OF ALASKA:

9 * Section 1. AS 23.30.005(a) is amended to read:

10 (a) The Alaska Workers' Compensation Board shall consist of nine
11 [SEVEN] members, including a southern panel of three members sitting
12 for the first judicial district, a northern panel of three members
13 sitting for the second and fourth judicial districts, [AND] a south-
14 central panel of three members sitting for the third judicial district,
15 and one panel of three members which may sit in any judicial district.

16 Each panel shall include the commissioner of labor or his designated
17 representative, a representative of industry and a representative of
18 labor. The latter two members of each panel shall be appointed by the
19 governor. All panel members are subject to confirmation by a majority
20 of the members of the legislature in joint session.

21 * Sec. 2. AS 23.30.040 is repealed and reenacted to read:

22 Sec. 23.30.040. SECOND INJURY FUND. (a) There is created a
23 second injury fund, administered by the commissioner of labor. Money
24 in the second injury fund may only be paid for the benefit of those
25 persons entitled to payment of benefits from the second injury fund
26 under this chapter. Payments from the second injury fund must be made
27 by the commissioner of labor in accordance with the orders and awards
28 of the board.

29 (b) If an employee suffers a compensable injury which results in

1 temporary total disability, temporary partial disability, permanent
 2 partial disability, or permanent total disability, the employer or
 3 insurance carrier shall contribute to the second injury fund. The
 4 contribution shall be made by one year from the date of the injury or
 5 on termination of the employee's claim, whichever is sooner. If the
 6 claim is not terminated within one year, subsequent contributions shall
 7 be made yearly until the termination of the employee's claim. The
 8 amount of the contribution is the product of the compensation to which
 9 the employee is entitled for temporary total disability, temporary
 10 partial disability, permanent partial disability, permanent total
 11 disability, or for rehabilitation under AS 23.30.191 and the applicable
 12 contribution rate set out in column A of this subsection. By
 13 December 15 of each year the commissioner shall determine and make
 14 available to the public the applicable contribution rate for the follow-
 15 ing calendar year according to the reserve rate of the second injury
 16 fund in Column B of this subsection:

Column A	Column B	
Second Injury Fund	Reserve Rate	
Contribution Rate	At Least	But Less Than
(Percent)	(Percent)	(Percent)
6	0	50
5	50	75
4	75	100
3	100	125
2	125	150
1	150	175
0	175	-

28 (c) If an employee suffers a compensable injury which results in
 29 death and the employee is not survived by a widow, widower, child, or

1 dependent relative eligible to receive death benefits under AS 23.-
2 30.215, the employer or insurance carrier shall pay \$10,000 to the
3 second injury fund.

4 (d) The board may refund a payment made into the second injury
5 fund if the employer or insurance carrier shows that it made the pay-
6 ment by mistake or inadvertence, or if it shows there existed at the
7 time of the death of the employee a beneficiary entitled to benefits
8 under AS 23.30.215.

9 (e) The board may direct and provide the vocational retraining
10 and vocational rehabilitation of a permanently disabled person whose
11 condition is a result of an injury compensable under this chapter by
12 making cooperative arrangements with insurance carriers, private organ-
13 izations and institutions, or state or federal agencies. The person
14 being retrained or rehabilitated is entitled to receive additional
15 compensation from the second injury fund for maintenance during the
16 period of retraining and rehabilitation in the sum which the board
17 considers necessary, not to exceed \$200 a month. The total expendi-
18 tures for maintenance, retraining, rehabilitation, and necessary trans-
19 portation may not exceed \$10,000 for one person.

20 (f) All amounts collected as civil penalties under AS 23.30.-
21 155(c) shall be paid into the second injury fund.

22 (g) The attorney general may investigate claims and hire expert
23 witnesses necessary to prevent fraudulent or excessive claims for money
24 in the second injury fund.

25 (h) Administration expenses of the state under this section and
26 AS 23.30.205 shall be paid from the general fund.

27 * Sec. 3. AS 23.30.155 is amended to read:

28 Sec. 23.30.155. PAYMENT OF COMPENSATION. (a) Compensation
29 under this chapter shall be paid periodically, promptly, and directly

1 to the person entitled to it, without an award, except where liability
2 to pay compensation is controverted by the employer. To controvert a
3 claim the employer must file a notice, on a form prescribed by the
4 board, stating

5 (1) that the right of the employee to compensation is
6 controverted;

7 (2) the name of the employee;

8 (3) the name of the employer;

9 (4) the date of the alleged injury or death; and

10 (5) the type of compensation and all grounds upon which the
11 right to compensation is controverted.

12 (b) The first installment of compensation becomes due on the 14th
13 day after the employer has knowledge of the injury or death. On this
14 date all compensation then due shall be paid. Subsequent compensation
15 shall be paid in installments, every 14 days [SEMIMONTHLY], except
16 where the board determines that payment in installments should be made
17 monthly or at some other period.

18 (c) Upon making the first payment, and upon an increase, reduc-
19 tion, termination, suspension, resumption or a change in rate or type
20 of compensation paid [OF PAYMENT FOR ANY CAUSE], the employer shall
21 [IMMEDIATELY] notify the board within 14 days, on [IN ACCORDANCE WITH]
22 a form prescribed by the board, that payment of compensation has begun
23 or has been increased, reduced, terminated, resumed, changed, or sus-
24 pending, as the case may be. If the employer fails to notify the board
25 within 14 days, the board shall assess against the employer a civil
26 penalty of \$100 plus \$25 for each day in excess of 14 days that the
27 employer fails to give notice. Total penalties under this section may
28 not exceed \$2,500 for each failure to file a required report.

29 (d) If the employer controverts the right to compensation he

1 shall file with the board on or before the 14th day after he has knowl-
2 edge of the alleged injury or death or on or before an installment of
3 compensation payable without an award is due, a notice of controversion
4 on [, IN ACCORDANCE WITH] a form prescribed by the board [, STATING
5 THAT THE RIGHT TO COMPENSATION IS CONTROVERTED, THE NAME OF THE CLAI-
6 MANT, THE NAME OF THE EMPLOYER, THE DATE OF THE ALLEGED INJURY OR
7 DEATH, AND THE GROUNDS UPON WHICH THE RIGHT TO COMPENSATION IS CONTRO-
8 VERTED].

9 (e) If any installment of compensation payable without an award
10 is not paid within 14 days after it becomes due, as provided in (b) of
11 this section, there shall be added to the unpaid installment an amount
12 equal to 20 percent of it, which shall be paid at the same time as, and
13 in addition to, the installment, unless notice is filed under (d) of
14 this section or unless the nonpayment is excused by the board after a
15 showing by the employer that owing to conditions over which he had no
16 control the installment could not be paid within the period prescribed
17 for the payment.

18 (f) If compensation payable under the terms of an award is not
19 paid within 14 days after it becomes due, there shall be added to that
20 [SUCH] unpaid compensation an amount equal to 20 percent of it, which
21 shall be paid at the same time as, but in addition to, the compen-
22 sation, unless review of the compensation order making the award is had
23 as provided in AS 23.30.125 and an interlocutory injunction staying
24 payments is allowed by the court.

25 [(g) WITHIN 16 DAYS AFTER FINAL PAYMENT OF COMPENSATION HAS BEEN
26 MADE, THE EMPLOYER SHALL SEND TO THE BOARD A NOTICE IN ACCORDANCE WITH
27 A FORM PRESCRIBED BY THE BOARD STATING THE FACT THAT FINAL PAYMENT HAS
28 BEEN MADE, THE TOTAL AMOUNT OF COMPENSATION PAID, THE NAME OF THE
29 EMPLOYEE AND OF ANY OTHER PERSON TO WHOM COMPENSATION HAS BEEN PAID,

1 THE DATE OF THE INJURY OR DEATH, AND THE DATE TO WHICH WHICH COMPENSA-
2 TION HAS BEEN PAID. IF THE EMPLOYER FAILS TO SO NOTIFY THE BOARD WITHIN
3 THIS TIME, THE PJARD SHALL ASSESS AGAINST THE EMPLOYER A CIVIL PENALTY
4 IN THE AMOUNT OF \$100.]

5 (h) The board may upon its own initiative at any time in a case
6 in which payments are being made with or without an award, [AND SHALL
7 IN A CASE] where right to compensation is controverted, or where pay-
8 ments of compensation have been increased, reduced, terminated, changed,
9 [STOPPED] or suspended, upon receipt of notice from a person entitled
10 to compensation, or from the employer, that the right to compensation
11 is controverted, or that payments of compensation have been increased,
12 reduced, terminated, changed, [STOPPED] or suspended, make the investi-
13 gations, cause the medical examinations to be made, or hold the hear-
14 ings, and take the further action which it considers will properly
15 protect the rights of all parties.

16 (i) When the board considers it advisable it may require an
17 employer to make a deposit with the Department of Revenue to secure the
18 prompt and convenient payment of the compensation, and payments from
19 the deposit upon an award shall be made upon order of the board.

20 (j) If an employer has made advance payments of compensation, he
21 is entitled to be reimbursed out of any unpaid installment or install-
22 ments of compensation due.

23 (k) An injured employee or in case of death his dependents or
24 personal representative, shall give receipts for payment of compensation
25 to the employer paying it and the employer shall produce them for
26 inspection by the board, whenever required.

27 (l) (repealed)

28 (m) An employer shall file on or before the date one year from
29 the date of injury or upon termination of the claim, whichever is

1 sooner, a report on a form prescribed by the board, showing the total
2 amount of all compensation, medical and related benefits, legal fees,
3 and penalties paid ig the period since the injury including the
4 name of the claimant, the date of injury, and the claim number. If the
5 claim is not terminated within one year, subsequent reports shall be
6 made yearly until the termination of the claim.

7 * Sec. 4. AS 23.30.265 is amended by adding a new paragraph to read:

8 (28) "reserve rate" means the unencumbered second injury fund
9 balance on October 31 of each year as a percentage of disbursements
10 from the second injury fund during the 12-month period ending on June 30
11 of the same calendar year.

12 * Sec. 5. The amount of a payment to the second injury fund and the
13 conditions under which a payment is required of an employer or insurance
14 carrier must be in accordance with the version of AS 23.30.040(b) in effect
15 on the date that the injury to the employee occurred.

16 * Sec. 6. Notwithstanding the provisions of AS 23.30.040(b) as reenacted
17 in sec. 2 of this Act, the contribution rate for the second injury fund is
18 six percent from July 1, 1981, until December 31, 1982.

19 * Sec. 7. The division of workers' compensation in the Department of
20 Labor shall undertake a comprehensive study of vocational rehabilitation of
21 injured workers to include the following topics: (1) the organizational
22 planning for a central agency to supervise and control the sequence, timeli-
23 ness, duration and quality of rehabilitative care; (2) the coordination of
24 programs for the distribution of services with other involved agencies; (3)
25 the determination of the relationship of the obligations of employers and
26 employees in the rehabilitative process as well as the accountability for
27 the performance of rehabilitation facilities; (4) the development of methods
28 to minimize the adversary environment and create an atmosphere conducive to
29 successful reemployment; (5) the development of reemployment programs for

1 disabled workers; (6) the integration of workers' compensation with other
2 programs for the disabled; and (7) a review of incentives and disincentives
3 for employees, employers, and insurers involved in the rehabilitative process.
4 The division of workers' compensation shall report its recommendations for
5 legislation or administrative action by the 30th day of the Second Session
6 of the Twelfth Legislature.

7 * Sec. 8. This Act takes effect on July 1, 1981.

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REQUEST
 Bill Resolution No. SS HB 94 (Fin) - 1 Rehabilitation amendment
 Title An Act relating to workers compensation
 Requested by Rozers Date May 12, 1981

II. FISCAL DETAIL

Agency Affected Department of Labor
 Program Category Affected Administration of workers' Compensation
 BRU, Program, or Subprogram(s) Affected Public Protection

(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 79	FY 80	FY 81	FY 82	FY 83	FY 84
100 PERSONAL SERVICES				95.0	0	
200 TRAVEL				25.0	0	
300 CONTRACTUAL				40.0	0	
400 COMMODITIES				0	0	
500 EQUIPMENT				0	0	
600 LAND & STRUCTURES				0	0	
700 GRANTS, CLAIMS, ETC.				0	0	
TOTAL				160.0	0	

FUNDING (Thousands of Dollars)

GENERAL FUND				160.0		
FEDERAL FUNDS						
OTHER (Specify Fund Source)						

POSITIONS

FULL TIME						
PART TIME						
TEMPORARY				5		

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

100. PERSONAL SERVICES:	Project Coordinator (6 months temporary)	30.0
	Legal Researcher & Drafter (6 months temp)	25.0
	Research Analyst (6 months temporary)	15.0
	Secretarial/Clerical (2 @ 6month temp)	25.0
		<u>95.0</u>
200. TRAVEL AND PER DIEM:	In-state (includes 3 public hearings)	10.0
	Out-of-state (consult with other states)	15.0
300. CONTRACTUAL:	Technical consultations	15.0
	Office costs and support	25.0
		<u>160.0</u>

IV. DATE 5/17/81 PREPARED BY [Signature]
 AGENCY Legislature
 PHONE 415-4526
 Original: Legislative Finance
 cc: Budget and Management
 Prime Sponsor: (First Legislator Named)

FISCAL NOTE

I. REQUEST
 Bill/Resolution No. HOUSE BILL NO. 94 (Page 1 of 1)
 Title "An Act Relating to the Alaska Workers' Compensation Board, and the Second . . ."
 Requested by Governor Date 12/29/80

II. FISCAL DETAIL
 Agency Affected Department of Labor
 Program Category Affected Worker Protection
 BRU, Program, or Subprogram(s) Affected Second Injury Fund
 (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 81	FY 82	FY 83	FY 84	FY 85	FY 86
100 PERSONAL SERVICES						
200 TRAVEL						
300 CONTRACTUAL						
400 COMMODITIES						
500 EQUIPMENT						
600 LAND & STRUCTURES						
700 GRANTS, CLAIMS, ETC.	0	34.8	76.6	131.1	201.0	230.1
TOTAL	0	34.8	76.6	131.1	201.0	230.1

FUNDING (Thousands of Dollars)

GENERAL FUND						
FEDERAL FUNDS						
OTHER (Specify Fund Source)						
Second Injury Fund	0	34.8	76.6	131.1	201.0	230.1

POSITIONS

FULL TIME	0	0	0	0	0	0
PART TIME						
TEMPORARY						

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

Projected Fund Balance reports for both current and new legislation are attached.

Also attached is an analytic statement.

IV. DATE January 8, 1981 PREPARED BY *Nico Bus* Finance Officer
 AGENCY Labor
 Original: Legislative Finance PHONE 465-2720
 cc: Budget and Management
 Prime Sponsor (First Legislator Named)

The Fund receives no federal or state funding and is supported entirely by contributions made by employers/carriers in compliance with decisions and awards of the Workers' Compensation Board. Under currently existing law, the employer or its insurance carrier is required to pay into the Fund a lump sum equal to eight percent of the total compensation to which the injured worker is entitled for permanent partial disability and \$10,000 in cases of death where the employee is not survived by eligible dependents. This present method of funding does not generate adequate revenues to meet the Fund's current obligations.

Because of a short fall in revenues the Fund has accumulated approximately \$500.0 in unpaid obligations as of December 15, 1980. Failure to pay these obligations as they become due is in violation of As 23.30.205, which requires the Fund to reimburse the employer/carriers in full for compensation paid to injured workers under certain prescribed conditions.

This BRU has submitted a Supplemental Budget request for \$600.0 from General Funds. This will allow the Fund to meet its current obligations for FY '81 and provide for any additional awards that may be made by the Workers' Compensation Board during the remainder of this fiscal year.

In the department's estimation, the proposed bill will provide adequate revenues for the Second Injury Fund to meet its statutory obligations to the Alaskan worker, employer and insurance carrier and preclude the use of State General Funds in future years.

Second Injury Fund Projected Fund Balance
From FY '81 to FY '86 Under Current Legislation

<u>Fiscal Year</u>	<u>July 1 Beginning Balance</u>	<u>Receipts</u>	<u>Disburse- ments</u>	<u>June 30 Ending Balance</u>
FY '81	(1) 42.2	617.8	1,260.0	(2) <600.0>
FY '82	<600.0>	(3) 747.6	1,364.0	<1,416.4>
FY '83	<1,416.4>	775.5	1,737.1	<2,378.0>
FY '84	<2,378.0>	811.4	1,929.8	<3,496.4>
FY '85	<3,496.4>	845.4	2,144.5	<4,795.5>
FY '86	<4,795.5>	874.9	2,383.6	<6,304.4>

(1) Minimum Balance of \$10.0 already deducted.

(2) A Supplemental Request for General Funds has been submitted.

(3) Includes past due collections of \$90.2.

Second Injury Fund Projected Fund Balance
From Effective Date to FY '86 Under Proposed Legislation

<u>Fiscal Year</u>	<u>July 1 Beginning Balance</u>	<u>Receipts</u>	<u>Disburse- ments</u>	<u>June 30 Ending Balance</u>
FY '82	0	1,752.8	1,598.8	154.0
FY '83	154.0	1,904.7	1,813.7	245.0
FY '84	245.0	2,090.0	2,060.9	274.1
FY '85	274.1	2,285.4	2,345.5	214.0
FY '86	214.0	2,404.8	2,613.7	5.1

I. REQUEST

Bill Resolution No. Committee Substitute for House Bill 84 Page 1 of 1
 Title An Act Relating to Workers' Compensation and providing for an effective date.
 Requested by House Labor and Commerce Committee Date 4/27/81

II. FISCAL DETAIL

Agency Affected Workers' Compensation Division, Department of 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 81	FY 82	FY 83	FY 84	FY 85	FY 86
100 PERSONAL SERVICES		43.0	47.0	50.8	54.9	59.3
200 TRAVEL		0	0	0	0	0
300 CONTRACTUAL		9.8	10.6	11.5	12.4	13.4
400 COMMODITIES		1.0	1.1	1.2	1.3	1.4
500 EQUIPMENT		1.4				
600 LAND & STRUCTURES						
700 GRANTS, CLAIMS, ETC.						
TOTAL	0	55.7	58.7	63.5	68.6	74.1

FUNDING (Thousands of Dollars)

GENERAL FUND	0	55.7	58.7	63.5	68.6	74.1
FEDERAL FUNDS						
OTHER (Specify Fund Source)						

POSITIONS

FULL TIME	0	2	2	2	2	2
PART TIME						
TEMPORARY						

III. ANALYSIS (See Fiscal Note Preparation Instructions, Section III) (see attached form 13's)

- 1.) Personal Services Cost at current salary and benefit cost (1/1/81).
- 2.) Contractual Services - includes Indirect Cost (Administrative Services), rental space and other.
- 3.) Equipment - one time items to set up the new employees with desk, chair, cabinets and partitions.
- 4.) Assumes effective date July 1, 1981.
- 5.) Inflation factor used 8%, all items.

IV. DATE

4/27/81

PREPARED BY
 AGENCY
 PHONE

Michael M. Burr, Finance Officer
LABOR
465-2720

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

1.	Position Title Clerk I	Range/Step 6 A	Barg. Unit G	Location Juneau	Gov.	Approv.	Disapp.
2.	Type of Position PFT	Staff Months 12	RP No.	PCN No.	Priority	Form 12 page/line	Leg.

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14.	Other	
14.	Total Cost	25,447

The 4.2 contractual consists of 2.7 space rental and 1.5 indirect (Administrative Services). The .5 commodities is for office supplies; the .7 equipment is a desk and chair.

This position will provide full-time filing and general clerical assistance to the Division. The additional reports required of employers insurance carriers will be distributed and filed by this position. A full-time filing position will allow the filing to be kept current and avoid delays in searching for unfilled reports.

	CODE	FUNDING SOURCE	
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16.		GF MATCH. 1003	
17.		GEN. FUND 1004	25,447
18.		I-A RCPTS. 1005	
19.		PGM RCPTS 1028	
20.		OTHER	
21.	CONTINUATION		
22.	ADDITION		

FOR B&M USE ONLY

4A KEY NUMBER _____ COLUMN NO. _____

AGENCY Labor

PROGRAM Worker Protection

REVISED DATE _____

BRU Workers' Compensation

PAGE 2 OF 3 FEV 82

COMPONENT Workers' Compensation

13 REQUEST FOR NEW POSITION.

CSHB 94(Fin) # 2



1.	Position Title Data Control Clerk I	Range/Step 9 A	Barg. Unit G	Location Juneau	Gov.	Approv.	Disapp.
2.	Type of Position PFT	Staff Months 12	RP No.	PCN No.	Priority	Form 12 page/line	Leg.

3. Type of Expenditure		Amount
1	2	3
Personal Services:		
4. Salary 1475 x 12		17,700
5. Benefits 15.87		2,809
6. FICA .0613		1,085
7. Health Ins.		1,800
8. Total Personal Services 01		23,394
9. Travel 02		-0-
10. Contractual 03		5,626
11. Commodities 04		500
12. Equipment 05		700
13. Other		
14. Total Cost		30,220

The 5.6 contractual consists of 2.7 space rental, 1.7 indirect (Administrative Services) and 1.2 for computer terminal leasing. The .5 commodities is for office supplies. The .7 equipment is a desk and chair.

This position will handle part of the increased workload in the filing and coding units due to the increased reporting requirements of employers' insurance carriers. The information from the additional reports will be entered via computer terminal into our new information handling system. This data will give the Division accurate statistics on all costs of every claim as well as precise computations as to the carrier's change in any claimant payment.

15.	CODE	FUNDING SOURCE	
16.		FED RCPT. 1002	
17.		GF MATCH. 1003	
18.		GEN. FUND 1004	30,220
19.		I-A RCPTS. 1005	
20.		PGM RCPTS 1028	
21.		OTHER	
22.	CONTINUATION ADDITION		

FOR B&M USE ONLY

4A KEY NUMBER _____ COLUMN NO. _____

AGENCY Labor

PROGRAM Worker Protection

REVISED
DATE _____

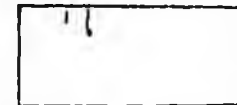
BRU Workers' Compensation

PAGE 3 OF 3 FEY 82

COMPONENT Workers' Compensation

13 REQUEST FOR NEW
POSITION.

CSHB 94(Fin) # 2



REQUEST

Bill Resolution No. Committee Substitute for House Bill No. 22 Page 1 of 2
 Title An Act relating to workers' compensation
 Requested by House Labor & Commerce Committee Date April 27, 1981

II. FISCAL DETAIL

Agency Affected Labor
 Program Category Affected Worker Protection
 BRU, Program, or Subprogram(s) Affected Second Injury Fund
 (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 81	FY 82	FY 83	FY 84	FY 85	FY 86
100 PERSONAL SERVICES						
200 TRAVEL						
300 CONTRACTUAL						
400 COMMODITIES						
500 EQUIPMENT						
600 LAND & STRUCTURES						
700 GRANTS, CLAIMS, ETC.	0	87.1	97.6	109.3	122.4	137.1
TOTAL	0	87.1	97.6	109.3	122.4	137.1

FUNDING (Thousands of Dollars)

	FY 81	FY 82	FY 83	FY 84	FY 85	FY 86
GENERAL FUND		1) 799.4	215.4	232.6	251.2	271.3
FEDERAL FUNDS						
OTHER (Specify Fund Source)						
Second Injury Fund		(799.4)	(215.4)	(232.6)	(251.2)	(271.3)
Sec. Injury Fund 2)	0	87.1	97.6	109.3	122.4	137.1

POSITIONS

	FY 81	FY 82	FY 83	FY 84	FY 85	FY 86
FULL TIME	0	0	0	0	0	0
PART TIME						
TEMPORARY						

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

1) The FY '82 General Fund request will allow the Fund to meet its outstanding obligations. Because of a shortfall in revenues the Fund has accumulated approximately \$600.0 in unpaid obligations. Failure to pay these obligations as they become due is in violation of AS 23.30.205, which requires the Fund to reimburse the employer/carrier in full for compensation paid to injured workers under certain prescribed conditions. Since enactment of the Second Injury Fund statutes in 1959, total operating costs of the program have been paid from revenues contributed by employers/carriers. During recent hearings held by the Workers' Compensation Study Commission, employers and their carriers voiced strong concern as to why administrative costs of the program are being paid from the Second Injury Fund rather than out of the State General Fund. Present Second Injury Fund statutes provide for payments to be made to the Fund and disbursements to be made from the Fund under certain prescribed conditions. There is no provision however, that addresses the payment of administrative costs.

IV. DATE April 27, 1981 PREPARED BY *Nico Bus*
 AGENCY Labor
 PHONE 465-2720
 Original: Legislative Finance
 cc: Budget and Management
 Prime Sponsor (First Legislator Named)

This fiscal note reflects the impact on the General Fund and the Second Injury Fund when administrative cost will be paid out of General Funds for FY 1982 through FY 1986.

Assumes an inflation factor of 8%.

Assumes an effective date of July 1, 1981.

- 2) Assumes an annual increase of 20% as a result of the raise in the maximum from \$5,000 to \$10,000 for vocational retraining and rehabilitation benefits.

In the department's estimation, the proposed bill will provide adequate revenue for the Second Injury Fund to meet its statutory obligations to the Alaskan worker, employer and insurance carrier and preclude the use of State General Funds in future years.

January 19, 1981

Speaker of the House
Alaska State Legislature
Pouch V
Juneau, AK 99811

Dear Mr. Speaker:

Under the authority of art. III, sec. 18 of the Alaska Constitution, I am transmitting a bill amending the Workers' Compensation Act to add two statewide members to the Workers' Compensation Board and provide adequate funding for the second injury fund. The bill also amends the conditions under which the state assumes liability for injuries to a person placed by vocational rehabilitation services.

Sincerely,

S/SSH

Jay S. Hammond
Governor

TASK

Pegues

Original sponsor: Moss

Funding Information

General Funds	\$42,430,800	45,202,800
Other Funds	-0-	
	\$42,430,800	45,202,800

1 IN THE HOUSE

BY THE FINANCE COMMITTEE

2 CS FOR HOUSE BILL NO. 95 (Finance)

3 IN THE LEGISLATURE OF THE STATE OF ALASKA

4 TWELFTH LEGISLATURE - FIRST SESSION

5 A BILL

6 For an Act entitled: "An Act making special appropriations for educational
7 and cultural facilities and purposes; and providing for
8 an effective date."

9 BE IT ENACTED BY THE LEGISLATURE OF THE STATE OF ALASKA:

10 * Section 1. The sum of \$1,300,000 is appropriated from the general fund
11 to the Department of Transportation and Public Facilities for payment to the
12 City of Craig for completion of elementary school construction.

13 * Sec. 2. The sum of \$1,516,000 is appropriated from the general fund to
14 the Department of Transportation and Public Facilities for payment to the
15 City of Klawock for completion of high school construction.

16 * Sec. 3. The sum of \$2,975,000 is appropriated from the general fund to
17 the Department of Transportation and Public Facilities for the Annette Island
18 Regional Educational Attendance Area for completion of the Metlakatla school-
19 community facility.

20 * Sec. 4. The sum of \$530,000 is appropriated from the general fund for
21 payment as a grant to the City of Wrangell for completion of the school for
22 pupils in kindergarten through grade 3.

23 * Sec. 5. The sum of \$30,000 is appropriated from the general fund for
24 payment as a grant to the City of Petersburg for completion of a shop addi-
25 tion.

26 * Sec. 6. The sum of \$250,000 is appropriated from the general fund for
27 payment as a grant to the City of Haines for completion of the Chilkat
28 Center for Performing Arts.

29 * Sec. 7. The sum of \$1,000,000 is appropriated from the general fund to

1 the Department of Transportation and Public Facilities for payment to the
2 Haines Borough for completion of swimming pool construction.

3 * Sec. 8. The sum of \$400,000 is appropriated from the general fund to
4 the University of Alaska, Juneau for land acquisition.

5 * Sec. 9. The sum of \$1,500,000 is appropriated from the general fund to
6 the Department of Transportation and Public Facilities for payment to the
7 Haines Borough for construction of an elementary school at Mosquito Lake.

8 * Sec. 10. The sum of \$122,900 is appropriated from the general fund for
9 payment as a grant to the City of Yakutat for replacement of the school
10 gymnasium floor and related renovation by the school district.

11 * Sec. 11. The sum of \$100,000 is appropriated from the general fund for
12 payment as a grant to the City of Yakutat for purchase and installation by
13 the school district of a sprinkler system for the Yakutat school buildings.

14 * Sec. 12. The sum of \$130,000 is appropriated from the general fund for
15 payment as a grant to the City of Cordova for purchase and installation by
16 the school district of a sprinkler system and fire escape for the Cordova
17 school buildings.

18 * Sec. 13. The sum of \$60,000 is appropriated from the general fund to
19 the Department of Transportation and Public Facilities for payment as a grant
20 to the Matanuska-Susitna Borough for completion of the vocational agriculture
21 education building.

22 * Sec. 14. The sum of \$7,000,000 is appropriated from the general fund
23 for payment as a grant to the Municipality of Anchorage for completion of
24 the Chugiak-Eagle River-Eklutna Junior High school.

25 * Sec. 15. The sum of \$1,022,500 is appropriated from the general fund
26 for payment as a grant to the Municipality of Anchorage for completion of
27 the renovation of the Old North Star school.

28 * Sec. 16. The sum of \$230,000 is appropriated from the general fund for
29 payment as a grant to the Municipality of Anchorage for completion of the

1 East High school auditorium.

2 * Sec. 17. The sum of \$250,000 is appropriated from the general fund for
3 payment as a grant to the Municipality of Anchorage for completion of the
4 East High school rifle range.

5 * Sec. 18. The sum of \$400,000 is appropriated from the general fund for
6 payment as a grant to the Municipality of Anchorage for completion of the
7 Service high school swimming pool.

8 * Sec. 19. The sum of \$50,000 is appropriated from the general fund for
9 payment as a grant to the Municipality of Anchorage for site development
10 shortfalls.

11 * Sec. 20. The sum of \$585,300 is appropriated from the general fund for
12 payment as a grant to the Kenai Peninsula Borough for completion of the
13 Ninilchik school addition.

14 * Sec. 21. The sum of \$113,800 is appropriated from the general fund to
15 the Department of Transportation and Public Facilities for the Aleutian
16 Chain Regional Educational Attendance Area for completion of the renovation
17 of the Chignik Lake school.

18 * Sec. 22. The sum of \$1,700,000 is appropriated from the general fund
19 to the Department of Transportation and Public Facilities for completion of
20 the Karluk school.

21 * Sec. 23. The sum of \$2,385,200 is appropriated from the general fund
22 to the Department of Transportation and Public Facilities for the Southwest
23 Regional Educational Attendance Area for completion of the ^{Aleknagik-}~~Aleknagik-~~North
24 Shore K-12 school.

25 * Sec. 24. The sum of \$141,800 is appropriated from the general fund to
26 the Department of Transportation and Public Facilities for the Lake and
27 Peninsula Regional Educational Attendance Area for completion of the Kokhanok
28 school.

29 * Sec. 25. The sum of \$72,300 is appropriated from the general fund to

1 the Department of Transportation and Public Facilities for the Lake and
2 Peninsula Regional Educational Attendance Area for completion of the Newhalen
3 school.

4 * Sec. 26. The sum of \$115,600 is appropriated from the general fund to
5 the Department of Transportation and Public Facilities for the Lake and
6 Peninsula Regional Educational Attendance Area for completion of the Igiugig
7 school.

8 * Sec. 27. The sum of \$89,400 is appropriated from the general fund to
9 the Department of Transportation and Public Facilities for the Lake and
10 Peninsula Regional Educational Attendance Area for completion of the Port
11 Heiden school.

12 * Sec. 28. The sum of \$1,100,000 is appropriated from the general fund
13 to the Department of Transportation and Public Facilities for the Lower
14 Yukon Regional Educational Attendance Area for completion of the Pilot
15 Station school.

16 * Sec. 29. The sum of \$2,000,000 is appropriated from the general fund
17 to the Department of Transportation and Public Facilities for completion of
18 the Saint Mary's high school.

19 * Sec. 30. The sum of \$400,000 is appropriated from the general fund to
20 the Department of Transportation and Public Facilities for the Kuspuk
21 Regional Educational Attendance Area for completion of the Crooked Creek
22 elementary-high school complex.

23 * Sec. 31. The sum of \$550,000 is appropriated from the general fund to
24 the Department of Transportation and Public Facilities for the Railbelt
25 Regional Educational Attendance Area for completion of the Tri-Valley coal
26 conversion project.

27 * Sec. 32. The sum of \$485,000 is appropriated from the general fund to
28 the Department of Transportation and Public Facilities for the Delta/Greely
29 Regional Educational Attendance Area for completion of the following

1 the Two Rivers school.

2 * Sec. 41. The sum of \$2,000,000 is appropriated from the general fund
3 to the University of Alaska for capitalization of the working capital fund.

4 * Sec. 42. The sum of \$89,000 is appropriated from the general fund to
5 the University of Alaska, Fairbanks for completion of the photography lab.

6 * Sec. 43. The sum of \$1,500,000 is appropriated from the general fund
7 to the Department of Transportation and Public Facilities for payment to the
8 City of Nome for completion of the Nome/Beltz lifesaving facility.

9 * Sec. 44. The sum of \$2,500,000 is appropriated from the general fund
10 to the Department of Transportation and Public Facilities for the Bering
11 Straits Regional Educational Attendance Area for completion of the Diomed
12 high school.

13 * Sec. ⁴⁸45. The appropriations in secs. 4 - 6, 10 - 12, 14 - 20, 38, and
14 40 of this Act shall be disbursed in accordance with AS 37.05.315.

15 * Sec. ⁴⁹46. The appropriations in secs. 1 - 3, 7 - 9, 13, 21 ^{-37, 39,} ~~29,~~ and
16 41 - ⁴⁷44 of this Act are for capital projects and are subject to AS 37.25.020.

17 * Sec. ⁵⁰47. This Act takes effect immediately in accordance with AS 01.10.
18 070(c).

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(LFD)

1 * Sec. 45. The sum of \$750,000 is appropriated from the general fund to
 2 the Department of Transportation and Public Facilities for the Bering
 3 Straits Regional Education Attendance Area for completion of the schools at
 4 St. Michael's and Stebbins.

5 * Sec. 46. The sum of \$1,750,000 is appropriated from the general fund
 6 to the Department of Transportation and Public Facilities for the Bering
 7 Straits Regional Education Attendance Area for construction of a district
 8 headquarters office in Unalakleet.

9 * Sec. 47. The sum of \$272,000 is appropriated from the general fund
 10 to the Department of Transportation and Public Facilities for the Alaska
 11 Gateway Regional Education Attendance Area for completion of the athletic
 12 facility at Tok.

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Original sponsor: Moss

Offered: 4/7/81
Referred: Finance

Funding Information

General Funds \$1,387,900
Other Funds -0-
\$1,387,900

1 IN THE HOUSE

BY THE HEALTH, EDUCATION
AND SOCIAL SERVICES COMMITTEE

2

CS FOR HOUSE BILL NO. 95 (HESS)

3

IN THE LEGISLATURE OF THE STATE OF ALASKA

4

TWELFTH LEGISLATURE - FIRST SESSION

5

A BILL

6

For an Act entitled: "An Act making special appropriations for schools; and
7 providing for an effective date."

8

BE IT ENACTED BY THE LEGISLATURE OF THE STATE OF ALASKA:

9

* Section 1. The sum of \$550,000 is appropriated from the general fund
10 to the Railbelt regional educational attendance area for completion of the
11 Tri-Valley coal conversion project.

12

* Sec. 2. The sum of \$485,000 is appropriated from the general fund to
13 the Delta/Greely regional educational attendance area for completion of the
14 following projects:

15

sprinkler system, Delta \$ 185,000

16

vocational education building, Delta 300,000

17

* Sec. 3. The sum of \$122,900 is appropriated from the general fund for
18 payment as a grant to the City of Yakutat for replacement of the school
19 gymnasium floor and related renovation by the school district.

20

* Sec. 4. The sum of \$100,000 is appropriated from the general fund for
21 payment as a grant to the City of Yakutat for purchase and installation by
22 the school district of a sprinkler system for the Yakutat school buildings.

23

* Sec. 5. The sum of \$150,000 is appropriated from the general fund for
24 payment as a grant to the City of Cordova for purchase and installation by
25 the school district of a sprinkler system and fire escape for the Cordova
26 school buildings.

27

* Sec. 6. The appropriations made by this Act shall be disbursed in
28 accordance with AS 37.05.315.

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* Sec. 7. This Act takes effect immediately in accordance with AS 01.10.-

1 070(c).

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Funding Information
General Funds \$6,715,000
Other Funds -0-
\$6,715,000

Introduced: 2/4/81
Referred: Health, Education &
Social Services and Finance

1 IN THE HOUSE

BY MOSS

2 HOUSE BILL NO. 95

3 IN THE LEGISLATURE OF THE STATE OF ALASKA

4 TWELFTH LEGISLATURE - FIRST SESSION

5 A BILL

6 For an Act entitled: "An Act making special appropriations to the Railbelt
7 and Delta/Greely rural educational attendance areas
8 for various capital projects; and providing for an
9 effective date."

10 BE IT ENACTED BY THE LEGISLATURE OF THE STATE OF ALASKA:

11 * Section 1. The sum of \$550,000 is appropriated from the general fund
12 to the Railbelt regional educational attendance area for completion of the
13 Tri-Valley coal conversion project.

14 * Sec. 2. The sum of \$485,000 is appropriated from the general fund to
15 the Delta/Greely regional educational attendance area for completion of the
16 following projects:

17 sprinkler system, Delta \$ 185,000

18 vocational education building, Delta 300,000

19 * Sec. 3. The sum of \$900,000 is appropriated from the general fund to
20 the Delta/Greely regional educational attendance area for the following
21 energy conservation projects:

22 central heating plant, Delta \$ 600,000

23 heating system conversion, Ft. Greely 250,000

24 insulated gym ceiling, Delta 50,000

25 * Sec. 4. The sum of \$4,780,000 is appropriated from the general fund to
26 the Delta/Greely regional educational attendance area for the following
27 capital projects:

28 multi-purpose room, Ft. Greely \$2,000,000

29 remodeling of old gym into kitchen

1	cafeteria, Ft. Greely	500,000
2	new roof, Delta	300,000
3	restrooms renovation	20,000
4	chain link fence, Delta	60,000
5	playground improvement	70,000
6	new floor covering, Delta	50,000
7	parking lot paving, Delta	80,000
8	unheated sports facility, Delta	1,500,000
9	special education and correspondence	
10	study building	200,000

11 * Sec. 5. The appropriations made by this Act are for capital projects
12 and are subject to AS 37.25.020.

13 * Sec. 6. This Act takes effect immediately in accordance with AS 01.10.-
14 070(c).

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