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Alaska State Legislature

Senate

Official Business

Labor & Commerce Committee

Pouch V
State Capitol
Juneau, Alaska 99811

Committee Meeting Minutes:

1 June, 1981

The Senate Labor and Commerce meeting was called to order by Senator Mulcahy, and all committee members were present. The Chairman invited public testimony to address CS HB94am.

Jackie MacClintock, Director of the Division of Worker's Compensation, Department of Labor provided testimony on CS HB94am thru a sectional analysis of the bill. Upon the completion of her section by section overview, she elaborated on Vocational Rehabilitation efforts stressing the positive benefit to the State, employers, the injured workers, and their families.

Senator Mulcahy entertained questions of the committee members, and Senator Rodey wished to know if CSHB94am had been extracted from the original worker's compensation study commission to which Ms. MacClintock responded affirmatively. Senator Ziegler questioned the expansion of the worker's compensation board, and it was explained that the process of hearing and processing claims would be expedited. Senator Fahrenkamp asked about the premium increases relative to the 6% requirement in the bill and Jackie MacClintock responded that the Division of Insurance projected a 1% premium increase to assure the solvency of the second injury fund.

Senator Mulcahy asked if there were any further questions or people who wished to testify. A motion was made that CSHB94am should move from committee with individual recommendations, and the meeting was adjourned.



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CSSB 94am; Sectional Analysis:

Section 1: Adds additional panel to the Worker's Compensation Board which in the event regular members are unable to attend, may sit in any district. Members, except the Chairman or his designees, are appointed pursuant to AS 23.30.005, and at times have scheduling conflicts with their own occupations. Amendment will insure that disputed claims are heard expeditiously, by a full board, and will provide the resources to conduct additional hearings when the workload requires.

Section 2: Expands the base for contributions to the second injury fund and incorporates a contribution schedule to insure the solvency of the fund. Changes the base for payments to the fund from permanent partial disability to permanent total, temporary total, and temporary partial disability. Under Section 7, an initial contribution rate of 6% is established, which will build the reserves before a sliding rate scale takes effect in 1983. Allows a more realistic maintenance allowance of \$200 a month and total maximum expenditures for retraining to \$10,000 in order to cover an inflationary rise in costs for rehabilitation or retraining. Also transfers the administrative expenses of the State from the resources of the second injury fund to the general fund.

Section 3: Amendments are administrative "housekeeping" changes to enable the Division and Board to streamline the processing of claims and provide current claim information and injury statistical data to the public and private sectors.

1. Clarifies a controverted claim, and the requirements under which a notice of controversion must be filed.
2. Requires notice to be filed with the board whenever payment of compensation has begun, is terminated or changed, and provides penalties for failure to file notice.
3. Requires periodic reporting of all payments made on claims

which will be used to provide the public and private sectors with current and accurate statistical data.

Section 4: This section is amended to include a definition for the term "reserve rate" as used in section 2.

Section 5: Repeals provision of AS 23.30.155 (g) due to proposed legislation.

Section 6: Clarifies that the amount of payment to the second injury fund and the conditions under which payment is required, is in accordance with the version of AS 23.30.040(b) that was in effect on the date of injury to the employee.

Section 7: Section establishes an initial contribution rate of 6% beginning July 1, 1981 and ending December 31st, 1982, which will build reserves before a sliding rate scale takes effect in 1983.

Section 8: Provides for an effective date for the bill of July 1, 1981.

COMMITTEE REPORT
SENATE

5/18/81

FURTHER: Finance

Date: 5/18/81

Mr. President:

The Committee on LABOR & COMMERCE has had CSHR 94 (Fin) 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

[Signature]

[Signature]

[Signature]

MEMBERS HAVING
OTHER RECOMMENDATIONS:

[Signature]

[Signature]

[Signature]
CHAIRMAN

I. REQUEST
 Bill/Resolution No. CS HB 94 (Fin) #-3 Rehabilitation amendment
 Title An Act relating to workers compensation
 Requested by Rogers 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 5/12/81 PREPARED BY [Signature]
 AGENCY Legislative Finance
 PHONE 465-4526

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

HB 94

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