

SB

299

HFIN

FILE

FISCAL NOTE

STATE OF ALASKA
2002 LEGISLATIVE SESSION

Fiscal Note Number: 1
 Bill Version: SB 299
 (S) Publish Date: 2/27/02

Revision Date/Time (Note if correction): _____ Department: Labor and Workforce Development
 Title: Workers' Compensation Board BRU: Workers' Compensation
 Component: Workers' Compensation
 Sponsor: Senate L&C
 Requester: Senate L&C Component Number: 344

Expenditures/Revenues (Thousands of Dollars)

Note: Amounts do not include inflation unless otherwise noted below.

OPERATING EXPENDITURES	FY 2003	FY 2004	FY 2005	FY 2006	FY 2007	FY 2008
Personal Services						
Travel	5.0	5.0	5.0	5.0	5.0	5.0
Contractual						
Supplies						
Equipment						
Land & Structures						
Grants & Claims						
Miscellaneous						
TOTAL OPERATING	5.0	5.0	5.0	5.0	5.0	5.0

CAPITAL EXPENDITURES						
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CHANGE IN REVENUES ()						
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FUND SOURCE (Thousands of Dollars)

1002 Federal Receipts						
1003 GF Match						
1004 GF						
1005 GF/Program Receipts						
1157 Workers Safety Account	5.0	5.0	5.0	5.0	5.0	5.0
Other (Specify Type)						
TOTAL	5.0	5.0	5.0	5.0	5.0	5.0

Estimate of any current year (FY2002) cost: None

Check this box (X) if funding for this bill is included in the Governor's FY 2003 budget proposal:

POSITIONS

Full-time						
Part-time						
Temporary						

ANALYSIS: *(Attach a separate page if necessary)*

This bill provides for an additional panel of the Workers' Compensation Board in the south-central venue. The panel will allow for additional hearings in that venue to reduce the time lag and back log. The increase in the travel line of the budget is required to provide for the \$50.00 a day stipend paid to the individual panel members when they are presiding over board hearings and other board business. The total is derived from two members working an average of approximately four to five days per month.

Prepared by: Paul Grossi, Director Phone: 465-2790
 Division: Workers' Compensation Date/Time: 2/22/02 2:49 PM
 Approved by: Ed Flanagan, Commissioner Date: 02/22/02
 Agency: Department of Labor and Workforce Development

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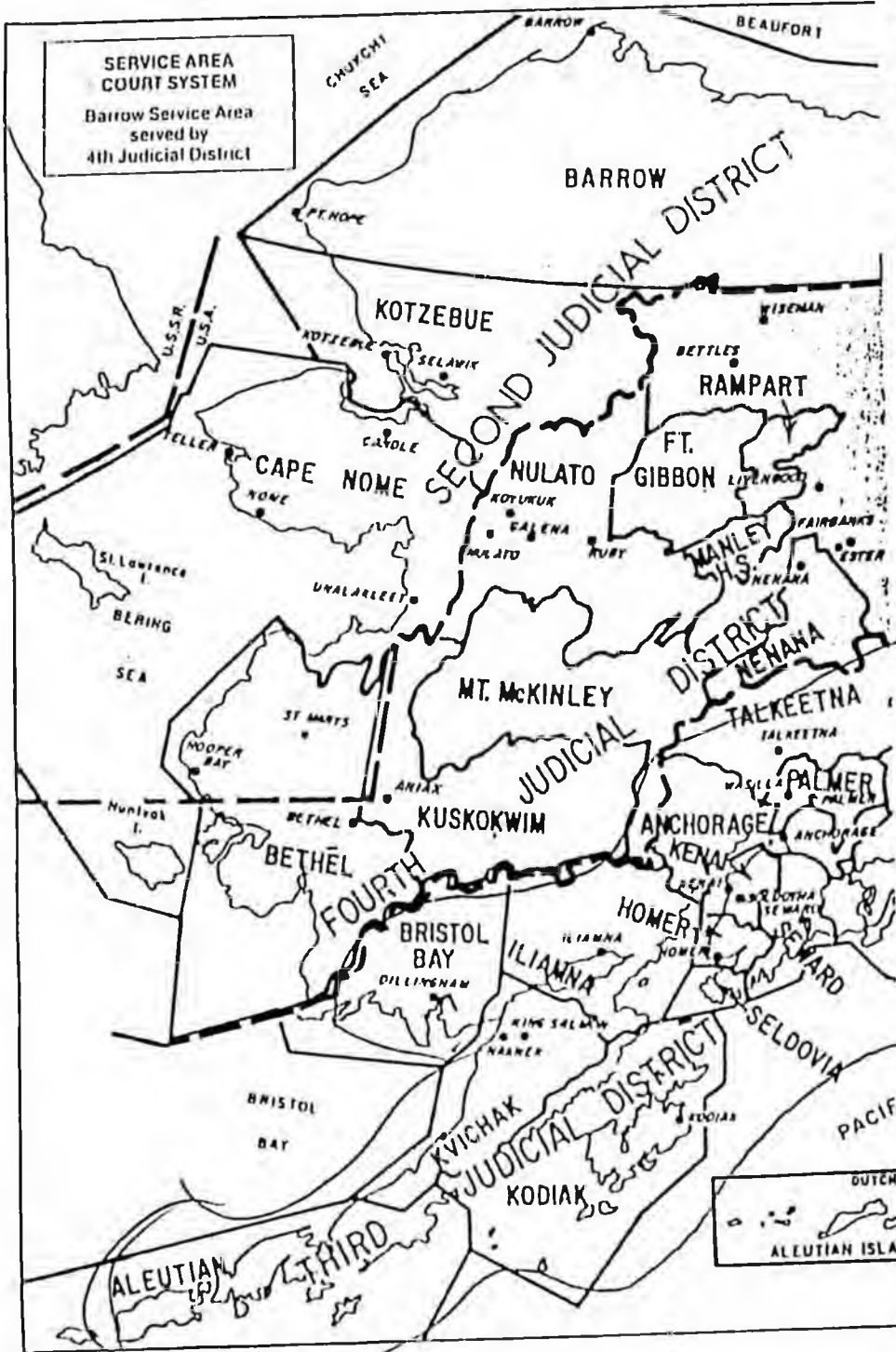
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Judicial Districts

Recording Districts & Places of Recording

ALEUTIAN ISLANDS	Anchorage	KOTZEBUE	Fairbanks
ANCHORAGE	Anchorage	KUSKOKWIM	Bethel
BARROW	Fairbanks	KVICHIAK	Anchorage
BETHEL	Bethel	MANLEY HOT SPRINGS	Fairbanks
BRISTOL BAY	Anchorage	MT MCKINLEY	Fairbanks
CAPE NOME	Homer	NENANA	Fairbanks
CHITINA	Glennallen	NULATO	Fairbanks
CORDOVA	Anchorage	PALMER	Palmer
FAIRBANKS	Fairbanks	PETERSBURG	Ketchikan
FT GIBBON	Fairbanks	RAMPART	Fairbanks
HAINES	Juneau	SELDOVIA	Homer
HOMER	Homer	SEWARD	Seward
ILIAMNA	Anchorage	SITKA	Sitka
JUNEAU	Juneau	SKAGWAY	Juneau
KENAI	Kenai	TAI KEETNA	Palmer
KETCHIKAN	Ketchikan	VALDEZ	Valdez
KODIAK	Kodiak	WRANGELL	Ketchikan

DISTRICT RECORDERS

Anchorage Sandra Singer 3601 C St Suite 1140 Anchorage 99503 5947 269 8899, 269 8872	Homer Carol Silva 195 E. Burnett Ave Suite A Homer 99603 235 8136	Kodiak Sandra Tucker 704 Mission Road Hoonah Kodiak 99815 480 8432
Bethel Grace Lieb Box 426 Bethel 99559 543-3391	Juneau Kelly Farmer 400 Wiloughby St 3rd Floor Juneau 99801 465-3449	Horne Lucyda Weiler Box 431 Horne 99782 443 5178
Fairbanks Jane Olavus 1648 S. Cushman St Suite 201 Fairbanks 99701-6200 452-3521, 452-2298	Kenai Lisa Carlson 120 Trading Bay Road #230 Kenai 99611 283 3118	Palmer Ed Hansen 836 S. Colony Way Palmer 99845 745 3080
Chitina Magistrate Jean Wilkinson Box 85 Glennallen 99588 822-3726	Ketchikan Elizabeth Farmer 415 Main St., Room 370 Ketchikan 99901 225 3147/225-3143	Seward Magistrate George Peck Box 1929 Seward 99664 224-3075
		Sitka Diana Slavens 210 C. Lake St Sitka 99835 747-3275
		Valdez Magistrate Box 127 Valdez 99606 835 2266

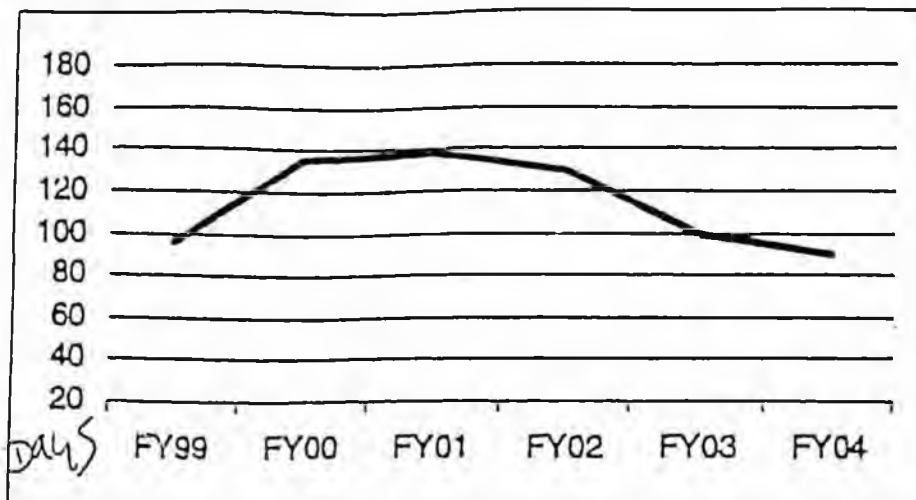


ALASKA MAP SERVICE

Key Performance Measures for FY2003

Measure:

The average time taken from a compensation hearing request until the date on which the hearing is scheduled.
Sec 90(b)(1) Ch 90 SLA 2001(HB 250)

Alaska's Target & Progress:

Reduce the time lag between the request and scheduling of a hearing.

FY99 - 95.8 days

FY00 - 135.8 days

FY01 - 137.7 days

FY02 - 130 days (projection)

FY03 - 100 days (projection)

FY04 - 90 days (projection)

The time lag has gotten worse because of two major factors: the hearing case load has been going up; and because of funding reductions, we had fewer hearing officers.

Benchmark Comparisons:

The benchmark for this measurement is 90 days. This is based on AS 23.30.110(c). This subsection of the statute provides for a hearing to be scheduled within 60 days of request if not opposed by a party. If an opposition is filed, as they are in the vast majority of cases, a prehearing must be held within 30 days to set a hearing. If the hearing is scheduled within 60 days from the prehearing, 90 days to set a hearing from the date of request is a reasonable benchmark. The division expects to be able to begin meeting the 90 day benchmark in FY04 if the current level of funding is not reduced.

Background and Strategies:

The increase in the hearing time lag was noted in FY00. There was an elimination of a hearing officer as a result of budget cuts, and at the same time there was a corresponding rise in the overall hearing caseload. The legislature granted an increment in the FY02 budget for an additional hearing officer to address the problem. The hearing officer was hired in September of 2001 and additional hearings are currently being scheduled.

The Department promulgated and the Workers' Compensation Board approved a new regulation that would require hearings to be scheduled within 60 days from prehearings to further define the legislative intent in AS 23.30.110(c). The regulation will have to be approved by the Department of Law and filed by the Lieutenant Governor to become final. The department anticipates that it will be finalized and in place by the end of fiscal year 2002.

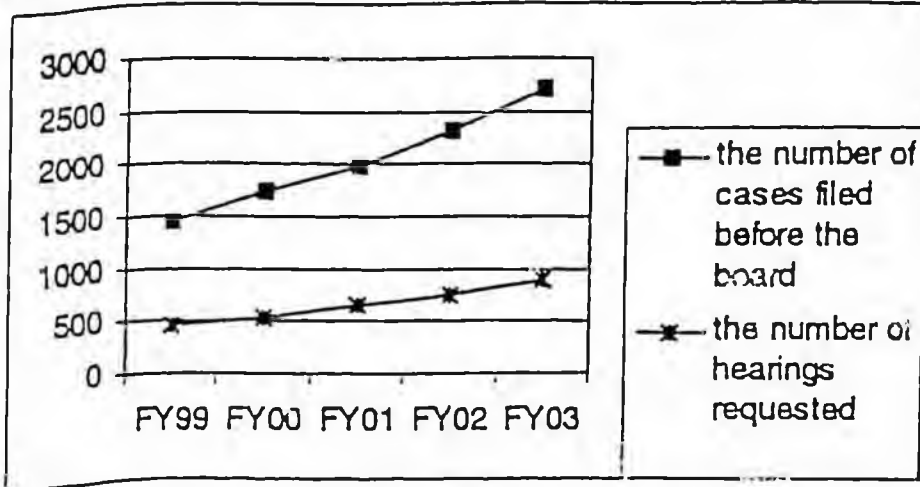
* An additional Workers' Compensation Board panel in the Anchorage venue would expedite the handling of cases to

to reduce the time lag and address the back log. The department will present this situation to the legislature.

Measure:

The number of cases filed before the Workers' Compensation Board compared to the number of requests for hearing.
 Sec 90(b)(2) Ch 90 SLA 2001(HB 250)

Alaska's Target & Progress:



Determine the hearing caseload

- FY99 - 1446 cases filed - 459 hearings requested
- FY00 - 1746 cases filed - 539 hearings requested
- FY01 - 1987 cases filed - 651 hearings requested
- FY02 - 2324 cases filed - 760 hearings requested (projections based on current trends)
- FY03 - 2700 cases filed - 890 hearings requested (projections based on current trends)

Benchmark Comparisons:

There is no benchmark for this measure. This measurement will help determine the hearing caseload to give better understanding to hearing time lag and backlog problems.

Background and Strategies:

This measurement was requested by the house legislative budget subcommittee and will track the increases in both the number of cases filed and the number of hearings. Not all cases filed reach the hearing stage as a number are settled or otherwise resolved prior to the arrival of the hearing date.

Alaska State Legislature

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Senate District JF

Sponsor Statement

CS SB 299

"An act relating to the establishment of an Additional southcentral panel to the Alaska Workers' Compensation Board and to appointments to that panel."

CSSB 299 would amend the Workers' Compensation Act to provide for an additional panel for the Alaska Workers' Compensation Board in the Southcentral venue. This is needed to help provide more hearings in that area of the state, and will address the need to reduce the lag time between when a worker files a claim and obtaining a hearing. It will also relieve a growing caseload.

The Alaska Workers' Compensation Act requires hearings to be conducted by panels of the Workers' Compensation Board. A panel consists of a labor member and an industry member, with a designee of the commissioner of the department of labor and workforce development. The commissioner's designee is an employee of the State of Alaska, while the other two members are lay volunteers who receive a \$50 per day stipend.

The industry seat members of the panels usually work in some management position, while the labor members are usually officers of labor unions. This makes for a very good mix for deciding these types of cases, but panel members also have full time jobs outside of the division, and, as a result, tend to be very busy, with limited time that they can devote to hearings. Consequently, there are only so many hearings that can be conducted with the current complement of panel members. With the adoption of the CS in the Senate Finance committee the effective date of the bill is January 1, 2003.

Enactment of SB 299 would provide much needed relief to the Worker's Compensation Board