

Department Appropriation Summary

Historical Data

Agency Request and Executive/Legislative Recommendation

Appropriation	2007-2008		2008-2009		2008-2009		2009-2010						2010-2011					
	Actual	Pos	Budget	Pos	Authorized	Pos	Agency	Pos	Executive	Pos	Legislative	Pos	Agency	Pos	Executive	Pos	Legislative	Pos
113 Purchase Annuities	0	0	4,000,000	0	4,000,000	0	4,000,000	0	4,000,000	0	4,000,000	0	4,000,000	0	4,000,000	0	4,000,000	0
203 Refunds and Claims	12,852,088	0	19,750,000	0	19,750,000	0	163,750,000	0	163,750,000	0	163,750,000	0	163,750,000	0	163,750,000	0	163,750,000	0
355 Administration	9,939,202	142	12,184,720	153	12,373,549	153	27,991,439	153	27,927,739	153	27,927,739	153	28,156,278	153	28,092,578	153	28,092,578	153
356 Second Injury Claims	2,551,761	0	9,250,000	0	9,250,000	0	9,250,000	0	9,250,000	0	9,250,000	0	9,250,000	0	9,250,000	0	9,250,000	0
866 Seminar-Cash in Treasury	60,040	0	140,000	0	140,000	0	140,000	0	140,000	0	140,000	0	140,000	0	140,000	0	140,000	0
Total	25,403,091	142	45,324,720	153	45,513,549	153	205,131,439	153	205,067,739	153	205,067,739	153	205,296,278	153	205,232,578	153	205,232,578	153

Funding Sources		%		%		%		%		%		%		%		%	
Fund Balance	4000005	154,323,972	83.9	158,506,801	75.8	163,746,652	76.6	163,746,652	76.6	163,746,652	76.6	13,415,213	6.1	13,478,913	6.1	13,478,913	6.1
Cash Fund	4000045	79,831	0.0	50,000	0.0	50,000	0.0	50,000	0.0	50,000	0.0	50,000	0.0	50,000	0.0	50,000	0.0
Trust Fund	4000050	29,506,089	16.0	46,514,571	22.2	46,000,000	21.5	46,000,000	21.5	46,000,000	21.5	46,500,000	21.0	46,500,000	21.0	46,500,000	21.0
Annuity Purchases Contingency	4000095	0	0.0	4,000,000	1.9	4,000,000	1.9	4,000,000	1.9	4,000,000	1.9	4,000,000	1.8	4,000,000	1.8	4,000,000	1.8
Investments	4000315	0	0.0	0	0.0	0	0.0	0	0.0	0	0.0	157,000,000	71.1	157,000,000	71.0	157,000,000	71.0
Total Funds		183,909,892	100.0	209,071,372	100.0	213,796,652	100.0	213,796,652	100.0	213,796,652	100.0	220,965,213	100.0	221,028,913	100.0	221,028,913	100.0
Excess Appropriation/(Funding)		(158,506,801)		(163,746,652)		(8,665,213)		(8,728,913)		(8,728,913)		(15,668,935)		(15,796,335)		(15,796,335)	
Grand Total		25,403,091		45,324,720		205,131,439		205,067,739		205,067,739		205,296,278		205,232,578		205,232,578	

Investments provides appropriation authority to reinvest Commission fund balances in both years of the biennium in Appropriations 203 and 355.

FY10 ending fund balances do not equal FY11 beginning fund balances due to unfunded appropriation for Claims in Appropriation 356.

Analysis of Budget Request

Appropriation: 113 - Purchase Annuities

Funding Sources: TDP - Death & Permanent Total Disability Trust

Arkansas Code §11-9-210 authorized the Workers' Compensation Commission to fund financial obligations of the Death and Permanent Disability Trust Fund through the purchase of structured annuity contracts from insurance companies. These annuity contracts can be purchased for the benefit payments of claimants or beneficiaries.

The Commission requests Base Level for each year of the 2009-11 biennium.

The Executive Recommendation provides for Agency Request.

The Legislative Recommendation concurs with the Executive Recommendation.

Appropriation Summary

Appropriation: 113 - Purchase Annuities

Funding Sources: TDP - Death & Permanent Total Disability Trust

Commitment Item	2007-2008	2008-2009	2008-2009	2009-2010			2010-2011		
	Actual	Budget	Authorized	Agency	Executive	Legislative	Agency	Executive	Legislative
Purchase Annuities 5900046	0	4,000,000	4,000,000	4,000,000	4,000,000	4,000,000	4,000,000	4,000,000	4,000,000
Total	0	4,000,000	4,000,000	4,000,000	4,000,000	4,000,000	4,000,000	4,000,000	4,000,000
Funding Sources									
Fund Balance 4000005	4,000,000	4,000,000		4,000,000	4,000,000	4,000,000	4,000,000	4,000,000	4,000,000
Annuity Purchases Contingency 4000095	0	4,000,000		4,000,000	4,000,000	4,000,000	4,000,000	4,000,000	4,000,000
Total Funding	4,000,000	8,000,000		8,000,000	8,000,000	8,000,000	8,000,000	8,000,000	8,000,000
Excess Appropriation/(Funding)	(4,000,000)	(4,000,000)		(4,000,000)	(4,000,000)	(4,000,000)	(4,000,000)	(4,000,000)	(4,000,000)
Grand Total	0	4,000,000		4,000,000	4,000,000	4,000,000	4,000,000	4,000,000	4,000,000

Analysis of Budget Request

Appropriation: 203 - Refunds and Claims

Funding Sources: TDP - Death & Permanent Total Disability Trust

The Workers' Compensation Commission administers the Death and Permanent Disability Claims Program as established by Act 221 of 1973 (ACA §11-9-301 et seq.) An employee or dependent that has received the maximum benefit of \$75,000 from his/her employer under the provisions of Act 221 of 1973 is then eligible to receive benefits payable by the Commission from this appropriation. Funding is derived from the premium taxing authority authorized in Act 393 of 1983.

The Commission's Change Level requests total \$144,000,000 each year and reflect the following:

Claims increase of \$2,000,000 each year to adequately fund Death and Total Disabled claimant payments.

Investments in the amount of \$142,000,000 each year to invest in the Money Market Management Fund at the Office of the Treasurer.

The Executive Recommendation provides for Agency Request.

The Legislative Recommendation concurs with the Executive Recommendation.

Appropriation Summary

Appropriation: 203 - Refunds and Claims

Funding Sources: TDP - Death & Permanent Total Disability Trust

Commitment Item		2007-2008	2008-2009	2008-2009	2009-2010			2010-2011		
		Actual	Budget	Authorized	Agency	Executive	Legislative	Agency	Executive	Legislative
Refunds/Reimbursements	5110014	10,160	750,000	750,000	750,000	750,000	750,000	750,000	750,000	750,000
Claims	5110015	12,841,928	19,000,000	19,000,000	21,000,000	21,000,000	21,000,000	21,000,000	21,000,000	21,000,000
Investments	5120013	0	0	0	142,000,000	142,000,000	142,000,000	142,000,000	142,000,000	142,000,000
Total		12,852,088	19,750,000	19,750,000	163,750,000	163,750,000	163,750,000	163,750,000	163,750,000	163,750,000
Funding Sources										
Fund Balance	4000005	136,049,795	138,427,114		143,677,114	143,677,114	143,677,114	4,927,114	4,927,114	4,927,114
Trust Fund	4000050	15,229,407	25,000,000		25,000,000	25,000,000	25,000,000	25,000,000	25,000,000	25,000,000
Investments	4000315	0	0		0	0	0	142,000,000	142,000,000	142,000,000
Total Funding		151,279,202	163,427,114		168,677,114	168,677,114	168,677,114	171,927,114	171,927,114	171,927,114
Excess Appropriation/(Funding)		(138,427,114)	(143,677,114)		(4,927,114)	(4,927,114)	(4,927,114)	(8,177,114)	(8,177,114)	(8,177,114)
Grand Total		12,852,088	19,750,000		163,750,000	163,750,000	163,750,000	163,750,000	163,750,000	163,750,000

Investments provide appropriation authority to reinvest Commission fund balances in both years of the biennium.

Analysis of Budget Request

Appropriation: 355 - Administration

Funding Sources: TJW - Workers' Compensation Trust

The Workers' Compensation Commission (WCC) Administration appropriation is comprised of all administrative and judicial functions within the Commission. Funding is derived from a premium tax (limited by law to 3%) on workers' compensation insurance premiums.

Base Level salaries for classified positions reflect the recommendations of the Pay Plan Study as well as the recommendation for the transition of three unclassified positions to classified. Current unclassified positions reflect similar adjustments in line item salaries. A 2.3% Cost of Living Allowance is reflected in the second year of the biennium. The Base Level request for Regular Salaries may include board member Stipend payments and Career Service payments for eligible employees. Personal Services Matching includes a \$75 increase in the monthly contribution for State employee's health insurance for a total State match per budgeted employee of \$425.

The Commission's Change Level requests total \$15,334,200 each year and reflect the following:

- Operating Expenses increase of \$63,700 each year for increases in utilities, maintenance and fuel costs.
- Capital Outlay in the amount of \$20,000 each year to purchase a vehicle for agency use and to allow for reference materials for the Commission's law library.
- Computer Software/Hardware in the sum of \$250,500 each year in accordance with the Commission's IT plan to replace outdated computers, servers, and printers.
- Investments totaling \$15,000,000 each year to invest in the Money Market Management Fund at the Office of the Treasurer.
- A Reallocation of \$10,000 from Data Processing to Operating Expenses to properly classify expenditures.

The Commission also requests to discontinue carry forward special language.

The Executive Recommendation provides for the Agency Request with the exception of Operating Expenses which is approved at Base Level.

The Legislative Recommendation concurs with the Executive Recommendation.

Appropriation Summary

Appropriation: 355 - Administration

Funding Sources: TJW - Workers' Compensation Trust

Commitment Item		2007-2008	2008-2009	2008-2009	2009-2010			2010-2011		
		Actual	Budget	Authorized	Agency	Executive	Legislative	Agency	Executive	Legislative
Regular Salaries	5010000	6,486,894	7,218,946	7,296,480	7,503,847	7,503,847	7,503,847	7,641,620	7,641,620	7,641,620
#Positions		142	153	153	153	153	153	153	153	153
Extra Help	5010001	0	100,000	100,000	100,000	100,000	100,000	100,000	100,000	100,000
#Extra Help		0	2	2	2	2	2	2	2	2
Personal Services Matching	5010003	1,883,833	2,017,105	2,128,400	2,234,723	2,234,723	2,234,723	2,261,789	2,261,789	2,261,789
Overtime	5010006	0	10,000	10,000	10,000	10,000	10,000	10,000	10,000	10,000
Operating Expenses	5020002	1,426,732	1,645,609	1,645,609	1,719,309	1,655,609	1,655,609	1,719,309	1,655,609	1,655,609
Conference & Travel Expenses	5050009	37,391	96,096	96,096	96,096	96,096	96,096	96,096	96,096	96,096
Professional Fees	5060010	76,999	268,464	268,464	268,464	268,464	268,464	268,464	268,464	268,464
Data Processing	5090012	138	10,000	10,000	0	0	0	0	0	0
Refunds/Reimbursements	5110014	13,124	685,500	685,500	685,500	685,500	685,500	685,500	685,500	685,500
Capital Outlay	5120011	8,888	30,000	30,000	20,000	20,000	20,000	20,000	20,000	20,000
Investments	5120013	0	0	0	15,000,000	15,000,000	15,000,000	15,000,000	15,000,000	15,000,000
Computer Software/Hardware	5900044	5,203	103,000	103,000	353,500	353,500	353,500	353,500	353,500	353,500
Total		9,939,202	12,184,720	12,373,549	27,991,439	27,927,739	27,927,739	28,156,278	28,092,578	28,092,578
Funding Sources										
Fund Balance	4000005	9,230,199	11,650,575		15,965,855	15,965,855	15,965,855	4,474,416	4,538,116	4,538,116
Trust Fund	4000050	12,359,578	16,500,000		16,500,000	16,500,000	16,500,000	17,000,000	17,000,000	17,000,000
Investments	4000315	0	0		0	0	0	15,000,000	15,000,000	15,000,000
Total Funding		21,589,777	28,150,575		32,465,855	32,465,855	32,465,855	36,474,416	36,538,116	36,538,116
Excess Appropriation/(Funding)		(11,650,575)	(15,965,855)		(4,474,416)	(4,538,116)	(4,538,116)	(8,318,138)	(8,445,538)	(8,445,538)
Grand Total		9,939,202	12,184,720		27,991,439	27,927,739	27,927,739	28,156,278	28,092,578	28,092,578

Investments provides appropriation authority to reinvest Commission fund balances in both years of the biennium.

Analysis of Budget Request

Appropriation: 356 - Second Injury Claims

Funding Sources: TSW - Second Injury Trust Fund

The Workers' Compensation Commission administers a Second Injury Claims Fund for the purpose of paying claims of permanently disabled persons in accordance with Act 253 of 1979. Funding is derived from the premium taxing authority authorized by Act 393 of 1983.

The Commission requests Base Level for each year of the 2009-11 biennium.

The Executive Recommendation provides for Agency Request.

The Legislative Recommendation concurs with the Executive Recommendation.

Appropriation Summary

Appropriation: 356 - Second Injury Claims

Funding Sources: TSW - Second Injury Trust Fund

Commitment Item		2007-2008	2008-2009	2008-2009	2009-2010			2010-2011		
		Actual	Budget	Authorized	Agency	Executive	Legislative	Agency	Executive	Legislative
Refunds/Reimbursements	5110014	2,117	250,000	250,000	250,000	250,000	250,000	250,000	250,000	250,000
Claims	5110015	2,549,644	9,000,000	9,000,000	9,000,000	9,000,000	9,000,000	9,000,000	9,000,000	9,000,000
Total		2,551,761	9,250,000	9,250,000	9,250,000	9,250,000	9,250,000	9,250,000	9,250,000	9,250,000
Funding Sources										
Fund Balance	4000005	4,870,086	4,235,429		0	0	0	0	0	0
Trust Fund	4000050	1,917,104	5,014,571		4,500,000	4,500,000	4,500,000	4,500,000	4,500,000	4,500,000
Total Funding		6,787,190	9,250,000		4,500,000	4,500,000	4,500,000	4,500,000	4,500,000	4,500,000
Excess Appropriation/(Funding)		(4,235,429)	0		4,750,000	4,750,000	4,750,000	4,750,000	4,750,000	4,750,000
Grand Total		2,551,761	9,250,000		9,250,000	9,250,000	9,250,000	9,250,000	9,250,000	9,250,000

Analysis of Budget Request

Appropriation: 866 - Seminar-Cash in Treasury

Funding Sources: NWC - Cash in Treasury

The Workers' Compensation Commission (WCC) annually hosts the Arkansas WCC Education Conference for interested companies, attorneys, and individuals. Registration and exhibit booth fees collected pay the expenses of the conference and contribute to "Kids Chance" scholarships. This scholarship program assists the children of employees who died as a result of a job-related accident or children of employees who were permanently and totally disabled in a compensable accident under the state workers' compensation laws. The scholarships allow students to continue their education at a vocational/technical school, college, or a university.

The Commission requests Base Level for each year of the 2009-11 biennium.

The Executive Recommendation provides for Agency Request. Expenditure of appropriation is contingent upon available funding.

The Legislative Recommendation concurs with the Executive Recommendation.

Appropriation Summary

Appropriation: 866 - Seminar-Cash in Treasury

Funding Sources: NWC - Cash in Treasury

Commitment Item		2007-2008	2008-2009	2008-2009	2009-2010			2010-2011		
		Actual	Budget	Authorized	Agency	Executive	Legislative	Agency	Executive	Legislative
Operating Expenses	5020002	20,040	85,000	85,000	85,000	85,000	85,000	85,000	85,000	85,000
Conference & Travel Expenses	5050009	0	0	0	0	0	0	0	0	0
Professional Fees	5060010	0	15,000	15,000	15,000	15,000	15,000	15,000	15,000	15,000
Data Processing	5090012	0	0	0	0	0	0	0	0	0
Scholarships	5100030	40,000	40,000	40,000	40,000	40,000	40,000	40,000	40,000	40,000
Capital Outlay	5120011	0	0	0	0	0	0	0	0	0
Total		60,040	140,000	140,000	140,000	140,000	140,000	140,000	140,000	140,000

Funding Sources										
Fund Balance	4000005	173,892	193,683		103,683	103,683	103,683	13,683	13,683	13,683
Cash Fund	4000045	79,831	50,000		50,000	50,000	50,000	50,000	50,000	50,000
Total Funding		253,723	243,683		153,683	153,683	153,683	63,683	63,683	63,683
Excess Appropriation/(Funding)		(193,683)	(103,683)		(13,683)	(13,683)	(13,683)	76,317	76,317	76,317
Grand Total		60,040	140,000		140,000	140,000	140,000	140,000	140,000	140,000