

Department Appropriation Summary

Historical Data

Agency Request and Executive/Legislative Recommendation

| Appropriation | 2009-2010 | | 2010-2011 | | 2010-2011 | | 2011-2012 | | | | | | 2012-2013 | | | | | | |
|------------------------------|-------------------|------------|--------------------|------------|--------------------|------------|--------------------|------------|--------------------|------------|--------------------|------------|--------------------|------------|--------------------|------------|--------------------|------------|--------------------|
| | 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 | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0 |
| 203 Refunds and Claims | 14,481,764 | 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 | 163,750,000 | 0 | 163,750,000 | 0 | 163,750,000 |
| 355 Administration | 10,051,829 | 122 | 27,897,821 | 153 | 28,092,578 | 153 | 27,660,488 | 148 | 27,961,803 | 148 | 27,961,803 | 148 | 27,663,782 | 148 | 28,086,822 | 148 | 28,086,822 | 148 | 28,086,822 |
| 356 Second Injury Claims | 1,005,481 | 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 | 9,250,000 |
| 866 Seminar-Cash in Treasury | 8,994 | 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 | 140,000 |
| Total | 25,548,068 | 122 | 205,037,821 | 153 | 205,232,578 | 153 | 200,800,488 | 148 | 201,101,803 | 148 | 201,101,803 | 148 | 200,803,782 | 148 | 201,226,822 | 148 | 201,226,822 | 148 | 201,226,822 |

| Funding Sources | | % | | % | | % | | % | | % | | % | | % | | % | | % | |
|--------------------------------|---------|--------------------|--------------|--------------------|--------------|---|--|--------------------|--------------|--------------------|--------------|--------------------|--------------|--------------------|--------------|--------------------|--------------|--------------------|--------------|
| Fund Balance | 4000005 | 157,699,590 | 88.8 | 152,088,402 | 74.2 | | | 32,204 | 0.1 | 32,204 | 0.1 | 32,204 | 0.1 | 0 | 0.0 | 0 | 0.0 | 0 | 0.0 |
| Cash Fund | 4000045 | 6,375 | 0.0 | 30,000 | 0.0 | | | 30,000 | 0.1 | 30,000 | 0.1 | 30,000 | 0.1 | 30,000 | 0.1 | 30,000 | 0.1 | 30,000 | 0.1 |
| Trust Fund | 4000050 | 19,927,902 | 11.2 | 52,951,623 | 25.8 | | | 48,730,000 | 99.9 | 48,730,000 | 99.9 | 48,730,000 | 99.9 | 48,730,000 | 99.9 | 48,730,000 | 99.9 | 48,730,000 | 99.9 |
| M & R Sales | 4000340 | 2,603 | 0.0 | 0 | 0.0 | | | 0 | 0.0 | 0 | 0.0 | 0 | 0.0 | 0 | 0.0 | 0 | 0.0 | 0 | 0.0 |
| Total Funds | | 177,636,470 | 100.0 | 205,070,025 | 100.0 | | | 48,792,204 | 100.0 | 48,792,204 | 100.0 | 48,792,204 | 100.0 | 48,760,000 | 100.0 | 48,760,000 | 100.0 | 48,760,000 | 100.0 |
| Excess Appropriation/(Funding) | | (152,088,402) | | (32,204) | | | | 152,008,284 | | 152,309,599 | | 152,309,599 | | 152,043,782 | | 152,466,822 | | 152,466,822 | |
| Grand Total | | 25,548,068 | | 205,037,821 | | | | 200,800,488 | | 201,101,803 | | 201,101,803 | | 200,803,782 | | 201,226,822 | | 201,226,822 | |

Investments provide appropriation authority to reinvest Commission fund balances in both years of the biennium in Refunds and Claims (203) and Administration (355). Variance in fund balances due to unfunded appropriation.

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 Base Level for this appropriation is \$4,000,000 each year of the biennium.

The Commission is requesting to discontinue this appropriation due to lack of participation.

The Executive Recommendation provides for the Agency Request.

The Legislative Recommendation provides with the Executive Recommendation.

Appropriation Summary

Appropriation: 113 - Purchase Annuities

Funding Sources: TDP - Death & Permanent Total Disability Trust

| Commitment Item | 2009-2010 | 2010-2011 | 2010-2011 | 2011-2012 | | | 2012-2013 | | |
|--------------------------------|-----------|-----------|------------|-----------|-----------|-------------|-----------|-----------|-------------|
| | Actual | Budget | Authorized | Agency | Executive | Legislative | Agency | Executive | Legislative |
| Purchase Annuities 5900046 | 0 | 4,000,000 | 4,000,000 | 0 | 0 | 0 | 0 | 0 | 0 |
| Total | 0 | 4,000,000 | 4,000,000 | 0 | 0 | 0 | 0 | 0 | 0 |
| Funding Sources | | | | | | | | | |
| Trust Fund 4000050 | 0 | 4,000,000 | | 0 | 0 | 0 | 0 | 0 | 0 |
| Total Funding | 0 | 4,000,000 | | 0 | 0 | 0 | 0 | 0 | 0 |
| Excess Appropriation/(Funding) | 0 | 0 | | 0 | 0 | 0 | 0 | 0 | 0 |
| Grand Total | 0 | 4,000,000 | | 0 | 0 | 0 | 0 | 0 | 0 |

THIS APPROPRIATION NOT REQUESTED FOR THE 2011-2013 BIENNIUM.

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 requests Base Level of \$163,750,000 for each year of the biennium.

The Executive Recommendation provides for the 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 | | 2009-2010 | 2010-2011 | 2010-2011 | 2011-2012 | | | 2012-2013 | | |
|--------------------------------|---------|--------------------|--------------------|--------------------|--------------------|--------------------|--------------------|--------------------|--------------------|--------------------|
| | | Actual | Budget | Authorized | Agency | Executive | Legislative | Agency | Executive | Legislative |
| Refunds/Reimbursements | 5110014 | 3,390 | 750,000 | 750,000 | 750,000 | 750,000 | 750,000 | 750,000 | 750,000 | 750,000 |
| Claims | 5110015 | 14,478,374 | 21,000,000 | 21,000,000 | 21,000,000 | 21,000,000 | 21,000,000 | 21,000,000 | 21,000,000 | 21,000,000 |
| Investments | 5120013 | 0 | 142,000,000 | 142,000,000 | 142,000,000 | 142,000,000 | 142,000,000 | 142,000,000 | 142,000,000 | 142,000,000 |
| Total | | 14,481,764 | 163,750,000 | 163,750,000 | 163,750,000 | 163,750,000 | 163,750,000 | 163,750,000 | 163,750,000 | 163,750,000 |
| Funding Sources | | | | | | | | | | |
| Fund Balance | 4000005 | 142,275,784 | 138,712,667 | | 0 | 0 | 0 | 0 | 0 | 0 |
| Trust Fund | 4000050 | 10,918,647 | 25,037,333 | | 25,000,000 | 25,000,000 | 25,000,000 | 25,000,000 | 25,000,000 | 25,000,000 |
| Total Funding | | 153,194,431 | 163,750,000 | | 25,000,000 | 25,000,000 | 25,000,000 | 25,000,000 | 25,000,000 | 25,000,000 |
| Excess Appropriation/(Funding) | | (138,712,667) | 0 | | 138,750,000 | 138,750,000 | 138,750,000 | 138,750,000 | 138,750,000 | 138,750,000 |
| Grand Total | | 14,481,764 | 163,750,000 | | 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 and matching do not include appropriation for a Cost of Living Adjustment or Career Service Payments. The Base Level salary of unclassified positions reflects the FY11 line item maximum.

The Commission requests a Base Level of \$27,890,327 each year of the biennium and includes the following Change Level Requests:

- Operating Expenses increase \$63,500 each year for increases in utilities, minor building repairs and maintenance, debt service, and fuel costs
- Capital Outlay increase \$30,000 each year for purchase of a new vehicle as a replacement if needed and additions to the law library.
- Computer Software/Hardware decrease \$170,800 each year due to additional appropriation levels not being needed to maintain the Commission information technology plan
- Discontinue 5 positions; two Administrative Specialist III, two Administrative Specialist II, and one Administrative Specialist I and associated Personal Services Matching Decreases due to positions no longer being needed as a result of job duty consolidation
- Total reclass increase of \$6,763 in FY12 and \$10,057 FY13 due to one WCC ASST Chief Executive Officer requested to become unclassified, total includes Matching increases

The Executive Recommendation provides for the Agency Request with the exception of the reclassification of the WCC ASST Chief Executive Officer. Replacement of aging, high mileage vehicle will be determined in accordance with A.C.A. §22-8-201 et seq., Automobile and Pickup Truck Acquisition Act, which establishes guidelines for automobile replacement.

The Legislative Recommendation concurs with the Executive Recommendation.

Appropriation Summary

Appropriation: 355 - Administration

Funding Sources: TJW - Workers' Compensation Trust

| Commitment Item | | 2009-2010 | 2010-2011 | 2010-2011 | 2011-2012 | | | 2012-2013 | | |
|------------------------------|---------|-------------------|-------------------|-------------------|-------------------|-------------------|-------------------|-------------------|-------------------|-------------------|
| | | Actual | Budget | Authorized | Agency | Executive | Legislative | Agency | Executive | Legislative |
| Regular Salaries | 5010000 | 6,547,636 | 7,531,931 | 7,641,620 | 7,377,356 | 7,640,352 | 7,640,352 | 7,380,106 | 7,745,557 | 7,745,557 |
| #Positions | | 122 | 153 | 153 | 148 | 148 | 148 | 148 | 148 | 148 |
| Extra Help | 5010001 | 6,558 | 100,000 | 100,000 | 100,000 | 100,000 | 100,000 | 100,000 | 100,000 | 100,000 |
| #Extra Help | | 1 | 2 | 2 | 2 | 2 | 2 | 2 | 2 | 2 |
| Personal Services Matching | 5010003 | 1,926,028 | 2,176,721 | 2,261,789 | 2,191,263 | 2,229,582 | 2,229,582 | 2,191,807 | 2,249,396 | 2,249,396 |
| Overtime | 5010006 | 0 | 10,000 | 10,000 | 10,000 | 10,000 | 10,000 | 10,000 | 10,000 | 10,000 |
| Operating Expenses | 5020002 | 1,336,380 | 1,655,609 | 1,655,609 | 1,719,109 | 1,719,109 | 1,719,109 | 1,719,109 | 1,719,109 | 1,719,109 |
| Conference & Travel Expenses | 5050009 | 32,611 | 96,096 | 96,096 | 96,096 | 96,096 | 96,096 | 96,096 | 96,096 | 96,096 |
| Professional Fees | 5060010 | 36,935 | 268,464 | 268,464 | 268,464 | 268,464 | 268,464 | 268,464 | 268,464 | 268,464 |
| Data Processing | 5090012 | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0 |
| Refunds/Reimbursements | 5110014 | 3,390 | 685,500 | 685,500 | 685,500 | 685,500 | 685,500 | 685,500 | 685,500 | 685,500 |
| Capital Outlay | 5120011 | 1,736 | 20,000 | 20,000 | 30,000 | 30,000 | 30,000 | 30,000 | 30,000 | 30,000 |
| Investments | 5120013 | 0 | 15,000,000 | 15,000,000 | 15,000,000 | 15,000,000 | 15,000,000 | 15,000,000 | 15,000,000 | 15,000,000 |
| Computer Software/Hardware | 5900044 | 160,555 | 353,500 | 353,500 | 182,700 | 182,700 | 182,700 | 182,700 | 182,700 | 182,700 |
| Total | | 10,051,829 | 27,897,821 | 28,092,578 | 27,660,488 | 27,961,803 | 27,961,803 | 27,663,782 | 28,086,822 | 28,086,822 |

| Funding Sources | | | | | | | | | | |
|--------------------------------|---------|-------------------|-------------------|--|-------------------|-------------------|-------------------|-------------------|-------------------|-------------------|
| Fund Balance | 4000005 | 12,213,620 | 11,116,733 | | 0 | 0 | 0 | 0 | 0 | 0 |
| Trust Fund | 4000050 | 8,952,339 | 16,781,088 | | 16,600,000 | 16,600,000 | 16,600,000 | 16,600,000 | 16,600,000 | 16,600,000 |
| M & R Sales | 4000340 | 2,603 | 0 | | 0 | 0 | 0 | 0 | 0 | 0 |
| Total Funding | | 21,168,562 | 27,897,821 | | 16,600,000 | 16,600,000 | 16,600,000 | 16,600,000 | 16,600,000 | 16,600,000 |
| Excess Appropriation/(Funding) | | (11,116,733) | 0 | | 11,060,488 | 11,361,803 | 11,361,803 | 11,063,782 | 11,486,822 | 11,486,822 |
| Grand Total | | 10,051,829 | 27,897,821 | | 27,660,488 | 27,961,803 | 27,961,803 | 27,663,782 | 28,086,822 | 28,086,822 |

Investments provide 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 A.C.A. 19-5-911 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. Act 1415 of 200 provided that no claims shall be made against the Second Injury Trust Fund on or after January 1, 2008. The Commission appropriation need for this program is due to claims prior to January 1, 2008.

The Commission requests Base Level of \$9,250,000 each year of the biennium.

The Executive Recommendation provides for the 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 | | 2009-2010 | 2010-2011 | 2010-2011 | 2011-2012 | | | 2012-2013 | | |
|--------------------------------|---------|------------------|------------------|------------------|------------------|------------------|------------------|------------------|------------------|------------------|
| | | Actual | Budget | Authorized | Agency | Executive | Legislative | Agency | Executive | Legislative |
| Refunds/Reimbursements | 5110014 | 0 | 250,000 | 250,000 | 250,000 | 250,000 | 250,000 | 250,000 | 250,000 | 250,000 |
| Claims | 5110015 | 1,005,481 | 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 | | 1,005,481 | 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 | 3,065,363 | 2,116,798 | | 0 | 0 | 0 | 0 | 0 | 0 |
| Trust Fund | 4000050 | 56,916 | 7,133,202 | | 7,130,000 | 7,130,000 | 7,130,000 | 7,130,000 | 7,130,000 | 7,130,000 |
| Total Funding | | 3,122,279 | 9,250,000 | | 7,130,000 | 7,130,000 | 7,130,000 | 7,130,000 | 7,130,000 | 7,130,000 |
| Excess Appropriation/(Funding) | | (2,116,798) | 0 | | 2,120,000 | 2,120,000 | 2,120,000 | 2,120,000 | 2,120,000 | 2,120,000 |
| Grand Total | | 1,005,481 | 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 of \$144,000 each year of the biennium.

The Executive Recommendation provides for the Agency Request. Expenditure of appropriation is contingent on 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 | | 2009-2010 | 2010-2011 | 2010-2011 | 2011-2012 | | | 2012-2013 | | |
|--------------------------------|---------|----------------|----------------|----------------|----------------|----------------|----------------|----------------|----------------|----------------|
| | | Actual | Budget | Authorized | Agency | Executive | Legislative | Agency | Executive | Legislative |
| Operating Expenses | 5020002 | 3,944 | 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 | 5,050 | 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 | | 8,994 | 140,000 | 140,000 | 140,000 | 140,000 | 140,000 | 140,000 | 140,000 | 140,000 |
| Funding Sources | | | | | | | | | | |
| Fund Balance | 4000005 | 144,823 | 142,204 | | 32,204 | 32,204 | 32,204 | 0 | 0 | 0 |
| Cash Fund | 4000045 | 6,375 | 30,000 | | 30,000 | 30,000 | 30,000 | 30,000 | 30,000 | 30,000 |
| Total Funding | | 151,198 | 172,204 | | 62,204 | 62,204 | 62,204 | 30,000 | 30,000 | 30,000 |
| Excess Appropriation/(Funding) | | (142,204) | (32,204) | | 77,796 | 77,796 | 77,796 | 110,000 | 110,000 | 110,000 |
| Grand Total | | 8,994 | 140,000 | | 140,000 | 140,000 | 140,000 | 140,000 | 140,000 | 140,000 |