

## Department Appropriation Summary

### Historical Data

### Agency Request and Executive/Legislative Recommendation

Appropriation	2011-2012		2012-2013		2012-2013		2013-2014						2014-2015					
	Actual	Pos	Budget	Pos	Authorized	Pos	Agency	Pos	Executive	Pos	Legislative	Pos	Agency	Pos	Executive	Pos	Legislative	Pos
203 Refunds and Claims	15,488,683	0	163,750,000	0	163,750,000	0	158,750,000	0	158,750,000	0	158,750,000	0	158,750,000	0	158,750,000	0	158,750,000	0
355 Administration	10,078,846	117	27,808,394	148	28,086,822	148	27,897,603	146	28,035,738	146	28,035,738	146	27,903,762	146	28,041,892	146	28,041,892	146
356 Second Injury Claims	208,080	0	9,250,000	0	9,250,000	0	7,250,000	0	7,250,000	0	7,250,000	0	7,250,000	0	7,250,000	0	7,250,000	0
866 Seminar-Cash in Treasury	75	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
99T Building Repair	17,388	0	352,775	0	352,775	0	105,450	0	105,450	0	105,450	0	105,450	0	105,450	0	105,450	0
<b>Total</b>	<b>25,793,072</b>	<b>117</b>	<b>201,301,169</b>	<b>148</b>	<b>201,579,597</b>	<b>148</b>	<b>194,143,053</b>	<b>146</b>	<b>194,281,188</b>	<b>146</b>	<b>194,281,188</b>	<b>146</b>	<b>194,149,212</b>	<b>146</b>	<b>194,287,342</b>	<b>146</b>	<b>194,287,342</b>	<b>146</b>

Funding Sources		%		%		%		%		%		%		%		%	
Fund Balance 4000005	144,972,299	86.8	141,171,653	70.1		30,567	0.1	30,567	0.1	30,567	0.1	295,694	0.5	295,694	0.5	295,694	0.5
Cash Fund 4000045	475	0.0	22,000	0.0		22,000	0.0	22,000	0.0	22,000	0.0	22,000	0.0	22,000	0.0	22,000	0.0
Trust Fund 4000050	21,991,951	13.2	60,138,083	29.9		59,890,758	99.9	59,890,758	99.9	59,890,758	99.9	59,890,758	99.5	59,890,758	99.5	59,890,758	99.5
Total Funds	166,964,725	100.0	201,331,736	100.0		59,943,325	100.0	59,943,325	100.0	59,943,325	100.0	60,208,452	100.0	60,208,452	100.0	60,208,452	100.0
Excess Appropriation/(Funding)	(141,171,653)		(30,567)			134,199,728		134,337,863		134,337,863		133,940,760		134,078,890		134,078,890	
Grand Total	25,793,072		201,301,169			194,143,053		194,281,188		194,281,188		194,149,212		194,287,342		194,287,342	

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

## **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 Agency's Base Level is \$163,750,000 each year of the biennium which includes Refunds/Reimbursements, Claims, and Investments.

The Commission is requesting a Change Level decrease of (\$5,000,000) each year of the biennium in the Investments line item due to a decrease in revenue.

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		2011-2012	2012-2013	2012-2013	2013-2014			2014-2015		
		Actual	Budget	Authorized	Agency	Executive	Legislative	Agency	Executive	Legislative
Refunds/Reimbursements	5110014	13,702	750,000	750,000	750,000	750,000	750,000	750,000	750,000	750,000
Claims	5110015	15,474,981	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	137,000,000	137,000,000	137,000,000	137,000,000	137,000,000	137,000,000
<b>Total</b>		<b>15,488,683</b>	<b>163,750,000</b>	<b>163,750,000</b>	<b>158,750,000</b>	<b>158,750,000</b>	<b>158,750,000</b>	<b>158,750,000</b>	<b>158,750,000</b>	<b>158,750,000</b>
<b>Funding Sources</b>										
Fund Balance	4000005	132,780,424	128,524,648		0	0	0	0	0	0
Trust Fund	4000050	11,232,907	35,225,352		35,225,352	35,225,352	35,225,352	35,225,352	35,225,352	35,225,352
<b>Total Funding</b>		<b>144,013,331</b>	<b>163,750,000</b>		<b>35,225,352</b>	<b>35,225,352</b>	<b>35,225,352</b>	<b>35,225,352</b>	<b>35,225,352</b>	<b>35,225,352</b>
Excess Appropriation/(Funding)		(128,524,648)	0		123,524,648	123,524,648	123,524,648	123,524,648	123,524,648	123,524,648
<b>Grand Total</b>		<b>15,488,683</b>	<b>163,750,000</b>		<b>158,750,000</b>	<b>158,750,000</b>	<b>158,750,000</b>	<b>158,750,000</b>	<b>158,750,000</b>	<b>158,750,000</b>

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 Regular Salaries and Personal Services Matching includes Career Service payments for eligible employees. Personal Services Matching also includes a \$20 increase in the monthly contribution for State employee's health insurance for a total State match per budgeted employee of \$410 per month. Base Level salaries and matching do not include appropriation for a Cost of Living Adjustment or Merit Pay Increases.

The Agency's Base Level request is \$27,857,577 in FY14 and \$27,863,736 in FY15 with one hundred forty-eight (148) budgeted base level positions.

The Change Level requests are as follows:

- Discontinue two (2) positions, totaling \$67,274 each year, due to the duties being absorbed through technology.
- Capital Outlay increase \$30,000 each year for the purchase of a new vehicle and Library Holdings.
- Computer Software/Hardware increase \$77,300 each year for servers and other outdated equipment (referenced on page 8, 11, and 13, under the "Cost Section" in the Agency's IT Plan.)

The Executive Recommendation provides for the Agency Request.

The Legislative Recommendation concurs with the Executive Recommendation.

## Appropriation Summary

**Appropriation:** 355 - Administration

**Funding Sources:** TJW - Workers' Compensation Trust

Commitment Item		2011-2012	2012-2013	2012-2013	2013-2014			2014-2015		
		Actual	Budget	Authorized	Agency	Executive	Legislative	Agency	Executive	Legislative
Regular Salaries	5010000	6,594,762	7,396,616	7,745,557	7,382,589	7,479,941	7,479,941	7,386,789	7,484,141	7,484,141
<b>#Positions</b>		<b>117</b>	<b>148</b>	<b>148</b>	<b>146</b>	<b>146</b>	<b>146</b>	<b>146</b>	<b>146</b>	<b>146</b>
Extra Help	5010001	2,551	100,000	100,000	100,000	100,000	100,000	100,000	100,000	100,000
<b>#Extra Help</b>		<b>1</b>	<b>2</b>	<b>2</b>	<b>2</b>	<b>2</b>	<b>2</b>	<b>2</b>	<b>2</b>	<b>2</b>
Personal Services Matching	5010003	2,048,086	2,319,934	2,249,396	2,345,870	2,386,653	2,386,653	2,347,829	2,388,607	2,388,607
Overtime	5010006	6	10,000	10,000	10,000	10,000	10,000	10,000	10,000	10,000
Operating Expenses	5020002	1,249,272	1,719,084	1,719,109	1,719,084	1,719,084	1,719,084	1,719,084	1,719,084	1,719,084
Conference & Travel Expenses	5050009	28,786	96,096	96,096	96,096	96,096	96,096	96,096	96,096	96,096
Professional Fees	5060010	21,262	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	13,702	685,500	685,500	685,500	685,500	685,500	685,500	685,500	685,500
Capital Outlay	5120011	1,667	30,000	30,000	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	118,752	182,700	182,700	260,000	260,000	260,000	260,000	260,000	260,000
<b>Total</b>		<b>10,078,846</b>	<b>27,808,394</b>	<b>28,086,822</b>	<b>27,897,603</b>	<b>28,035,738</b>	<b>28,035,738</b>	<b>27,903,762</b>	<b>28,041,892</b>	<b>28,041,892</b>

Funding Sources										
Fund Balance	4000005	10,184,442	10,824,273		30,141	30,141	30,141	0	0	0
Trust Fund	4000050	10,718,677	17,014,262		17,014,262	17,014,262	17,014,262	17,014,262	17,014,262	17,014,262
Total Funding		20,903,119	27,838,535		17,044,403	17,044,403	17,044,403	17,014,262	17,014,262	17,014,262
Excess Appropriation/(Funding)		(10,824,273)	(30,141)		10,853,200	10,991,335	10,991,335	10,889,500	11,027,630	11,027,630
<b>Grand Total</b>		<b>10,078,846</b>	<b>27,808,394</b>		<b>27,897,603</b>	<b>28,035,738</b>	<b>28,035,738</b>	<b>27,903,762</b>	<b>28,041,892</b>	<b>28,041,892</b>

FY13 Budget amount in Personal Services Matching exceeds the authorized amount due to matching rate adjustments during the 2011-2013 Biennium.

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 Agency's Base Level request is \$9,250,000 each year of the biennium which includes Refunds/Reimbursements and Claims.

The Agency's Change Level request is a decrease each year of (\$2,000,000) in the Claims line item due to the Commission no longer taking new recipients for this program. The Agency is currently working with 100 to 200 injured workers. The total request for this appropriation is \$7,250,000 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		2011-2012	2012-2013	2012-2013	2013-2014			2014-2015		
		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	208,080	9,000,000	9,000,000	7,000,000	7,000,000	7,000,000	7,000,000	7,000,000	7,000,000
<b>Total</b>		<b>208,080</b>	<b>9,250,000</b>	<b>9,250,000</b>	<b>7,250,000</b>	<b>7,250,000</b>	<b>7,250,000</b>	<b>7,250,000</b>	<b>7,250,000</b>	<b>7,250,000</b>
<b>Funding Sources</b>										
Fund Balance	4000005	1,889,407	1,704,306		0	0	0	295,694	295,694	295,694
Trust Fund	4000050	22,979	7,545,694		7,545,694	7,545,694	7,545,694	7,545,694	7,545,694	7,545,694
<b>Total Funding</b>		<b>1,912,386</b>	<b>9,250,000</b>		<b>7,545,694</b>	<b>7,545,694</b>	<b>7,545,694</b>	<b>7,841,388</b>	<b>7,841,388</b>	<b>7,841,388</b>
Excess Appropriation/(Funding)		(1,704,306)	0		(295,694)	(295,694)	(295,694)	(591,388)	(591,388)	(591,388)
<b>Grand Total</b>		<b>208,080</b>	<b>9,250,000</b>		<b>7,250,000</b>	<b>7,250,000</b>	<b>7,250,000</b>	<b>7,250,000</b>	<b>7,250,000</b>	<b>7,250,000</b>

## **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 \$140,000 each year of the Biennium.

The Executive Recommendation provides for the Agency Request. Expenditure of this 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		2011-2012	2012-2013	2012-2013	2013-2014			2014-2015		
		Actual	Budget	Authorized	Agency	Executive	Legislative	Agency	Executive	Legislative
Operating Expenses	5020002	75	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	0	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
<b>Total</b>		<b>75</b>	<b>140,000</b>	<b>140,000</b>	<b>140,000</b>	<b>140,000</b>	<b>140,000</b>	<b>140,000</b>	<b>140,000</b>	<b>140,000</b>

Funding Sources										
Fund Balance	4000005	118,026	118,426		426	426	426	0	0	0
Cash Fund	4000045	475	22,000		22,000	22,000	22,000	22,000	22,000	22,000
<b>Total Funding</b>		<b>118,501</b>	<b>140,426</b>		<b>22,426</b>	<b>22,426</b>	<b>22,426</b>	<b>22,000</b>	<b>22,000</b>	<b>22,000</b>
Excess Appropriation/(Funding)		(118,426)	(426)		117,574	117,574	117,574	118,000	118,000	118,000
<b>Grand Total</b>		<b>75</b>	<b>140,000</b>		<b>140,000</b>	<b>140,000</b>	<b>140,000</b>	<b>140,000</b>	<b>140,000</b>	<b>140,000</b>

## **Analysis of Budget Request**

**Appropriation:** 99T - Building Repair

**Funding Sources:** TJW - Workers' Compensation Trust

This appropriation is for maintenance, renovation, equipping, construction, improvement, upgrade and repair projects for the Workers' Compensation Commission. It is funded from the Workers' Compensation Fund.

The Agency's Base Level request is \$352,775 each year of the biennium which includes Building Repairs and Maintenance.

The Agency's Change Level request is a decrease of (\$247,325) each year of the biennium. This appropriation is mainly used for minor building repairs and maintenance.

The Executive Recommendation provides for the Agency Request.

The Legislative Recommendation concurs with the Executive Recommendation.

## Appropriation Summary

**Appropriation:** 99T - Building Repair

**Funding Sources:** TJW - Workers' Compensation Trust

Commitment Item	2011-2012	2012-2013	2012-2013	2013-2014			2014-2015		
	Actual	Budget	Authorized	Agency	Executive	Legislative	Agency	Executive	Legislative
Buidling Repairs and Maintenance 5090005	17,388	352,775	352,775	105,450	105,450	105,450	105,450	105,450	105,450
Total	17,388	352,775	352,775	105,450	105,450	105,450	105,450	105,450	105,450

Funding Sources									
Trust Fund 4000050	17,388	352,775		105,450	105,450	105,450	105,450	105,450	105,450
Total Funding	17,388	352,775		105,450	105,450	105,450	105,450	105,450	105,450
Excess Appropriation/(Funding)	0	0		0	0	0	0	0	0
Grand Total	17,388	352,775		105,450	105,450	105,450	105,450	105,450	105,450