

Department Appropriation Summary

Historical Data

Agency Request and Executive/Legislative Recommendation

Appropriation	2013-2014		2014-2015		2014-2015		2015-2016						2016-2017					
	Actual	Pos	Budget	Pos	Authorized	Pos	Agency	Pos	Executive	Pos	Legislative	Pos	Agency	Pos	Executive	Pos	Legislative	Pos
203 Refunds and Claims	15,600,277	0	158,750,000	0	158,750,000	0	151,750,000	0	151,750,000	0	151,750,000	0	151,750,000	0	151,750,000	0	151,750,000	0
355 Administration	9,735,835	109	27,768,565	146	28,041,892	146	26,771,084	144	26,771,084	144	26,771,084	144	26,778,341	144	26,778,341	144	26,778,341	144
356 Second Injury Claims	26,891	0	7,250,000	0	7,250,000	0	4,250,000	0	4,250,000	0	4,250,000	0	4,250,000	0	4,250,000	0	4,250,000	0
866 Seminar-Cash in Treasury	10,000	0	140,000	0	140,000	0	140,000	0	140,000	0	140,000	0	140,000	0	140,000	0	140,000	0
99T Building Repair	0	0	105,450	0	105,450	0	500,000	0	105,450	0	105,450	0	500,000	0	105,450	0	105,450	0
Total	25,373,003	109	194,014,015	146	194,287,342	146	183,411,084	144	183,016,534	144	183,016,534	144	183,418,341	144	183,023,791	144	183,023,791	144

Funding Sources		%		%		%		%		%		%		%		%	
Fund Balance 4000005	134,386,011	86.9	129,236,604	66.5		181,290	0.3	181,290	0.3	181,290	0.3	0	0.0	0	0.0	0	0.0
Cash Fund 4000045	409	0.0	33,000	0.0		33,000	0.1	33,000	0.1	33,000	0.1	33,000	0.1	33,000	0.1	33,000	0.1
Trust Fund 4000050	20,223,187	13.1	64,925,701	33.4		54,268,805	99.6	53,874,255	99.6	53,874,255	99.6	54,268,805	99.9	53,874,255	99.9	53,874,255	99.9
Total Funds	154,609,607	100.0	194,195,305	100.0		54,483,095	100.0	54,088,545	100.0	54,088,545	100.0	54,301,805	100.0	53,907,255	100.0	53,907,255	100.0
Excess Appropriation/(Funding)	(129,236,604)		(181,290)			128,927,989		128,927,989		128,927,989		129,116,536		129,116,536		129,116,536	
Grand Total	25,373,003		194,014,015			183,411,084		183,016,534		183,016,534		183,418,341		183,023,791		183,023,791	

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 \$158,750,000 each year of the 2015-2017 Biennium which includes Refunds/Reimbursements, Claims, and Investments.

The Commission is requesting a Change Level decrease of (\$7,000,000) each year of the biennium in the Investments line item due to declining 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		2013-2014	2014-2015	2014-2015	2015-2016			2016-2017		
		Actual	Budget	Authorized	Agency	Executive	Legislative	Agency	Executive	Legislative
Refunds/Reimbursements	5110014	523,047	750,000	750,000	750,000	750,000	750,000	750,000	750,000	750,000
Claims	5110015	15,077,230	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	137,000,000	137,000,000	130,000,000	130,000,000	130,000,000	130,000,000	130,000,000	130,000,000
Total		15,600,277	158,750,000	158,750,000	151,750,000	151,750,000	151,750,000	151,750,000	151,750,000	151,750,000
Funding Sources										
Fund Balance	4000005	122,508,721	117,381,305		177,210	177,210	177,210	0	0	0
Trust Fund	4000050	10,472,861	41,545,905		34,545,905	34,545,905	34,545,905	34,545,905	34,545,905	34,545,905
Total Funding		132,981,582	158,927,210		34,723,115	34,723,115	34,723,115	34,545,905	34,545,905	34,545,905
Excess Appropriation/(Funding)		(117,381,305)	(177,210)		117,026,885	117,026,885	117,026,885	117,204,095	117,204,095	117,204,095
Grand Total		15,600,277	158,750,000		151,750,000	151,750,000	151,750,000	151,750,000	151,750,000	151,750,000

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 Regular Salaries and Personal Services Matching include continuation of the previously authorized 2015 1% Cost of Living Adjustment and Career Service Payments for eligible employees. Personal Services Matching also includes a \$10 increase in the monthly contribution for State employee's health insurance for a total State match per budgeted employee of \$420 per month. Base Level salaries and matching do not include appropriation for Merit Pay Increases. The Base Level salary of unclassified positions reflects the FY15 line item maximum plus the previously authorized 2015 1% Cost of Living Adjustment.

The Agency's Base Level request is \$27,812,558 in FY16 and \$27,819,815 in FY17 with one hundred forty-six (146) budgeted base level positions.

The Agency's Change Level requests totaling (\$1,041,474) each year are as follows:

- Discontinue two (2) positions, an Administrative Specialist III Grade C112 and Mail Services Coordinator Grade C107, totaling (\$65,274) each year in Regular Salaries and Personal Services Matching, due to the duties being absorbed through technology.
- Reclassifications on three (3) positions: a (C009C) Hearing Reporter Grade C118 to (C010C) Executive Assistant to Director Grade C118; a (G076C) Administrative Services Manager Grade C124 to (A042C) Insurance Senior Examiner Grade C122; and a (X123C) Insurance Investigator Grade C116 to (A093C) Statistician Grade C114.
- Capital Outlay increase \$40,000 each year for the purchase of a new vehicle and Library Holdings.
- Investments decrease (\$1,000,000) each year.
- Computer Software/Hardware decrease (\$16,200) each year.

The Executive Recommendation provides for the Agency Request, with the exception of the position reclassifications.

The Legislative Recommendation concurs with the Executive Recommendation.

Appropriation Summary

Appropriation: 355 - Administration

Funding Sources: TJW - Workers' Compensation Trust

Commitment Item		2013-2014	2014-2015	2014-2015	2015-2016			2016-2017		
		Actual	Budget	Authorized	Agency	Executive	Legislative	Agency	Executive	Legislative
Regular Salaries	5010000	6,043,288	7,249,888	7,484,141	7,246,251	7,246,251	7,246,251	7,251,251	7,251,251	7,251,251
#Positions		109	146	146	144	144	144	144	144	144
Extra Help	5010001	22,688	100,000	100,000	100,000	100,000	100,000	100,000	100,000	100,000
#Extra Help		2	2	2	2	2	2	2	2	2
Personal Services Matching	5010003	2,075,695	2,349,533	2,388,607	2,361,889	2,361,889	2,361,889	2,364,146	2,364,146	2,364,146
Overtime	5010006	10	10,000	10,000	10,000	10,000	10,000	10,000	10,000	10,000
Operating Expenses	5020002	1,003,008	1,719,084	1,719,084	1,719,084	1,719,084	1,719,084	1,719,084	1,719,084	1,719,084
Conference & Travel Expenses	5050009	12,295	96,096	96,096	96,096	96,096	96,096	96,096	96,096	96,096
Professional Fees	5060010	22,915	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	492,312	685,500	685,500	685,500	685,500	685,500	685,500	685,500	685,500
Capital Outlay	5120011	3,355	30,000	30,000	40,000	40,000	40,000	40,000	40,000	40,000
Investments	5120013	0	15,000,000	15,000,000	14,000,000	14,000,000	14,000,000	14,000,000	14,000,000	14,000,000
Computer Software/Hardware	5900044	60,269	260,000	260,000	243,800	243,800	243,800	243,800	243,800	243,800
Total		9,735,835	27,768,565	28,041,892	26,771,084	26,771,084	26,771,084	26,778,341	26,778,341	26,778,341

Funding Sources									
Fund Balance	4000005	10,208,154	10,219,219		0	0	0	0	0
Trust Fund	4000050	9,746,900	17,549,346		16,500,000	16,500,000	16,500,000	16,500,000	16,500,000
Total Funding		19,955,054	27,768,565		16,500,000	16,500,000	16,500,000	16,500,000	16,500,000
Excess Appropriation/(Funding)		(10,219,219)	0		10,271,084	10,271,084	10,271,084	10,278,341	10,278,341
Grand Total		9,735,835	27,768,565		26,771,084	26,771,084	26,771,084	26,778,341	26,778,341

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.

Base Level is \$7,250,000 each year of the 2015-2017 Biennium which includes Refunds/Reimbursements and Claims.

The Agency's Change Level request is a decrease each year of (\$3,000,000) 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 \$4,250,000 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		2013-2014	2014-2015	2014-2015	2015-2016			2016-2017		
		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	26,891	7,000,000	7,000,000	4,000,000	4,000,000	4,000,000	4,000,000	4,000,000	4,000,000
Total		26,891	7,250,000	7,250,000	4,250,000	4,250,000	4,250,000	4,250,000	4,250,000	4,250,000
Funding Sources										
Fund Balance	4000005	1,550,584	1,527,119		2,119	2,119	2,119	0	0	0
Trust Fund	4000050	3,426	5,725,000		2,722,900	2,722,900	2,722,900	2,722,900	2,722,900	2,722,900
Total Funding		1,554,010	7,252,119		2,725,019	2,725,019	2,725,019	2,722,900	2,722,900	2,722,900
Excess Appropriation/(Funding)		(1,527,119)	(2,119)		1,524,981	1,524,981	1,524,981	1,527,100	1,527,100	1,527,100
Grand Total		26,891	7,250,000		4,250,000	4,250,000	4,250,000	4,250,000	4,250,000	4,250,000

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 \$140,000 each year of the 2015-2017 Biennium.

The Executive Recommendation provides for the 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		2013-2014	2014-2015	2014-2015	2015-2016			2016-2017		
		Actual	Budget	Authorized	Agency	Executive	Legislative	Agency	Executive	Legislative
Operating Expenses	5020002	0	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	10,000	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		10,000	140,000	140,000	140,000	140,000	140,000	140,000	140,000	140,000

Funding Sources										
Fund Balance	4000005	118,552	108,961		1,961	1,961	1,961	0	0	0
Cash Fund	4000045	409	33,000		33,000	33,000	33,000	33,000	33,000	33,000
Total Funding		118,961	141,961		34,961	34,961	34,961	33,000	33,000	33,000
Excess Appropriation/(Funding)		(108,961)	(1,961)		105,039	105,039	105,039	107,000	107,000	107,000
Grand Total		10,000	140,000		140,000	140,000	140,000	140,000	140,000	140,000

Expenditure of appropriation is contingent upon available funding.

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 \$105,450 each year of the 2015-2017 Biennium which includes Building Repairs and Maintenance.

The Agency's Change Level request is an increase of \$394,550 each year of the biennium. This request is to purchase a new HVAC system and for other major building repairs.

The Executive Recommendation provides for Base Level.

The Legislative Recommendation concurs with the Executive Recommendation.

Appropriation Summary

Appropriation: 99T - Building Repair

Funding Sources: TJW - Workers' Compensation Trust

Commitment Item	2013-2014	2014-2015	2014-2015	2015-2016			2016-2017		
	Actual	Budget	Authorized	Agency	Executive	Legislative	Agency	Executive	Legislative
Building Repairs and Maintenance 5090005	0	105,450	105,450	500,000	105,450	105,450	500,000	105,450	105,450
Total	0	105,450	105,450	500,000	105,450	105,450	500,000	105,450	105,450

Funding Sources									
Trust Fund 4000050	0	105,450		500,000	105,450	105,450	500,000	105,450	105,450
Total Funding	0	105,450		500,000	105,450	105,450	500,000	105,450	105,450
Excess Appropriation/(Funding)	0	0		0	0	0	0	0	0
Grand Total	0	105,450		500,000	105,450	105,450	500,000	105,450	105,450