

WORKERS' COMPENSATION COMMISSION (0390)

FISCAL YEAR 2016

As Enacted by Act 969 of 2015

I) AGENCY SUMMARY & REVENUE SOURCES

MISSION

The Workers' Compensation Commission (WCC) administers and enforces the Arkansas Workers' Compensation Law to ensure that all covered employers secure insurance coverage from commercial carriers or through self-insurance programs and adjudicates all work related injury claims by employees against their employers or insurance carriers. The WCC laws are designed to protect employers, employees, and their dependents from financial burdens imposed by job-related injury and disease. In addition, the AWCC regulates workers' compensation awards to insure that benefit providers make correct and timely payments to eligible claimants.

TOTAL APPROPRIATION

The total appropriation for the Commission is \$183,016,534.

FUNDING SOURCES

The appropriations for the WCC are funded by a 3% premium tax on workers' compensation insurance premiums (credited to 3 Trust Funds: Second Injury Trust Fund (receives 0.2% of the tax), Death and Permanent Total Disability Trust Fund (receives 1.3%), and the Workers' Compensation Fund (receives 1.5%) and Cash Funds from seminar receipts (approx. .06% of total WCC funding).

II) CHANGE LEVEL REQUESTS

ADMINISTRATION (APPROPRIATION 355)

This appropriation is funded by Premium Tax proceeds levied on workers' compensation insurance premiums and is used to provide operating expenses for the administrative and judicial functions of the Commission. The total appropriation is \$26,771,084 and includes the following changes:

Regular Salaries and Matching - Decrease of \$65,274 due to the request to discontinue two (2) positions (Administrative Specialist III (C112) and Mail Services Coordinator (C107) whose responsibilities have been absorbed by technology.

Capital Outlay - Increase of \$40,000 for car replacement and law library holdings.

Investments - Decrease of \$1,000,000.

Computer Software/Hardware - Decrease of \$16,200.

REFUNDS AND CLAIMS (APPROPRIATION 203)

This appropriation is funded by Premium Tax proceeds levied on workers' compensation insurance premiums, and is used to pay required benefits that exceed established thresholds: \$75,000 for injuries that occurred prior to January 1, 2008; for injuries that occurred on or after January 1, 2008 the threshold is 325 times the maximum total disability rate; for CY2014 injuries the threshold is \$200,525 or 325 times the max. disability rate of \$617. The total appropriation is \$151,750,000 and includes a \$7 million dollar reduction to their investments line item due to declining revenue.

SECOND INJURY CLAIMS (APPROPRIATION 356)

This appropriation is funded by Premium Tax proceeds levied on workers' compensation insurance premiums and is used to pay the claims of

permanently disabled persons injured on the job so that the employer is not held liable for greater disability or impairment than actually occurred while the employee was employed. The appropriation is \$4,250,000 which is a reduction of \$3,000,000 in the Claims line item due to the passage of Act 1415 of 2007 which prohibits claims for second injuries after January 1, 2008.

SEMINAR - CASH IN TREASURY (APPROPRIATION 866)

This appropriation is funded by registration and exhibit booth fees collected to pay the expenses of the Arkansas WCC Education Conference and to contribute to the "Kids Chance" scholarship program. The appropriation is \$140,000 which is a continuation of the base level.

BUILDING REPAIR (APPROPRIATION 99T)

This appropriation is funded by Premium Tax proceeds levied on workers' compensation insurance premiums and is to be used for maintenance, renovation, equipping, construction, improvement, upgrade and repair projects for the Workers' Compensation Commission Building. This appropriation is \$105,450, which is base level.

III) ADDITIONAL POSITIONS (Total FY2015 Authorized Positions: 146)

Total Authorized Positions for FY2016: 144
Total Base Level Positions for FY2015: 146
Increase / (Decrease) over Base Level: (2)
Discontinues two positions (Administrative Specialist III (C112) and Administrative Specialist II (C109) whose duties are being absorbed by technology.

Extra Help Positions FY2016: 2 (Total FY2015 Authorized Extra Help: 2)

IV) SPECIAL LANGUAGE

INVESTMENTS: Authorizes funds in the Death and Permanent Total Disability Trust Fund, Second Injury Trust Fund, and Workers' Compensation Trust Fund to be invested and reinvested in all such investments authorized for use by the Office of Treasurer, and provides the investments will be completed by fund transfer as directed by the Chief Executive Officer of the Workers' Compensation Commission.

Revised: April 2015