

**ARKANSAS BUDGET SYSTEM
AGENCY PROGRAM COMMENTARY
1997 - 1999**

ARKANSAS WORKERS' COMPENSATION COMMISSION

This narrative is prepared so as to group the requests across the appropriation structure in a programmatic way. The organization follows these basic activities:

Administrative and Judicial Division	(010)
Data Processing Division	(020)
Self Insurance Division	(030)
Special Funds Division	
Second Injury Fund	(040)
Death & Permanent Total Disability Fund	(050)
Support Services Division	(070)
Health and Safety Division	(080)
Medical Cost Containment Division	(090)

(010) ADMINISTRATIVE AND JUDICIAL DIVISION

The operating expenses represented by this request are from Appropriation 355. The budgeted level of \$5,986,453 for FY-98 and \$6,106,620 for FY-99 includes 98 positions. This provides funding for the Commissioners and staff, the Administrative Law Judges and staff, the Executive staff and administrative support for the agency. The priority requests are as follows:

BANK 1 PRIORITY 1- CONTINUATION OF FOUR (4) SALARY POSITIONS AUTHORIZED (\$91,837 for FY-98 and \$181,149 for FY-99). The following four positions were authorized for FY-96/97 biennium but were not included in budgeted level due to CAP restrictions.

Assistant Personnel Manager (R030)	
Document Examiner	(K037)

Administrative Assistant I (R009)	
Secretary I	(K155)

Operating Expenses appropriation of \$87,216 is included in the request for FY-99 to support these positions and provide for expected maintenance and operation cost increases. Capital Outlay appropriation of \$5,000 for each year is also included in the request to equip the positions if filled.

BANK 1 PRIORITY 2- CAPITAL OUTLAY (\$50,000 for FY-98 and \$50,000 for FY-99). This request is for normal replacement of worn out furniture and equipment for the entire agency.

BANK 1 PRIORITY 3- REFUND OF TAXES (\$750,000 for FY-98 and \$750,000 for FY-99). This request would allow this Commission to deposit Premium Taxes immediately upon receipt rather than waiting to determine if proper amount is remitted. This requested appropriation would only be used to refund overpayment of taxes.

BANK 1 PRIORITY 10- POSITION RECLASSIFICATION REQUESTS (\$2,101 for FY-98 and \$2,162 for FY-99)

(020) DATA PROCESSING DIVISION

The request for this Division is from Appropriation 355. The budgeted level of \$456,718 for FY-98 and \$465,312 for FY-99 includes 7 positions. The priority requests are as follows:

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**ARKANSAS BUDGET SYSTEM
AGENCY PROGRAM COMMENTARY
1997 - 1999**

RANK 1 PRIORITY 1- CONTINUATION OF THREE (3) SALARY POSITIONS AUTHORIZED (\$106,094 for FY-98 and \$111,672 for FY-99). The following three positions were authorized for FY-96/97 biennium but were not included in budgeted level due to CAP restrictions.

Applications & Systems Analyst (D123)
Systems Coordination Analyst II (D066)
Applications & Systems Manager (D080)

Operating Expenses appropriation of \$3,000 is included in the request for FY-99 to support these positions and provide for expected maintenance and operation cost increases. Capital Outlay appropriation of \$5,000 for each year is also included in the request to equip the positions if filled.

RANK 1 PRIORITY 2- COMPUTER HARDWARE/SOFTWARE (\$150,000 for FY-98). This request would allow the Agency to make necessary modifications to the existing computer system. Special language has been requested to allow unspent appropriation to carry forward to FY-99.

(030) SELF INSURANCE DIVISION

The request for this Division is found in Appropriation 355. The budgeted level of \$681,899 for FY-98 and \$696,923 for FY-99 includes 13 positions. The priority requests are as follows:

RANK 1 PRIORITY 1- CONTINUATION OF TWO (2) SALARY POSITIONS AUTHORIZED (\$68,610 for FY-98 and \$73,222 for FY-99). Two Senior Auditor

(A251) positions were authorized for FY-96/97 biennium but were not included in budgeted level due to CAP restrictions. Operating Expenses appropriation of \$3,000 is included in the request for FY-99 to support these positions and provide for expected maintenance and operation cost increases. Capital Outlay appropriation of \$5,000 for each year is also included in the request to equip the positions if filled.

(040) SECOND INJURY DIVISION

The request for this Division is contained in two separate appropriations, which are 356- Second Injury Claims and 355- Workers' Compensation Commission Operations. Appropriation 356 is requested at the budgeted level of \$3,000,000 for each year of the biennium. The budgeted level for Appropriation 355 of \$531,557 for FY-98 and \$543,117 for FY-99 includes 8 positions. The following represents the priority request:

RANK 1- PRIORITY 1- CLAIMS (\$1,000,000 for each year of the biennium) This request will provide sufficient appropriation to cover the anticipated increase in claims for the biennium.

RANK 1 PRIORITY 3- REFUND OF TAXES (\$250,000 for FY-98 and \$250,000 for FY-99). This request would allow this Commission to deposit Premium Taxes immediately upon receipt rather than waiting to determine if proper amount is remitted. This requested appropriation would only be used to refund overpayment of taxes.

<p>AGENCY ARKANSAS WORKERS' COMPENSATION COMMISSION</p>	<p>DIRECTOR John A. Kennedy</p>	<p>AGENCY PROGRAM COMMENTARY BR21</p>	<p>PAGE 453</p>
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**ARKANSAS BUDGET SYSTEM
AGENCY PROGRAM COMMENTARY
1997 - 1999**

RANK 1 PRIORITY 10- POSITION RECLASSIFICATION REQUESTS (\$815 for FY-98 and \$837 for FY-99)

level of \$569,165 for FY-98 and \$581,411 for FY-99 for this division. There are no priority requests for this division.

(050) DEATH AND PERMANENT TOTAL DISABILITY DIVISION

The request for this Division is located in three separate appropriations in a manner similar to the Second Injury discussion above. Appropriation 203 contains the claims appropriation, Appropriation 113 allows for the purchase of annuities and the administrative functions are contained in Appropriation 355. The budgeted level for Appropriation 203 is \$5,700,000 for each year of the biennium. Appropriation 113 is requested at the budgeted level of \$4,000,000 for each year of the biennium. The budgeted level for the administrative functions in Appropriation 355 is \$180,600 for FY-98 and \$184,102 for FY-99 and includes 4 positions. The priority request includes the following:

RANK 1- PRIORITY 1- CLAIMS (\$1,800,000 for FY-98 and \$2,800,000 for FY-99) This request will provide sufficient appropriation to cover the anticipated increase in claims for the biennium.

RANK 1 PRIORITY 3- REFUND OF TAXES (\$750,000 for FY-98 and \$750,000 for FY-99). This request would allow this Commission to deposit Premium Taxes immediately upon receipt rather than waiting to determine if proper amount is remitted. This requested appropriation would only be used to refund overpayment of taxes.

(070) SUPPORT SERVICES DIVISION

Twelve (12) positions are included in the budgeted

(080) HEALTH & SAFETY DIVISION

The budgeted level of \$1,768,785 for FY-98 and \$1,792,298 for FY-99 for the Health and Safety Division includes 22 positions. The priority requests are:

RANK 1 PRIORITY 1- CONTINUATION OF TWO (2) SALARY POSITIONS AUTHORIZED (\$72,439 for FY-98 and \$77,160 for FY-99). The following two positions were authorized for FY-96/97 biennium but were not included in budgeted level due to CAP restrictions.

Workers Comp Program Manager (766Z)
Industrial Consultant (R356)

Operating Expenses appropriation of \$3,000 is included in the request for FY-99 to support these positions and provide for expected maintenance and operation cost increases. Capital Outlay appropriation of \$5,000 for each year is also included in the request to equip the positions if filled.

(090) MEDICAL COST CONTAINMENT

The Medical Cost Containment Division's budgeted level of \$339,226 for FY-97 and \$346,950 for FY-98 includes 7 positions.

<p>AGENCY ARKANSAS WORKERS' COMPENSATION COMMISSION</p>	<p>DIRECTOR John A. Kennedy</p>	<p>AGENCY PROGRAM COMMENTARY BR21</p>	<p>PAGE 454</p>
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**ARKANSAS BUDGET SYSTEM
AGENCY PROGRAM COMMENTARY
1997 - 1999**

RANK 1 PRIORITY 1- CONTINUATION OF THREE (3) SALARY POSITIONS AUTHORIZED (\$98,693 for FY-98 and \$104,062 for FY-99). The following three positions were authorized for FY-96/97 biennium but were not included in budgeted level due to CAP restrictions.

(2) Utilization Review Nurse (M116)
RN Practitioner II (D066)

Operating Expenses appropriation of \$3,000 is included in the request for FY-99 to support these positions and provide for expected maintenance and operation cost increases. Capital Outlay appropriation of \$5,000 for each year is also included in the request to equip the positions if filled.

AGENCY ARKANSAS WORKERS' COMPENSATION COMMISSION	DIRECTOR John A. Kennedy	AGENCY PROGRAM COMMENTARY BR21	PAGE 455
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WORKERS' COMPENSATION COMMISSION
SUMMARY OF AUDIT FINDINGS AND RECOMMENDATIONS
FOR THE YEAR ENDED JUNE 30, 1994

Assets					Liabilities			Total Equity	
Cash and Investments	Fixed	Other	Total	Current	Long-Term	Total			
\$ 116,652,079	\$ 4,337,914	\$ 3,956,791	\$ 124,946,784	\$ 25,187	\$ 3,128,231	\$ 3,153,418	\$ 121,795,366		

Revenues					Expenditures				Other Sources (Uses)	
Inter-governmental	Federal	Licenses and Fees	Other	Total	Salaries and Matching	Grants and Aid	Capital	Other Operating	Total	
8,947,441	\$ 0	\$ 9,580,811	\$ 2,867,885	\$ 21,396,137	\$ 5,265,509	\$ 0	\$ 1,486,509	\$ 7,387,530	\$ 14,139,548	\$ (1,894,314)

Findings

TRACT LABOR - The usage of contract labor was not adequately monitored to assure compliance with the State Accounting Procedures Manual. Of the thirty (30) persons hired as contract labor during the year ended June 30, 1994, eleven (11) worked more than 240 hours in one or more calendar quarters. The Agency employed contract labor 7,471 hours, totaling \$77,914.93, during the year ended June 30, 1994. The State Accounting Procedures Manual, Part III, Chapter 13, limits the employment of contract labor to six consecutive weeks or 240 hours per calendar quarter.

Recommendations

Comply with the State Accounting Procedures Manual.

ARKANSAS BUDGET SYSTEM
 EMPLOYMENT SUMMARY
 AS REQUIRED BY ACT 358 OF 1993
 (A.C.A 19-4-307)

AGENCY TITLE 390 - WORKERS' COMP COMM

	MALE	FEMALE	TOTAL	PERCENTAGE OF TOTAL
WHITE EMPLOYEES	<u>46</u>	<u>73</u>	<u>119</u>	<u>84%</u>
BLACK EMPLOYEES	<u>4</u>	<u>18</u>	<u>22</u>	<u>15%</u>
EMPLOYEES OF OTHER RACIAL MINORITIES	<u>0</u>	<u>1</u>	<u>1</u>	<u>1%</u>
TOTAL EMPLOYED AS OF 08/10/96			23	16%
DATE			<u>TOTAL MINORITIES</u>	<u> </u>
			142	100%
			<u>TOTAL EMPLOYEES</u>	<u> </u>



 AGENCY DIRECTOR

SUMMARY
STATUS OF NEW PROGRAMS/EXPANSIONS AUTHORIZED BY THE 80TH GENERAL ASSEMBLY
AGENCY: WORKERS' COMPENSATION COMMISSION

PROGRAM AUTHORIZED	# POS. AUTH.	ADDITIONAL AUTHORIZED APPROPRIATION		STATUS
		FY 95-96	FY 96-97	

APPROPRIATION: 113 - WORKERS' COMPENSATION ANNUITIES

No new programs or expansions in the 1995-97 biennium.

APPROPRIATION: 203 - DEATH & PERMANENT TOTAL DISABILITY CLAIMS

DPTD Claims		\$137,187	\$837,187	None of the additional appropriation was utilized in FY96. The full amount of additional appropriation is budgeted for FY97.
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APPROPRIATION: 355 - WORKERS' COMPENSATION COMMISSION - ADMINISTRATION

Regular Salaries & Matching	40	\$1,526,434	\$1,563,560	The 40 additionally authorized positions were in the Divisions of Self Insurance, Second Injury, Administrative and Judicial, Data Processing, Death and Total Disability, Health and Safety, and Medical Cost Containment. The Commission utilized eight (8) positions and \$172,570 of additional appropriation in FY96. The Commission has budgeted 20 of these additional positions and \$1,014,107 of additional appropriation for FY97.
Capital Outlay		\$73,000	\$94,000	The Commission expended \$67,759 of the appropriation for office machines and equipment in FY96 and budgeted the full amount for FY97.
Computer Hardware & Software		\$60,000	\$0	The Commission expended \$12,766 in FY96 for computer hardware and software, and none was budgeted in FY97.

APPROPRIATION: 356 - SECOND INJURY CLAIMS

No new programs or expansions in the 1995-97 biennium.

**ARKANSAS BUDGET SYSTEM
DEPARTMENT APPROPRIATION SUMMARY**

AGENCY TITLE		1995-97 Expenditures				1997-99 Biennium Request				1997-99 Executive Recommendation			
Appropriations		Actual	No. of	Budgeted	No. of	Year 1	No. of	Year 2	No. of	Year 1	No. of	Year 2	No. of
Code	Name	1995-96	Pos.	1996-97	Pos.	1997-98	Pos.	1998-99	Pos.	1997-98	Pos.	1998-99	Pos.
113	WCC Annuities			\$4,000,000		\$4,000,000		\$4,000,000		\$4,000,000		\$4,000,000	
203	Death & Permanent Total Disability Claims	4,798,579		5,700,000		8,250,000		9,250,000		8,250,000		9,250,000	
355	WCC Administration	8,505,890	159	9,850,211	171	11,904,992	185	12,066,997	185	11,489,403	171	11,541,733	171
356	Second Injury Claims	1,490,505		3,000,000		4,250,000		4,250,000		4,250,000		4,250,000	
TOTALS		\$14,794,974	159	\$22,550,211	171	\$28,404,992	185	\$29,566,997	185	\$27,989,403	171	\$29,041,733	171
Funding Sources			% of Total		% of Total		% of Total		% of Total		% of Total		% of Total
Fund Balances		\$108,172,117	80.6%	\$119,369,122	83.9%	\$119,718,911	84.0%	\$114,063,919	83.4%	\$119,718,911	84.0%	\$114,529,508	83.4%
General Revenues													
Special Revenues													
Federal Funds													
Const. & Fiscal Agency Fund													
State Central Services Fund													
Non-Revenue Receipts													
Annuity Purchase Contingency				4,000,000	2.8%	4,000,000	2.8%	4,000,000	2.9%	4,000,000	2.8%	4,000,000	2.9%
Other - Trust		25,991,979	19.4%	18,900,000	13.3%	18,750,000	13.2%	18,800,000	13.7%	18,800,000	13.2%	18,800,000	13.7%
Total Funding		134,164,096	100.0%	142,269,122	100.0%	142,468,911	100.0%	136,863,919	100.0%	142,518,911	100.0%	137,329,508	100.0%
Excess Appro./ (Funding)		(119,369,122)		(119,718,911)		(114,063,919)		(107,296,922)		(114,529,508)		(108,287,775)	
TOTAL		\$14,794,974		\$22,550,211		\$28,404,992		\$29,566,997		\$27,989,403		\$29,041,733	
DEPARTMENT				DIRECTOR					DEPARTMENT APPROPRIATION SUMMARY				
Workers' Compensation Commission				John A. Kennedy					BR 40 459				

**ARKANSAS BUDGET SYSTEM
DEPARTMENT PROGRAM SUMMARY**

AGENCY TITLE	1995-97 Expenditures				1997-99 Biennium Request			
	Actual 1995-96	No. of Pos.	Budgeted 1996-97	No. of Pos.	Year 1 1997-98	No. of Pos.	Year 2 1998-99	No. of Pos.
Workers' Compensation Commission (390)								
Administrative and Judicial	\$4,991,443	93	\$5,673,905	106	\$6,880,391	102	\$7,089,931	102
Data Processing	425,723	7	439,915	7	712,812	10	576,984	10
Self-Insurance	403,530	12	552,231	10	750,509	15	770,145	15
Death & Permanent Total Disability	4,957,714	4	9,876,473	4	12,430,600	4	13,434,102	4
Support Services:								
Administration	478,885	11	516,017	11	569,165	12	581,411	12
Health & Safety Program	1,138,986	15	1,480,164	16	1,841,224	24	1,869,458	24
Second Injury	1,961,494	8	3,515,093	8	4,782,372	8	4,793,954	8
Medical Cost Containment	437,199	9	496,413	9	437,919	10	451,012	10
TOTALS	\$14,794,974	159	\$22,550,211	171	\$28,404,992	185	\$29,566,997	185
Funding Sources		% of Total		% of Total		% of Total		% of Total
Fund Balances	\$108,172,117	80.6%	\$119,369,122	83.9%	\$119,718,911	84.0%	\$114,063,919	83.4%
General Revenues								
Special Revenues								
Federal Funds								
Const. & Fiscal Agency Fund								
State Central Services Fund								
Non-Revenue Receipts								
Annuity Purchase Contingency			4,000,000	2.8%	4,000,000	2.8%	4,000,000	2.9%
Other - Trust	25,991,979	19.4%	18,900,000	13.3%	18,750,000	13.2%	18,800,000	13.7%
Total Funding	134,164,096	100.0%	142,269,122	100.0%	142,468,911	100.0%	136,863,919	100.0%
Excess Appro./ (Funding)	(119,369,122)		(119,718,911)		(114,063,919)		(107,296,922)	
TOTAL	\$14,794,974		\$22,550,211		\$28,404,992		\$29,566,997	
DEPARTMENT Workers' Compensation Commission	DIRECTOR John A. Kennedy				DEPARTMENT PROGRAM SUMMARY BR 22			

**ARKANSAS BUDGET SYSTEM
ANALYSIS OF BUDGET REQUEST
1997 - 1999**

Act 651 of 1991 authorized the Workers' Compensation Commission to fund financial obligations of the Death and Permanent Total 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 purchased no annuities in FY96 and is requesting continuation of the Base Level appropriation of \$4,000,000 each year of the biennium.

The Executive Recommendation is to authorize the Agency Request.

AGENCY	APPROPRIATION	TREASURY FUND	ANALYSIS OF BUDGET REQUEST	PAGE
Name: Workers' Compensation Cmsn. Code: 390	Name: DPTD Annuity Contracts Code: 113	Name: Death & Permanent Total Disability Code: TDP	BR20	461

ARKANSAS BUDGET SYSTEM

CHARACTER TITLE	EXPENDITURES			97-98 FISCAL YEAR			98-99 FISCAL YEAR			R E C O M M E N D A T I O N S			
	95-96	96-97	96-97	BASE	PRIORITY PROGRAMS	TOTAL REQUEST	BASE	PRIORITY PROGRAMS	TOTAL REQUEST	EXECUTIVE		LEGISLATIVE	
	ACTUAL	BUDGETED	AUTHORIZED APPRO							97-98	98-99	97-98	98-99
PURCHASE ANNUITIES	0	4,000,000	4,000,000	4,000,000	0	4,000,000	4,000,000	0	4,000,000	4,000,000	4,000,000		
TOTAL	0	4,000,000	4,000,000	4,000,000	0	4,000,000	4,000,000	0	4,000,000	4,000,000	4,000,000		
PROPOSED FUNDING SOURCES			*****										
FUND BALANCES			*****										
GENERAL REVENUES			*****										
SPECIAL REVENUES			*****										
FEDERAL FUNDS			*****										
STATE CENTRAL SERVICES FUND			*****										
NON-REVENUE RECEIPTS			*****										
CASH FUNDS			*****										
Annuity Purchase Contingency			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	4,000,000	4,000,000	4,000,000			4,000,000	4,000,000	4,000,000		
EXCESS APPRO/ (FUNDING)				*****									
TOTAL			4,000,000	*****	4,000,000	4,000,000	4,000,000		4,000,000	4,000,000	4,000,000		

DEPT 010 SEPARATE AGENCIES
 AGY 390 WORKERS' COMPENSATION COMMISSION
 APPRO 113 ANNUITIES
 FUND TDP DEATH & PERM TOT DSBLTY-(1390)

APPROPRIATION SUMMARY

BR 215

**ARKANSAS BUDGET SYSTEM
ANALYSIS OF BUDGET REQUEST
1997 - 1999**

The Workers' Compensation Commission administers the Death and Permanent Total Disability Claims function as established by Act 221 of 1973. An employee or dependent who has received the maximum benefit of \$75,000 under provisions of the Act from his/her employer, is then eligible to receive benefits payable by the Commission from this appropriation.

Funding is derived from premium taxing authority in Act 393 of 1983.

The Commission requests \$1,800,000 in FY98 and \$2,800,000 in FY99 to provide for the anticipated increase in claims. Also requested is \$750,000 each year for Refund of Taxes which will allow the Commission to deposit Premium Taxes immediately upon receipt rather than waiting to determine if the proper amount is remitted.

The Executive Recommendation is the Agency request.

AGENCY	APPROPRIATION	TREASURY FUND	ANALYSIS OF BUDGET REQUEST	PAGE
Name: Workers' Compensation Cmsn.	Name: Death & Permanent Total Disab. Claims	Name: Death & Permanent Total Disability		
Code: 390	Code: 203	Code: TDP	BR20	463

ARKANSAS BUDGET SYSTEM

CHARACTER TITLE	-----EXPENDITURES-----			96-97			-----97-98 FISCAL YEAR-----			-----98-99 FISCAL YEAR-----			-----R E C O M M E N D A T I O N S-----			
	95-96	96-97	96-97	97-98		98-99		97-98		98-99		EXECUTIVE		LEGISLATIVE		
	ACTUAL	BUDGETED	AUTHORIZED APPRO	BASE	PRIORITY PROGRAMS	TOTAL REQUEST	BASE	PRIORITY PROGRAMS	TOTAL REQUEST	97-98	98-99	97-98	98-99			
REFUND OF TAXES	0	0	0	0	750,000	750,000	0	750,000	750,000	750,000	750,000					
CLAIMS	4,798,579	5,700,000	5,700,000	5,700,000	1,800,000	7,500,000	5,700,000	2,800,000	8,500,000	7,500,000	8,500,000					
TOTAL	4,798,579	5,700,000	5,700,000	5,700,000	2,550,000	8,250,000	5,700,000	3,550,000	9,250,000	8,250,000	9,250,000					
PROPOSED FUNDING SOURCES			*****													
FUND BALANCES	82,158,482	92,156,381	*****	95,456,381		95,456,381	96,206,381		96,206,381	95,456,381	96,206,381					
GENERAL REVENUES			*****													
SPECIAL REVENUES			*****													
FEDERAL FUNDS			*****													
STATE CENTRAL SERVICES FUND			*****													
NON-REVENUE RECEIPTS			*****													
CASH FUNDS			*****													
Other - Trust	14,796,478	9,000,000	*****	6,450,000	2,550,000	9,000,000	5,450,000	3,550,000	9,000,000	9,000,000	9,000,000					
TOTAL FUNDING	96,954,960	101,156,381	*****	101,906,381	2,550,000	104,456,381	101,656,381	3,550,000	105,206,381	104,456,381	105,206,381					
EXCESS APPRO/ (FUNDING)	(92,156,381)	(95,456,381)	*****	(96,206,381)		(96,206,381)	(95,956,381)		(95,956,381)	(96,206,381)	(95,956,381)					
TOTAL	4,798,579	5,700,000	*****	5,700,000	2,550,000	8,250,000	5,700,000	3,550,000	9,250,000	8,250,000	9,250,000					

DEPT 010 SEPARATE AGENCIES
 AGY 390 WORKERS' COMPENSATION COMMISSION
 APPRO 203 DEATH AND PERMANENT TOTAL DISABILITY CLAIMS
 FUND TDP DEATH & PERM TOT DSBLTY-(390)

APPROPRIATION SUMMARY

BR 215

ARKANSAS BUDGET SYSTEM
PROGRAM/SERVICE INFORMATION LIST
RANK BY APPROPRIATION

01	02	03	04	05	06	07	08	09	10	11	12	13	14	15	16	17	18	19
RANK	PROGRAM DESCRIPTION	FUND	ACCOUNTING INFORMATION	D E S	-----EXPENDITURES-----		-----1997 - 99 BIENNIIUM REQUESTS-----						-----R E C O M M E N D A T I O N S-----					
					ACTUAL	BUDGETED	FY 1997 - 98			FY 1998 - 99			EXECUTIVE		LEGISLATIVE			
					95-96	96-97	REQUEST	REQUEST	REQUEST	REQUEST	REQUEST	1997-98	1998-99	1997-98	1998-99			
000		TDP	390 203	B	4,798,579 0	5,700,000 0	5,700,000 0			5,700,000 0			5,700,000	5,700,000				
001		TDP	390 203 050 DEATH & PERMANENT TOTAL DISABILITY	P01		0 0	1,800,000 0			2,800,000 0			1,800,000	2,800,000				
<p>CLAIMS- This request will provide sufficient appropriation to cover the anticipated increase in claims for the biennium.</p>																		
001		TDP	390 203 050 DEATH & PERMANENT TOTAL DISABILITY	P03		0 0	750,000 0			750,000 0			750,000	750,000				
<p>REFUND OF TAXES - This request would allow this Commission to deposit Premium Taxes immediately upon receipt rather than waiting to determine if proper amount is remitted. This requested appropriation would only be used to refund overpayment of taxes.</p>																		

DEPT 010 SEPARATE AGENCIES
AGY 390 WORKERS' COMPENSATION COMMISSION
APPRO 203 DEATH AND PERMANENT TOTAL DISABILITY CLAIMS
FUND TDP DEATH & PERM TOT DSBLTY-(390)

RANK BY APPROPRIATION
BR 264

**ARKANSAS BUDGET SYSTEM
ANALYSIS OF BUDGET REQUEST
1997 - 1999**

Administrative and Judicial functions of the Workers' Compensation Commission are provided for in this appropriation. Funding is derived by a premium taxing authority of up to 3% that the Commission assesses insurance carriers, self-insured employers and public employers.

The Commission's request is for \$11,904,992 in appropriation for FY98 and \$12,066,997 for FY99. Priority items included in the request are as follows:

Salaries and Matching for the reauthorization of 14 positions in these divisions: Four in Administrative and Judicial for workload increases, three in Data Processing, two in Self-Insurance to provide additional audit capabilities, five in Medical Cost Containment and Worker Health & Safety programs are requested to help provide services mandated by Act 796 of 1993.

Reclassification of five (5) Insurance Investigator positions, grade 17, to WCC Field Investigator, grade 18, is requested.

Operating Expenses in the amount of \$99,216 in FY99 only is requested.

Capital Outlay in the amount of \$75,000 for each year is requested to replace worn out furniture and equipment.

Premium Tax appropriation in the amount of \$750,000 is requested to allow the Commission to deposit Premium Taxes immediately upon receipt rather than waiting to determine if the proper amount is remitted.

Computer Software/Hardware in the amount of \$150,000 is requested for FY98 to provide enhancements of data processing systems.

Special Language regarding the carry forward of any unexpended appropriation is requested to be continued.

AGENCY	APPROPRIATION	TREASURY FUND	ANALYSIS OF BUDGET REQUEST	PAGE
Name: Workers' Compensation Cmsn. Code: 390	Name: Workers' Comp. Cmsn. - Administration Code: 355	Name: Workers' Comp. Trust Code: TJW	BR20	466

**ARKANSAS BUDGET SYSTEM
ANALYSIS OF BUDGET REQUEST
1997 - 1999**

The Executive Recommendation provides for Base Level, which includes appropriation for a 2.8% Cost of Living Allowance for positions on July 1 of each year of the biennium along with accompanying employee matching requirements. The Executive Recommendation does not address agency request for Reclassification of positions at this time. The Executive Recommendation provides \$75,000 each year for Capital Outlay, \$750,000 each year for the Refund of Taxes, and \$150,000 in FY98 for Computer Software/Hardware.

AGENCY Name: Workers' Compensation Cmsn. Code: 390	APPROPRIATION Name: Workers' Comp. Cmsn. - Administration Code: 355	TREASURY FUND Name: Workers' Comp. Trust Code: TJW	ANALYSIS OF BUDGET REQUEST BR20	PAGE 467
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ARKANSAS BUDGET SYSTEM

CHARACTER TITLE	-----EXPENDITURES-----			-----97-98 FISCAL YEAR-----			-----98-99 FISCAL YEAR-----			-----R E C O M M E N D A T I O N S-----			
	95-96	96-97	96-97	97-98		98-99		98-99		EXECUTIVE		LEGISLATIVE	
	ACTUAL	BUDGETED	AUTHORIZED APPRO	BASE	PRIORITY PROGRAMS	TOTAL REQUEST	BASE	PRIORITY PROGRAMS	TOTAL REQUEST	97-98	98-99	97-98	98-99
REGULAR SALARIES	4,957,014	5,647,865	6,028,758	6,218,252	316,087	6,534,339	6,387,612	324,935	6,712,547	6,218,252	6,387,612		
NUMBER OF POSITIONS	159	171	191	171	14	185	171	14	185	171	171		
PERSONAL SERV MATCHING	1,221,364	1,433,002	1,601,561	1,620,807	99,502	1,720,309	1,653,777	101,113	1,754,890	1,620,807	1,653,777		
OPERATING EXPENSES	1,479,638	1,600,784	1,600,784	1,600,784	0	1,600,784	1,600,784	99,216	1,700,000	1,600,784	1,600,784		
CONF FEES & TRAVEL	42,787	96,096	96,096	96,096	0	96,096	96,096	0	96,096	96,096	96,096		
PROF FEES & SERVICES	721,070	968,464	968,464	968,464	0	968,464	968,464	0	968,464	968,464	968,464		
CAPITAL OUTLAY	67,759	94,000	94,000	0	75,000	75,000	0	75,000	75,000	75,000	75,000		
DATA PROCESSING	3,492	10,000	10,000	10,000	0	10,000	10,000	0	10,000	10,000	10,000		
REFUND OF TAXES	0	0	0	0	750,000	750,000	0	750,000	750,000	750,000	750,000		
COMPUTER SOFTWARE/HARDWARE	12,766	0	0	0	150,000	150,000	0	0	0	150,000			
TOTAL	8,505,890	9,850,211	10,399,663	10,514,403	1,390,589	11,904,992	10,716,733	1,350,264	12,066,997	11,489,403	11,541,733		
PROPOSED FUNDING SOURCES			*****										
FUND BALANCES	9,863,168	11,653,625	*****	10,803,414		10,803,414	7,898,422		7,898,422	10,803,414	8,314,011		
GENERAL REVENUES			*****										
SPECIAL REVENUES			*****										
FEDERAL FUNDS			*****										
STATE CENTRAL SERVICES FUND			*****										
NON-REVENUE RECEIPTS			*****										
CASH FUNDS			*****										
Other - Trust	10,296,348	9,000,000	*****	7,609,411	1,390,589	9,000,000	7,649,736	1,350,264	9,000,000	9,000,000	9,000,000		
TOTAL FUNDING	20,159,516	20,653,625	*****	18,412,825	1,390,589	19,803,414	15,548,158	1,350,264	16,898,422	19,803,414	17,314,011		
EXCESS APPRO/ (FUNDING)	(11,653,626)	(10,803,414)	*****	(7,898,422)		(7,898,422)	(4,831,425)		(4,831,425)	(8,314,011)	(5,772,278)		
TOTAL	8,505,890	9,850,211	*****	10,514,403	1,390,589	11,904,992	10,716,733	1,350,264	12,066,997	11,489,403	11,541,733		

DEPT 010 SEPARATE AGENCIES
 AGY 390 WORKERS' COMPENSATION COMMISSION
 APPRO 355 WORKERS' COMPENSATION COMMISSION -- ADMINISTRATION
 FUND TJW WORKMENS COMPENSATION-(390)

Computer Software/Hardware FY96 actual expenditures represents appropriation due to carry forward of unexpended balances from FY95 as provided for in special language.

APPROPRIATION SUMMARY

BR 215

ARKANSAS BUDGET SYSTEM
PROGRAM/SERVICE INFORMATION LIST
RANK BY APPROPRIATION

01	02	03	04	05	06	07	08	09	10	11	12	13	14	15	16	17	18	19
RANK	PROGRAM DESCRIPTION	FUND	ACCOUNTING INFORMATION	D E S	EXPENDITURES		1997 - 99 BIENNIIUM REQUESTS				R E C O M M E N D A T I O N S							
					ACTUAL 95-96	BUDGETED 96-97	FY 1997 - 98 REQUEST		FY 1998 - 99 REQUEST		EXECUTIVE		LEGISLATIVE					
000		TJW	390 355	B	8,505,890 159	9,850,210 171	10,514,403 171		10,716,733 171		10,514,403 171		10,716,733 171					
001		TJW	390 355 010 ADMINISTRATIVE & JUDICIAL	P01		1	91,837 4		181,149 4									
<p>CONTINUATION OF FOUR (4) SALARY POSITIONS AUTHORIZED- The following four positions were authorized for FY-96/97 biennium but were not included in budgeted level due to CAP restrictions.</p> <p style="margin-left: 40px;">Assistant Personnel Manager (R030) Administrative Assistant I (R009) Document Examiner (K037) Secretary I (K155)</p> <p>Operating Expenses appropriation of \$87,216 is included in the request for FY-99 to support these positions and provide for expected maintenance and operation cost increases. Capital Outlay appropriation of \$5,000 for each year is also included in the request to equip the positions if filled.</p>																		
001		TJW	390 355 010 ADMINISTRATIVE & JUDICIAL	P02		0	50,000 0		50,000 0		75,000		75,000					
<p>CAPITAL OUTLAY- This request is for normal replacement of worn out furniture and equipment for the entire agency.</p>													<p>Capital Outlay is Recommended to replace furniture and equipment within the agency.</p>					

DEPT 010 SEPARATE AGENCIES
AGY 390 WORKERS' COMPENSATION COMMISSION
APPRO 355 WORKERS' COMPENSATION COMMISSION -- ADMINISTRATION
FUND TJW WORKHENS COMPENSATION-(390)

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ARKANSAS BUDGET SYSTEM

PROGRAM/SERVICE INFORMATION LIST

RANK BY APPROPRIATION

01	02	03	04	05	06	07	08	09	10	11	12	13	14	15	16	17	18	19
RANK	PROGRAM DESCRIPTION	FUND	ACCOUNTING INFORMATION	D E S	EXPENDITURES		1997 - 99 BIENNIUM REQUESTS				RECOMMENDATIONS							
					ACTUAL 95-96	BUDGETED 96-97	FY 1997 - 98 REQUEST		FY 1998 - 99 REQUEST		EXECUTIVE		LEGISLATIVE					
01		TJW	390 355 010 ADMINISTRATIVE & JUDICIAL	P03		0 0	750,000 0				750,000 0			750,000	750,000			
<p>REFUND OF TAXES- This request would allow this Commission to deposit Premium Taxes immediately upon receipt rather than waiting to determine if proper amount is remitted. This requested appropriation would only be used to refund overpayment of taxes.</p>																		
001		TJW	390 355 010 ADMINISTRATIVE & JUDICIAL	P10		0 0	2,101 0				2,162 0							
<p>POSITION RECLASSIFICATION REQUEST</p>																		
001		TJW	390 355 020 DATA PROCESSING SECTION	P01		0 0	106,094 3				111,672 3							
<p>CONTINUATION OF THREE (3) SALARY POSITIONS AUTHORIZED- The following three positions were authorized for FY-96/97 biennium but were not included in budgeted level due to CAP restrictions.</p> <p>Applications & Systems Analyst (D123) Systems Coordination Analyst II (D066) Applications & Systems Manager (D080)</p> <p>Operating Expenses appropriation of \$3,000 is included in the request for FY-99 to support these positions and provide for expected maintenance and operation cost increases. Capital Outlay appropriation of \$5,000 for each year is also included in the request to equip the positions if filled.</p>																		

DEPT 010 SEPARATE AGENCIES
 AGY 390 WORKERS' COMPENSATION COMMISSION
 APPRO 355 WORKERS' COMPENSATION COMMISSION -- ADMINISTRATION
 FUND TJW WORKMENS COMPENSATION-(390)

RANK BY APPROPRIATION

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ARKANSAS BUDGET SYSTEM
PROGRAM/SERVICE INFORMATION LIST
RANK BY APPROPRIATION

01	02	03	04	05	06	07	08	09	10	11	12	13	14	15	16	17	18	19
RANK	PROGRAM DESCRIPTION	FUND	ACCOUNTING INFORMATION	D E S	EXPENDITURES		1997 - 99 BIENNIAL REQUESTS				RECOMMENDATIONS							
					ACTUAL 95-96	BUDGETED 96-97	FY 1997 - 98		FY 1998 - 99		EXECUTIVE		LEGISLATIVE					
							REQUEST	REQUEST			1997-98	1998-99	1997-98	1998-99				
001		TJW	390 355 020 DATA PROCESSING SECTION	P02		0	150,000		0					150,000				
<p>COMPUTER HARDWARE/SOFTWARE- This request would allow the Agency to make necessary modifications to the existing computer system. Special language has been requested to allow unspent appropriation to carry forward to FY-99.</p>																		
001		TJW	390 355 030 SELF-INSURANCE DIVISION	P01		0	68,610		73,222									
<p>CONTINUATION OF TWO (2) SALARY POSITIONS AUTHORIZED- Two Senior Auditor (A251) positions were authorized for FY-96/97 biennium but were not included in budgeted level due to CAP restrictions. Operating Expenses appropriation of \$3,000 is included in the request for FY-99 to support these positions and provide for expected maintenance and operation cost increases. Capital Outlay appropriation of \$5,000 for each year is also included in the request to equip the positions if filled.</p>																		
001		TJW	390 355 040 SECOND INJURY DIVISION	P10		0	815		837									
<p>POSITION RECLASSIFICATION REQUEST</p>																		

DEPT 010 SEPARATE AGENCIES
 AGY 390 WORKERS' COMPENSATION COMMISSION
 APPRO 355 WORKERS' COMPENSATION COMMISSION -- ADMINISTRATION
 FUND TJW WORKMENS COMPENSATION-(390)

RANK BY APPROPRIATION
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ARKANSAS BUDGET SYSTEM

PROGRAM/SERVICE INFORMATION LIST

RANK BY APPROPRIATION

02	03	04	05	06	07	08	09	10	11	12	13	14	15	16	17	18	19
PROGRAM DESCRIPTION	FUND	ACCOUNTING INFORMATION	D E S	EXPENDITURES		1997 - 99 BIENNIUM REQUESTS						RECOMMENDATIONS					
				ACTUAL 95-96	BUDGETED 96-97	FY 1997 - 98		FY 1998 - 99				EXECUTIVE		LEGISLATIVE			
						REQUEST	REQUEST	1997-98	1998-99	1997-98	1998-99						
	TJW	390 355 080 HEALTH & SAFETY DIVISION	P01		0 0	72,439 2					77,160 2						
<p>CONTINUATION OF TWO (2) SALARY POSITIONS AUTHORIZED- The following two positions were authorized for FY-96/97 biennium but were not included in budgeted level due to CAP restrictions.</p> <p>Workers Comp Program Manager (766Z) Industrial Consultant (R356)</p> <p>Operating Expenses appropriation of \$3,000 is included in the request for FY-99 to support these positions and provide for expected maintenance and operation cost increases. Capital Outlay appropriation of \$5,000 for each year is also included in the request to equip the positions if filled.</p>																	
	TJW	390 355 090 MEDICAL COST CONTAINMENT	P01		0 0	98,693 3					104,062 3						
<p>CONTINUATION OF THREE (3) SALARY POSITIONS AUTHORIZED- The following three positions were authorized for FY-96/97 biennium but were not included in budgeted level due to CAP restrictions.</p> <p>(2) Utilization Review Nurse (M116) RN Practitioner II (D066)</p> <p>Operating Expenses appropriation of \$3,000 is included in the request for FY-99 to support these positions and provide for expected maintenance and operation cost increases. Capital Outlay appropriation of \$5,000 for each year is also included in the request to equip the positions if filled.</p>																	

010 SEPARATE AGENCIES
 390 WORKERS' COMPENSATION COMMISSION
 355 WORKERS' COMPENSATION COMMISSION -- ADMINISTRATION
 TJW WORKMENS COMPENSATION-(390)

RANK BY APPROPRIATION
 BR 264

**ARKANSAS BUDGET SYSTEM
ANALYSIS OF BUDGET REQUEST
1997 - 1999**

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

The Commission is requesting additional appropriation of \$1,000,000 for each year to cover the anticipated increase in claims for the biennium and \$250,000 each year for Refund of Taxes which will allow the Commission to deposit Premium Taxes immediately upon receipt rather than waiting to determine if the proper amount is remitted.

The Executive Recommendation is the Agency Request.

AGENCY	APPROPRIATION	TREASURY FUND	ANALYSIS OF BUDGET REQUEST	PAGE
Name: Workers' Compensation Cmsn. Code: 390	Name: Second Injury Claims Code: 356	Name: Second Injury Trust Code: TSW	BR20	473

ARKANSAS BUDGET SYSTEM

CHARACTER TITLE	EXPENDITURES			97-98 FISCAL YEAR			98-99 FISCAL YEAR			RECOMMENDATIONS			
	95-96	96-97	96-97	BASE	PRIORITY PROGRAMS	TOTAL REQUEST	BASE	PRIORITY PROGRAMS	TOTAL REQUEST	EXECUTIVE		LEGISLATIVE	
	ACTUAL	BUDGETED	AUTHORIZED APPRO							97-98	98-99	97-98	98-99
REFUND OF TAXES	0	0	0	0	250,000	250,000	0	250,000	250,000	250,000			
CLAIMS	1,490,505	3,000,000	3,000,000	3,000,000	1,000,000	4,000,000	3,000,000	1,000,000	4,000,000	4,000,000	4,000,000		
TOTAL	1,490,505	3,000,000	3,000,000	3,000,000	1,250,000	4,250,000	3,000,000	1,250,000	4,250,000	4,250,000	4,250,000		
PROPOSED FUNDING SOURCES			*****										
FUND BALANCES	16,150,467	15,559,115	*****	13,009,115	450,000	13,459,115	9,559,115	450,000	10,009,115	13,459,115	10,009,115		
GENERAL REVENUES			*****										
SPECIAL REVENUES			*****										
FEDERAL FUNDS			*****										
STATE CENTRAL SERVICES FUND			*****										
NON-REVENUE RECEIPTS			*****										
CASH FUNDS			*****										
Other - Trust	899,153	900,000	*****		800,000	800,000		800,000	800,000	800,000	800,000		
TOTAL FUNDING	17,049,620	16,459,115	*****	13,009,115	1,250,000	14,259,115	9,559,115	1,250,000	10,809,115	14,259,115	10,809,115		
EXCESS APPRO/ (FUNDING)	(15,559,115)	(13,459,115)	*****	(10,009,115)		(10,009,115)	(6,559,115)		(6,559,115)	(10,009,115)	(6,559,115)		
TOTAL	1,490,505	3,000,000	*****	3,000,000	1,250,000	4,250,000	3,000,000	1,250,000	4,250,000	4,250,000	4,250,000		

DEPT 010 SEPARATE AGENCIES
 AGY 390 WORKERS' COMPENSATION COMMISSION
 APPRO 356 SECOND INJURY CLAIMS

 FUND TSM SECOND INJURY TRUST-(390)

APPROPRIATION SUMMARY

BR 215

ARKANSAS BUDGET SYSTEM
PROGRAM/SERVICE INFORMATION LIST
RANK BY APPROPRIATION

01	02	03	04	05	06	07	08	09	10	11	12	13	14	15	16	17	18	19
RANK	PROGRAM DESCRIPTION	FUND	ACCOUNTING INFORMATION	D E S	EXPENDITURES		1997 - 99 BIENNIIUM REQUESTS		R E C O M M E N D A T I O N S									
					ACTUAL	BUDGETED	FY 1997 - 98		FY 1998 - 99		EXECUTIVE		LEGISLATIVE					
					95-96	96-97	REQUEST	REQUEST	1997-98	1998-99	1997-98	1998-99						
000		TSW	390 356	B	1,490,505 0	3,000,000 0	3,000,000 0	3,000,000 0	3,000,000	3,000,000								
001		TSW	390 356 040 SECOND INJURY DIVISION	P01		0 0	1,000,000 0	1,000,000 0	1,000,000	1,000,000								
CLAIMS- This request will provide sufficient appropriation to cover the anticipated increase in claims for the biennium.																		
001		TSW	390 356 040 SECOND INJURY DIVISION	P03		0 0	250,000 0	250,000 0	250,000	250,000								
REFUND OF TAXES- This request would allow this Commission to deposit Premium Taxes immediately upon receipt rather than waiting to determine if proper amount is remitted. This requested appropriation would only be used to refund overpayment of taxes.																		

DEPT 010 SEPARATE AGENCIES
AGY 390 WORKERS' COMPENSATION COMMISSION
APPRO 356 SECOND INJURY CLAIMS
FUND TSW SECOND INJURY TRUST-(390)

RANK BY APPROPRIATION
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