

# DEPARTMENT OF LABOR & LICENSING - WORKERS' COMPENSATION COMMISSION

## State Contracts Over \$50,000 Awarded To Minority Owned Businesses Fiscal Year 2020

None

### Employment Summary

|                         | Male | Female | Total | %     |
|-------------------------|------|--------|-------|-------|
| White Employees         | 24   | 37     | 61    | 73 %  |
| Black Employees         | 3    | 19     | 22    | 26 %  |
| Other Racial Minorities | 0    | 1      | 1     | 1 %   |
| Total Minorities        |      |        | 23    | 27 %  |
| Total Employees         |      |        | 84    | 100 % |

### Publications

#### A.C.A. 25-1-201 et seq.

| Name            | Statutory Authorization | Required for |                  | # of Copies | Reason(s) for Continued Publication and Distribution  | Unbound Black & White Copies Produced During the Last Two Years | Cost of Unbound Copies Produced During the Last Two Years |
|-----------------|-------------------------|--------------|------------------|-------------|---|---|---|
|                 |                         | Governor     | General Assembly |             |   |   |   |
| Annual Report   | 11-9-209                | N            | N                | 25          | To meet the requirements of ACA 11-9-209 and to have sufficient copies for interested parties.              | 0   | 0.00  |
| Biennial Report | 11-9-208                | Y            | Y                | 50          | To meet the requirements of Act 1276 and ACA 11-9-208 and to have sufficient copies for interested parties. | 0   | 0.00  |

## Department Appropriation Summary

| Appropriation                | Historical Data   |           |                   |            |                   |            | Agency Request and Executive Recommendation |          |           |          |           |          |           |          |
|------------------------------|-------------------|-----------|-------------------|------------|-------------------|------------|---|----------|-----------|----------|-----------|----------|-----------|----------|
|                              | 2019-2020         |           | 2020-2021         |            | 2020-2021         |            | 2021-2022                                   |          |           |          | 2022-2023 |          |           |          |
|                              | Actual            | Pos       | Budget            | Pos        | Authorized        | Pos        | Agency                                      | Pos      | Executive | Pos      | Agency    | Pos      | Executive | Pos      |
| 203 Refunds and Claims       | 13,837,152        | 0         | 21,550,000        | 0          | 21,550,000        | 0          | 0   | 0        | 0         | 0        | 0         | 0        | 0         | 0        |
| 355 Administration           | 8,043,510         | 91        | 10,993,075        | 109        | 11,258,449        | 115        | 0   | 0        | 0         | 0        | 0         | 0        | 0         | 0        |
| 356 Second Injury Claims     | 0                 | 0         | 500,000           | 0          | 500,000           | 0          | 0   | 0        | 0         | 0        | 0         | 0        | 0         | 0        |
| 866 Seminar-Cash in Treasury | 58,513            | 0         | 140,000           | 0          | 140,000           | 0          | 0   | 0        | 0         | 0        | 0         | 0        | 0         | 0        |
| 99T Building Repair          | 0                 | 0         | 150,000           | 0          | 150,000           | 0          | 0   | 0        | 0         | 0        | 0         | 0        | 0         | 0        |
| <b>Total</b>                 | <b>21,939,175</b> | <b>91</b> | <b>33,333,075</b> | <b>109</b> | <b>33,598,449</b> | <b>115</b> | <b>0</b>                                    | <b>0</b> | <b>0</b>  | <b>0</b> | <b>0</b>  | <b>0</b> | <b>0</b>  | <b>0</b> |

  

| Funding Sources                |         |                    | %            |                    | %            |  | %        |            | %        |            | %        |            | %        |            |
|--------------------------------|---------|--------------------|--------------|--------------------|--------------|--|----------|------------|----------|------------|----------|------------|----------|------------|
| Fund Balance                   | 4000005 | 114,025,923        | 86.1         | 110,527,501        | 89.2         |  | 0        | 0.0        | 0        | 0.0        | 0        | 0.0        | 0        | 0.0        |
| Trust Fund                     | 4000050 | 8,788,796          | 6.6          | 6,720,000          | 5.4          |  | 0        | 0.0        | 0        | 0.0        | 0        | 0.0        | 0        | 0.0        |
| Other                          | 4000370 | 9,651,957          | 7.3          | 7,228,000          | 5.8          |  | 0        | 0.0        | 0        | 0.0        | 0        | 0.0        | 0        | 0.0        |
| Shared Services Transfer       | 4000760 | 0                  | 0.0          | (561,764)          | (0.5)        |  | 0        | 0.0        | 0        | 0.0        | 0        | 0.0        | 0        | 0.0        |
| <b>Total Funds</b>             |         | <b>132,466,676</b> | <b>100.0</b> | <b>123,913,737</b> | <b>100.0</b> |  | <b>0</b> | <b>0.0</b> | <b>0</b> | <b>0.0</b> | <b>0</b> | <b>0.0</b> | <b>0</b> | <b>0.0</b> |
| Excess Appropriation/(Funding) |         | (110,527,501)      |              | (90,580,662)       |              |  | 0        |            | 0        |            | 0        |            | 0        |            |
| <b>Grand Total</b>             |         | <b>21,939,175</b>  |              | <b>33,333,075</b>  |              |  | <b>0</b> |            | <b>0</b> |            | <b>0</b> |            | <b>0</b> |            |

The agency is requesting to transfer all positions, appropriation, and funding to Cabinet Level Business Area 9910.

## **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. During the Third Extraordinary Session of 2016, Act 5 was enacted by the Arkansas Legislature which provides that no claims shall be made to the Death and Permanent Total Disability Trust Fund after June 30, 2019. Additionally, the current maximum premium tax rate of three percent (3%) will be reduced to one and five-tenths percent (1.5%) upon the final payment of the remaining liabilities in the Trust Fund.

The Agency Request includes the following for both years of the biennium:

- Transfer Refunds and Reimbursement and Claims appropriation and funding in its entirety to the Cabinet Level Business Area, 9910, Funds Center E54.

The Executive Recommendation provides for the Agency Request.

## Appropriation Summary

**Appropriation:** 203 - Refunds and Claims

**Funding Sources:** TDP - Death & Permanent Total Disability Trust

### Historical Data

### Agency Request and Executive Recommendation

| Commitment Item                | 2019-2020    | 2020-2021    | 2020-2021  | 2021-2022 |           | 2022-2023 |           |
|--------------------------------|--------------|--------------|------------|-----------|-----------|-----------|-----------|
|                                | Actual       | Budget       | Authorized | Agency    | Executive | Agency    | Executive |
| Refunds/Reimbursements 5110014 | 4,360        | 550,000      | 550,000    | 0         | 0         | 0         | 0         |
| Claims 5110015                 | 13,832,792   | 21,000,000   | 21,000,000 | 0         | 0         | 0         | 0         |
| Total                          | 13,837,152   | 21,550,000   | 21,550,000 | 0         | 0         | 0         | 0         |
| <b>Funding Sources</b>         |              |              |            |           |           |           |           |
| Fund Balance 4000005           | 99,716,042   | 95,415,089   |            | 0         | 0         | 0         | 0         |
| Other 4000370                  | 9,536,199    | 7,050,000    |            | 0         | 0         | 0         | 0         |
| Total Funding                  | 109,252,241  | 102,465,089  |            | 0         | 0         | 0         | 0         |
| Excess Appropriation/(Funding) | (95,415,089) | (80,915,089) |            | 0         | 0         | 0         | 0         |
| Grand Total                    | 13,837,152   | 21,550,000   |            | 0         | 0         | 0         | 0         |

The agency is requesting to transfer this appropriation and funding to the Cabinet Level Business Area, 9910, Funds Center E54.

## **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 solely from a premium tax (limited by law to 3%) levied on workers' compensation policies in the State of Arkansas.

With the exception of Regular Salaries and Personal Services Matching, continuing level of appropriation is the FY2021 Authorized.

The Agency Request includes the following:

- Transfer (1) position, Regular Salaries in the amount of (\$98,686) for both years of the biennium, and Personal Services Matching in the amount of (\$33,991) for FY22 and (\$33,468) for FY23, to the Department of Labor and Licensing Shared Services appropriation, FC Z46.
- Transfer (114) full-time positions, Regular Salaries, Extra Help, Personal Services Matching, Overtime, Operating Expenses, Conference and Travel, Professional Fees, Refunds/Reimbursements, Computer Software/Hardware, and funding in its entirety to the Cabinet Level Business Area, 9910, Funds Center E48.

The Executive Recommendation provides for the Agency Request.

## Appropriation Summary

**Appropriation:** 355 - Administration

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

### Historical Data

### Agency Request and Executive Recommendation

| Commitment Item                |         | 2019-2020        | 2020-2021         | 2020-2021         | 2021-2022 |           | 2022-2023 |           |
|--------------------------------|---------|------------------|-------------------|-------------------|-----------|-----------|-----------|-----------|
|                                |         | Actual           | Budget            | Authorized        | Agency    | Executive | Agency    | Executive |
| Regular Salaries               | 5010000 | 5,494,990        | 6,476,107         | 6,662,285         | 0         | 0         | 0         | 0         |
| <b>#Positions</b>              |         | <b>91</b>        | <b>109</b>        | <b>115</b>        | <b>0</b>  | <b>0</b>  | <b>0</b>  | <b>0</b>  |
| Extra Help                     | 5010001 | 18,979           | 100,000           | 100,000           | 0         | 0         | 0         | 0         |
| <b>#Extra Help</b>             |         | <b>2</b>         | <b>2</b>          | <b>2</b>          | <b>0</b>  | <b>0</b>  | <b>0</b>  | <b>0</b>  |
| Personal Services Matching     | 5010003 | 1,812,006        | 2,046,673         | 2,125,869         | 0         | 0         | 0         | 0         |
| Overtime                       | 5010006 | 0                | 10,000            | 10,000            | 0         | 0         | 0         | 0         |
| Operating Expenses             | 5020002 | 664,987          | 1,305,495         | 1,305,495         | 0         | 0         | 0         | 0         |
| Conference & Travel Expenses   | 5050009 | 1,474            | 20,000            | 20,000            | 0         | 0         | 0         | 0         |
| Professional Fees              | 5060010 | 17,300           | 241,000           | 241,000           | 0         | 0         | 0         | 0         |
| Data Processing                | 5090012 | 0                | 0                 | 0                 | 0         | 0         | 0         | 0         |
| Refunds/Reimbursements         | 5110014 | 3,535            | 500,000           | 500,000           | 0         | 0         | 0         | 0         |
| Capital Outlay                 | 5120011 | 164              | 50,000            | 50,000            | 0         | 0         | 0         | 0         |
| Computer Software/Hardware     | 5900044 | 30,075           | 243,800           | 243,800           | 0         | 0         | 0         | 0         |
| <b>Total</b>                   |         | <b>8,043,510</b> | <b>10,993,075</b> | <b>11,258,449</b> | <b>0</b>  | <b>0</b>  | <b>0</b>  | <b>0</b>  |
| <b>Funding Sources</b>         |         |                  |                   |                   |           |           |           |           |
| Fund Balance                   | 4000005 | 12,736,233       | 13,481,519        |                   | 0         | 0         | 0         | 0         |
| Trust Fund                     | 4000050 | 8,788,796        | 6,720,000         |                   | 0         | 0         | 0         | 0         |
| Shared Services Transfer       | 4000760 | 0                | (561,764)         |                   | 0         | 0         | 0         | 0         |
| Total Funding                  |         | 21,525,029       | 19,639,755        |                   | 0         | 0         | 0         | 0         |
| Excess Appropriation/(Funding) |         | (13,481,519)     | (8,646,680)       |                   | 0         | 0         | 0         | 0         |
| <b>Grand Total</b>             |         | <b>8,043,510</b> | <b>10,993,075</b> |                   | <b>0</b>  | <b>0</b>  | <b>0</b>  | <b>0</b>  |

The agency is requesting to transfer this appropriation and funding, with the exception of the requested Shares Services transfer, to the Cabinet Level Business Area, 9910, Funds Center E48.

## **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 2007 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. There are twenty-three (23) open files at which any time could be litigated and an award of benefits made.

The Agency Request includes the following for both years of the biennium:

- Transfer Claims appropriation and funding in its entirety to the Cabinet Level Business Area, 9910, Funds Center E53.

The Executive Recommendation provides for the Agency Request.

## Appropriation Summary

**Appropriation:** 356 - Second Injury Claims

**Funding Sources:** TSW - Second Injury Trust Fund

### Historical Data

### Agency Request and Executive Recommendation

| Commitment Item                | Historical Data     |                     |                         | Agency Request and Executive Recommendation |           |           |           |
|--------------------------------|---------------------|---------------------|-------------------------|---|-----------|-----------|-----------|
|                                | 2019-2020<br>Actual | 2020-2021<br>Budget | 2020-2021<br>Authorized | 2021-2022                                   |           | 2022-2023 |           |
|                                |                     |                     |                         | Agency                                      | Executive | Agency    | Executive |
| Claims 5110015                 | 0                   | 500,000             | 500,000                 | 0   | 0         | 0         | 0         |
| Total                          | 0                   | 500,000             | 500,000                 | 0   | 0         | 0         | 0         |
| Funding Sources                |                     |                     |                         |   |           |           |           |
| Fund Balance 4000005           | 1,469,643           | 1,490,767           |                         | 0   | 0         | 0         | 0         |
| Other 4000370                  | 21,124              | 3,000               |                         | 0   | 0         | 0         | 0         |
| Total Funding                  | 1,490,767           | 1,493,767           |                         | 0   | 0         | 0         | 0         |
| Excess Appropriation/(Funding) | (1,490,767)         | (993,767)           |                         | 0   | 0         | 0         | 0         |
| Grand Total                    | 0                   | 500,000             |                         | 0   | 0         | 0         | 0         |

The agency is requesting to transfer this appropriation and funding to the Cabinet Level Business Area, 9910, Funds Center E53.



## **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 Agency Request includes the following for both years of the biennium:

- Transfer Operating Expenses, Professional Fees, and Scholarships appropriation and funding in its entirety to the Cabinet Level Business Area, 9910, Funds Center E50.

The Executive Recommendation provides for the Agency Request.

## Appropriation Summary

**Appropriation:** 866 - Seminar-Cash in Treasury

**Funding Sources:** NWC - Cash in Treasury

### Historical Data

### Agency Request and Executive Recommendation

| Commitment Item                |         | Historical Data     |                     |                         | 2021-2022 |           | 2022-2023 |           |
|--------------------------------|---------|---------------------|---------------------|-------------------------|-----------|-----------|-----------|-----------|
|                                |         | 2019-2020<br>Actual | 2020-2021<br>Budget | 2020-2021<br>Authorized | Agency    | Executive | Agency    | Executive |
| Operating Expenses             | 5020002 | 50,674              | 85,000              | 85,000                  | 0         | 0         | 0         | 0         |
| Conference & Travel Expenses   | 5050009 | 0                   | 0                   | 0                       | 0         | 0         | 0         | 0         |
| Professional Fees              | 5060010 | 339                 | 15,000              | 15,000                  | 0         | 0         | 0         | 0         |
| Data Processing                | 5090012 | 0                   | 0                   | 0                       | 0         | 0         | 0         | 0         |
| Scholarships                   | 5100030 | 7,500               | 40,000              | 40,000                  | 0         | 0         | 0         | 0         |
| Capital Outlay                 | 5120011 | 0                   | 0                   | 0                       | 0         | 0         | 0         | 0         |
| <b>Total</b>                   |         | <b>58,513</b>       | <b>140,000</b>      | <b>140,000</b>          | <b>0</b>  | <b>0</b>  | <b>0</b>  | <b>0</b>  |
| <b>Funding Sources</b>         |         |                     |                     |                         |           |           |           |           |
| Fund Balance                   | 4000005 | 104,005             | 140,126             |                         | 0         | 0         | 0         | 0         |
| Other                          | 4000370 | 94,634              | 25,000              |                         | 0         | 0         | 0         | 0         |
| <b>Total Funding</b>           |         | <b>198,639</b>      | <b>165,126</b>      |                         | <b>0</b>  | <b>0</b>  | <b>0</b>  | <b>0</b>  |
| Excess Appropriation/(Funding) |         | (140,126)           | (25,126)            |                         | 0         | 0         | 0         | 0         |
| <b>Grand Total</b>             |         | <b>58,513</b>       | <b>140,000</b>      |                         | <b>0</b>  | <b>0</b>  | <b>0</b>  | <b>0</b>  |

The agency is requesting to transfer this appropriation and funding to the Cabinet Level Business Area, 9910, Funds Center E50.

## **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 Request includes the following for both years of the biennium:

- Transfer Building Repairs and Maintenance appropriation and funding in its entirety to the Cabinet Level Business Area, 9910, Funds Center E51.

The Executive Recommendation provides for the Agency Request.

## Appropriation Summary

**Appropriation:** 99T - Building Repair

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

### Historical Data

### Agency Request and Executive Recommendation

| Commitment Item                          | 2019-2020 | 2020-2021 | 2020-2021  | 2021-2022 |           | 2022-2023 |           |
|--|-----------|-----------|------------|-----------|-----------|-----------|-----------|
|  | Actual    | Budget    | Authorized | Agency    | Executive | Agency    | Executive |
| Building Repairs and Maintenance 5090005 | 0         | 150,000   | 150,000    | 0         | 0         | 0         | 0         |
| Total                                    | 0         | 150,000   | 150,000    | 0         | 0         | 0         | 0         |
| Funding Sources                          |           |           |            |           |           |           |           |
| Other 4000370                            | 0         | 150,000   |            | 0         | 0         | 0         | 0         |
| Total Funding                            | 0         | 150,000   |            | 0         | 0         | 0         | 0         |
| Excess Appropriation/(Funding)           | 0         | 0         |            | 0         | 0         | 0         | 0         |
| Grand Total                              | 0         | 150,000   |            | 0         | 0         | 0         | 0         |

The agency is requesting to transfer this appropriation and funding to the Cabinet Level Business Area, 9910, Funds Center E51.