

DEPARTMENT OF LABOR & LICENSING - WORKERS' COMPENSATION COMMISSION

State Contracts Over \$50,000 Awarded To Minority Owned Businesses Fiscal Year 2022

None

Employment Summary

	Male	Female	Total	%
White Employees	25	28	53	68 %
Black Employees	3	22	25	32 %
Other Racial Minorities	0	0	0	0 %
Total Minorities			25	32 %
Total Employees			78	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							
	2021-2022		2022-2023		2022-2023		2023-2024				2024-2025			
	Actual	Pos	Budget	Pos	Authorized	Pos	Agency	Pos	Executive	Pos	Agency	Pos	Executive	Pos
203 Refunds and Claims	13,359,198	0	21,550,000	0	21,550,000	0	21,550,000	0	21,550,000	0	21,550,000	0	21,550,000	0
355 Administration	7,773,786	86	11,629,626	107	11,308,688	107	11,362,268	105	11,362,268	105	11,435,143	105	11,435,143	105
356 Second Injury Claims	0	0	500,000	0	500,000	0	500,000	0	500,000	0	500,000	0	500,000	0
866 Seminar-Cash in Treasury	10,000	0	137,784	0	140,000	0	140,000	0	140,000	0	140,000	0	140,000	0
99T Building Repair	0	0	150,000	0	150,000	0	150,000	0	150,000	0	150,000	0	150,000	0
Total	21,142,984	86	33,967,410	107	33,648,688	107	33,702,268	105	33,702,268	105	33,775,143	105	33,775,143	105

Funding Sources		%		%		%		%		%		%	
Fund Balance	4000005	106,039,518	86.9	100,895,081	87.7	81,027,315	85.2	81,027,315	85.2	61,558,338	81.4	61,558,338	81.4
Cash Fund	4000045	644	0.0	544	0.0	544	0.0	544	0.0	544	0.0	544	0.0
Trust Fund	4000050	16,307,641	13.4	14,477,914	12.6	14,477,914	15.2	14,477,914	15.2	14,477,914	19.1	14,477,914	19.1
Inter-agency Fund Transfer	4000316	27,202	0.0	0	0.0	0	0.0	0	0.0	0	0.0	0	0.0
Intra-agency Fund Transfer	4000317	0	0.0	0	0.0	0	0.0	0	0.0	0	0.0	0	0.0
Shared Services Transfer	4000760	(336,940)	(0.3)	(378,814)	(0.3)	(378,814)	(0.4)	(378,814)	(0.4)	(378,814)	(0.5)	(378,814)	(0.5)
Total Funds		122,038,065	100.0	114,994,725	100.0	95,126,959	100.0	95,126,959	100.0	75,657,982	100.0	75,657,982	100.0
Excess Appropriation/(Funding)		(100,895,081)		(81,027,315)		(61,424,691)		(61,424,691)		(41,882,839)		(41,882,839)	
Grand Total		21,142,984		33,967,410		33,702,268		33,702,268		33,775,143		33,775,143	

FY23 Budget amount in Fund Center 355 exceeds the authorized amount due to salary and matching rate adjustments during the 2021-2023 Biennium. Variance in Fund Balance is due to unfunded appropriation.

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 (Ark Code Ann. §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.

Continuing level of appropriation is the FY2023 Authorized.

The Agency is requesting appropriation in the amount of \$21,550,000 in both years of the biennium.

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	2021-2022	2022-2023	2022-2023	2023-2024		2024-2025	
	Actual	Budget	Authorized	Agency	Executive	Agency	Executive
Refunds/Reimbursements 5110014	1,418	550,000	550,000	550,000	550,000	550,000	550,000
Claims 5110015	13,357,780	21,000,000	21,000,000	21,000,000	21,000,000	21,000,000	21,000,000
Total	13,359,198	21,550,000	21,550,000	21,550,000	21,550,000	21,550,000	21,550,000
Funding Sources							
Fund Balance 4000005	90,526,664	84,099,535		68,571,244	68,571,244	53,042,953	53,042,953
Trust Fund 4000050	6,932,069	6,021,709		6,021,709	6,021,709	6,021,709	6,021,709
Total Funding	97,458,733	90,121,244		74,592,953	74,592,953	59,064,662	59,064,662
Excess Appropriation/(Funding)	(84,099,535)	(68,571,244)		(53,042,953)	(53,042,953)	(37,514,662)	(37,514,662)
Grand Total	13,359,198	21,550,000		21,550,000	21,550,000	21,550,000	21,550,000

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 FY23 Authorized.

The Agency is requesting appropriation in the amount of \$11,362,268 in FY24 and \$11,435,143 in FY25.

The Agency Request includes the following change:

- Discontinuation of two (2) positions with a reduction in Regular Salaries of (\$82,970) in each year of the biennium and Personal Services Matching of (\$33,051) in FY24 and (\$34,371) in FY25.

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		2021-2022	2022-2023	2022-2023	2023-2024		2024-2025	
		Actual	Budget	Authorized	Agency	Executive	Agency	Executive
Regular Salaries	5010000	5,174,900	6,925,576	6,714,868	6,664,415	6,664,415	6,667,315	6,667,315
#Positions		86	107	107	105	105	105	105
Extra Help	5010001	11,216	100,000	100,000	100,000	100,000	100,000	100,000
#Extra Help		2	2	2	2	2	2	2
Personal Services Matching	5010003	1,813,973	2,283,755	2,173,525	2,277,558	2,277,558	2,347,533	2,347,533
Overtime	5010006	0	10,000	10,000	10,000	10,000	10,000	10,000
Operating Expenses	5020002	746,903	1,305,495	1,305,495	1,305,495	1,305,495	1,305,495	1,305,495
Conference & Travel Expenses	5050009	1,690	20,000	20,000	20,000	20,000	20,000	20,000
Professional Fees	5060010	17,300	241,000	241,000	241,000	241,000	241,000	241,000
Data Processing	5090012	0	0	0	0	0	0	0
Refunds/Reimbursements	5110014	2,472	500,000	500,000	500,000	500,000	500,000	500,000
Capital Outlay	5120011	174	0	0	0	0	0	0
Computer Software/Hardware	5900044	5,158	243,800	243,800	243,800	243,800	243,800	243,800
Total		7,773,786	11,629,626	11,308,688	11,362,268	11,362,268	11,435,143	11,435,143

Funding Sources								
Fund Balance	4000005	13,878,612	15,169,331		11,460,277	11,460,277	8,018,581	8,018,581
Trust Fund	4000050	9,374,243	8,455,195		8,455,195	8,455,195	8,455,195	8,455,195
Inter-agency Fund Transfer	4000316	27,202	0		0	0	0	0
Intra-agency Fund Transfer	4000317	0	(155,809)		(155,809)	(155,809)	(155,809)	(155,809)
Shared Services Transfer	4000760	(336,940)	(378,814)		(378,814)	(378,814)	(378,814)	(378,814)
Total Funding		22,943,117	23,089,903		19,380,849	19,380,849	15,939,153	15,939,153
Excess Appropriation/(Funding)		(15,169,331)	(11,460,277)		(8,018,581)	(8,018,581)	(4,504,010)	(4,504,010)
Grand Total		7,773,786	11,629,626		11,362,268	11,362,268	11,435,143	11,435,143

FY23 Budget amount in Regular Salaries and Personal Services Matching exceeds the authorized amount due to salary and matching rate adjustments during the 2021-2023 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 for the purpose of paying claims of permanently disabled persons in accordance with Ark. Code Ann. 19-5-911. 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.

Continuing level of appropriation is the FY2023 Authorized.

The Agency is requesting appropriation in the amount of \$500,000 in both years of the biennium.

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	2021-2022	2022-2023	2022-2023	2023-2024		2024-2025	
	Actual	Budget	Authorized	Agency	Executive	Agency	Executive
Claims 5110015	0	500,000	500,000	500,000	500,000	500,000	500,000
Total	0	500,000	500,000	500,000	500,000	500,000	500,000
Funding Sources							
Fund Balance 4000005	1,493,455	1,494,784		995,794	995,794	496,804	496,804
Trust Fund 4000050	1,329	1,010		1,010	1,010	1,010	1,010
Total Funding	1,494,784	1,495,794		996,804	996,804	497,814	497,814
Excess Appropriation/(Funding)	(1,494,784)	(995,794)		(496,804)	(496,804)	2,186	2,186
Grand Total	0	500,000		500,000	500,000	500,000	500,000

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.

Expenditure of appropriation is contingent upon available funding.

Continuing level of appropriation is the FY2023 Authorized.

The Agency is requesting appropriation in the amount of \$140,000 for both years of the biennium.

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			2023-2024		2024-2025	
		2021-2022 Actual	2022-2023 Budget	2022-2023 Authorized	Agency	Executive	Agency	Executive
Operating Expenses	5020002	0	82,784	85,000	85,000	85,000	85,000	85,000
Conference & Travel Expenses	5050009	0	0	0	0	0	0	0
Professional Fees	5060010	0	15,000	15,000	15,000	15,000	15,000	15,000
Data Processing	5090012	0	0	0	0	0	0	0
Scholarships	5100030	10,000	40,000	40,000	40,000	40,000	40,000	40,000
Capital Outlay	5120011	0	0	0	0	0	0	0
Total		10,000	137,784	140,000	140,000	140,000	140,000	140,000
Funding Sources								
Fund Balance	4000005	140,787	131,431		0	0	0	0
Cash Fund	4000045	644	544		544	544	544	544
Intra-agency Fund Transfer	4000317	0	5,809		5,809	5,809	5,809	5,809
Total Funding		141,431	137,784		6,353	6,353	6,353	6,353
Excess Appropriation/(Funding)		(131,431)	0		133,647	133,647	133,647	133,647
Grand Total		10,000	137,784		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 Trust Fund.

Continuing level of appropriation is the FY2023 Authorized.

The Agency is requesting appropriation in the amount of \$150,000 each year of the biennium.

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	2021-2022	2022-2023	2022-2023	2023-2024		2024-2025	
	Actual	Budget	Authorized	Agency	Executive	Agency	Executive
Building Repairs and Maintenance 5090005	0	150,000	150,000	150,000	150,000	150,000	150,000
Total	0	150,000	150,000	150,000	150,000	150,000	150,000

Funding Sources							
Intra-agency Fund Transfer 4000317	0	150,000		150,000	150,000	150,000	150,000
Total Funding	0	150,000		150,000	150,000	150,000	150,000
Excess Appropriation/(Funding)	0	0		0	0	0	0
Grand Total	0	150,000		150,000	150,000	150,000	150,000