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| AGENCY NAME: | South Carolina Workers' Compensation Commission | | |
| AGENCY CODE: | R080 | SECTION: | 74 |



OCT - 8 2013

Fiscal Year 2014-15 Agency Budget Plan

Budget & Control Board
STATE BUDGET DIVISION

FORM A – SUMMARY

REVISED
10/16

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| RECURRING FUNDS (FORM B DECISION PACKAGES) | My agency is submitting the following recurring decision packages (Form B): 354, 358, 359, 360, 364, 366 | |
| | For FY 2014-15, my agency is (mark "X"): | |
| | <input type="checkbox"/> | Requesting a net increase in recurring General Fund appropriations. |
| | <input checked="" type="checkbox"/> | Not requesting a net increase in recurring General Fund Appropriations. |

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| CAPITAL & NON-RECURRING FUNDS (FORM C DECISION PACKAGES) | My agency is submitting the following one-time decision packages (Form C): | |
| | For FY 2014-15, my agency is (mark "X"): | |
| | <input type="checkbox"/> | Requesting capital and/or non-recurring funds. |
| | <input checked="" type="checkbox"/> | Not requesting capital and/or non-recurring funds. |

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| PROVISOS | For FY 2014-15, my agency is (mark "X"): | |
| | <input type="checkbox"/> | Requesting a new proviso and/or substantive changes to existing provisos. |
| | <input type="checkbox"/> | Only requesting technical proviso changes (such as date references). |
| | <input checked="" type="checkbox"/> | Not requesting any proviso changes. |

Please identify your agency's preferred contacts for this year's budget process.

| | <u>Name</u> | <u>Phone</u> | <u>Email</u> |
|---------------------------|-------------|--------------|--------------------|
| PRIMARY CONTACT: | Diana Gantt | 803-737-5676 | dgantt@wcc.sc.gov |
| SECONDARY CONTACT: | Gary Cannon | 803-737-5744 | gcannon@wcc.sc.gov |

I have reviewed and approved the enclosed FY 2014-15 Agency Budget Plan, which is complete and accurate to the extent of my knowledge.

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| AGENCY DIRECTOR (SIGN/DATE): | <i>Gary M Cannon</i> 10-8-13 | |
| | Gary M. Cannon | |
| AGENCY DIRECTOR (TYPE/PRINT NAME): | | |

This form must be signed by the department head – not a delegate.

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FORM B – PROGRAM REVISION REQUEST

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| DECISION PACKAGE | 366 |
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Provide the decision package number issued by the PBF system ("Governor's Request").

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| TITLE | Workers' Compensation Self Insurance Tax Revenue |
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Provide a brief, descriptive title for this request.

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| AMOUNT | \$4,768,000 |
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What is the net change in requested appropriations for FY 2014-15? This amount should correspond to the decision package's total in PBF across all funding sources.

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| ENABLING AUTHORITY | Act 95 signed by the governor on June 13, 2013 amended Section 42-5-190 of the SC Code of Laws authorized the Commission to retain fifty percent or no less than two million two hundred thousand dollars for the purpose of paying salaries and expenses of the Commission. |
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What state or federal statutory, regulatory, and/or administrative authority established this program? Is this decision package prompted by the establishment of or a revision to that authority?

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| FACTORS ASSOCIATED WITH THE REQUEST | Mark "X" for all that apply: | |
| | <input type="checkbox"/> | Change in cost of providing current services to existing program audience. |
| | <input type="checkbox"/> | Non-mandated change in eligibility / enrollment for existing program. |
| | <input type="checkbox"/> | Change in case load / enrollment under existing program guidelines. |
| | <input type="checkbox"/> | Non-mandated program change in service levels or areas. |
| | <input type="checkbox"/> | Loss of federal or other external financial support for existing program. |
| | <input checked="" type="checkbox"/> | Exhaustion of fund balances previously used to support program. |
| <input type="checkbox"/> | Proposed establishment of a new program or initiative. | |

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| RECIPIENTS OF FUNDS | The SC Workers' Compensation Commission is the entity to receive the funds. The funds will be used to pay the salaries and operating expenses of the Commission. |
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What individuals or entities would receive these funds (contractors, vendors, grantees, individual beneficiaries, etc.)? How would these funds be allocated – using an existing formula, through a competitive process, based upon predetermined eligibility criteria?

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RELATED REQUEST(S) None

Is this decision package associated with other decision packages requested by your agency or other agencies this year? Is it associated with a specific capital or non-recurring request?

MATCHING FUNDS None

Would these funds be matched by federal, institutional, philanthropic, or other resources? If so, identify the source and amount.

FUNDING ALTERNATIVES None

What other possible funding sources were considered? Could this request be met in whole or in part with the use of other resources, including fund balances? If so, please comment on the sustainability of such an approach.

SUMMARY The change request results in a change in the statute authorizing the Commission to retain 50% of the self-insurance taxes collected for the purposes of paying salaries and expenses of the Commission.

Provide a summary of the rationale for the decision package. Why has it been requested? How specifically would the requested funds be used?

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| METHOD OF CALCULATION | <p>The amount was calculated using a three year historical trend of the self-insurance taxes collected by the Commission.</p> |
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How was the amount of the request calculated? What factors could cause deviations between the request and the amount that could ultimately be required in order to perform the underlying work?

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| FUTURE IMPACT | <p>None</p> |
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Will the state incur any maintenance-of-effort or other obligations by adopting this decision package? What impact will there be on future capital and/or operating budgets if this request is or is not honored? Has a source of any such funds been identified and/or obtained by your agency?

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| PRIORITIZATION | <p>New funds available due to change in statutory authority.</p> |
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If no or insufficient new funds are available in order to meet this need, how would the agency prefer to proceed? By using fund balances, generating new revenue, cutting other programs, or deferring action on this request in FY 2014-15?

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| INTENDED IMPACT | <p>Revenues will be used to pay salary and operating expenses of the Commission. Non-funding will result in the decrease in the delivery of services provided by the Commission. The delays in processing and conducting hearings increase the cost to businesses.</p> |
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What impact is this decision package intended to have on service delivery and program outcomes, and over what period of time?

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| PROGRAM EVALUATION | <p>The Commission uses a variety of metrics to measure outcomes of the Commission. These include but are not limited to the number of days to process a claim, number of days to conduct a hearing, annual amount of medical and indemnity cost to the system, number of cases filed annually, and various monthly departmental operational reports.</p> |
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How would the use of these funds be evaluated? What specific outcome or performance measures would be used to assess the effectiveness of this program?