

Departmental Proposal 12

s. 20.445 (1) (ra) and (rp)

Current law provides an annual appropriation structure for funding operations of the Worker's Compensation Division. With this proposal the appropriation structure for the Worker's Compensation Division will be changed from annual to continuing.

While the Worker's Compensation Division has successfully carried out its mission and functions under the annual designation, changing to a continuing appropriation structure will provide greater administrative real-time responsiveness to the Division's management options. The annual appropriation designation caps spending at the annual budget bill levels regardless of whether revenue is available to cover necessary and approved discretionary costs. The Worker's Compensation Division (WCD) has nondiscretionary expenses that are anticipated to increase this year and in future years, such as salary and fringe costs for other agencies' staff whose costs are billed to WCD. Administering operations under a continuing appropriation will provide new budgeting options to support the Worker's Compensation Division to efficiently allocate existing revenues to cover all fiscal year costs, including newly identified priorities. With the continuing appropriation structure, WCD could allocate available current revenues to cover needed costs, rather than the current practice to stay within a capped annual spending authority limit of implementing cost reduction measures such as holding vacancies or delaying IT projects, to cover nondiscretionary increases.

This change does not permit or authorize the WCD to incur more expenditures than the revenue available in the Worker's Compensation Operations Fund. The proposal does not change the oversight of the Worker's Compensation Division by the Worker's Compensation Advisory Council and the Legislature, but does allow improved administrative responsiveness for the delivery of services.