

8420 State Compensation Insurance Fund

State Compensation Insurance Fund (State Fund) is a public enterprise fund established through legislation enacted in 1913 to provide an available market for workers' compensation insurance to employers located in California. State Fund is governed by a board of directors with authority comparable to that of the governing body of a private insurance carrier.

State Fund's purpose is to provide fairly priced workers' compensation insurance, make the workplace safe, and restore injured workers. State Fund is self-supported with revenues from premiums on policies written and from investment income. It does not receive any financial support from the state, and the state is not liable for any obligations of State Fund. Almost all of State Fund's employees are civil servants.

Separate from its insurance business, State Fund has been engaged by the California Department of Human Resources to provide workers' compensation claims administration services for legally uninsured departments, agencies, boards, commissions, or other subdivisions of state government under a Master Agreement. Under this agreement, the state provides a deposit out of which State Fund pays compensation benefits to injured workers and medical benefits to health providers, and is reimbursed by state agencies for amounts paid plus service fees equal to the costs of these services.

3-YR EXPENDITURES AND POSITIONS

	Positions			Expenditures		
	2014-15	2015-16	2016-17	2014-15*	2015-16*	2016-17*
6560 Workers' Compensation Benefits	-	-	-	\$1,441,279	\$1,384,048	\$1,567,601
6565 Workers' Compensation Program Administration	4,220.3	4,580.1	4,585.7	978,422	941,836	992,768
TOTALS, POSITIONS AND EXPENDITURES (All Programs)	4,220.3	4,580.1	4,585.7	\$2,419,701	\$2,325,884	\$2,560,369
FUNDING				2014-15*	2015-16*	2016-17*
0512 State Compensation Insurance Fund				\$2,419,701	\$2,325,884	\$2,560,369
TOTALS, EXPENDITURES, ALL FUNDS				\$2,419,701	\$2,325,884	\$2,560,369

LEGAL CITATIONS AND AUTHORITY

DEPARTMENT AUTHORITY

Insurance Code, Division 2, Part 3, Chapter 4, Articles 1-7; and California Constitution, Article 14, Section 4.

DETAILED BUDGET ADJUSTMENTS

	2015-16*			2016-17*		
	General Fund	Other Funds	Positions	General Fund	Other Funds	Positions
Workload Budget Adjustments						
Other Workload Budget Adjustments						
• Miscellaneous Baseline Adjustments	\$-	-\$178,814	-308.9	\$-	\$57,171	-303.3
• Salary Adjustments	-	7,423	-	-	7,503	-
• Benefit Adjustments	-	4,260	-	-	5,590	-
• Retirement Rate Adjustments	-	2,614	-	-	2,614	-
Totals, Other Workload Budget Adjustments	\$-	-\$164,517	-308.9	\$-	\$72,878	-303.3
Totals, Workload Budget Adjustments	\$-	-\$164,517	-308.9	\$-	\$72,878	-303.3
Totals, Budget Adjustments	\$-	-\$164,517	-308.9	\$-	\$72,878	-303.3

PROGRAM DESCRIPTIONS

6560 - WORKERS' COMPENSATION BENEFITS

Through this program, the State Compensation Insurance Fund (State Fund) provides workers' compensation benefit payments to covered employees who are injured or become ill during the course of, or due to, employment. This program does not include the cost of benefits for State of California employees. Refer to the Workers' Compensation Benefits for State Workers for the costs in accordance with the State Master Agreement.

6565 - WORKERS' COMPENSATION PROGRAM ADMINISTRATION

Through this program, the State Fund writes insurance policies for California employers, processes and adjusts workers' compensation claims, and provides loss-control training programs to insured employers.

* Dollars in thousands, except in Salary Range. Numbers may not add or match to other statements due to rounding of budget details.

8420 State Compensation Insurance Fund - Continued

DETAILED EXPENDITURES BY PROGRAM

		2014-15*	2015-16*	2016-17*
PROGRAM REQUIREMENTS				
6560	WORKERS' COMPENSATION BENEFITS			
	Unclassified:			
0512	State Compensation Insurance Fund	\$1,441,279	\$1,384,048	\$1,567,601
	Totals, Unclassified	\$1,441,279	\$1,384,048	\$1,567,601
PROGRAM REQUIREMENTS				
6565	WORKERS' COMPENSATION PROGRAM ADMINISTRATION			
	State Operations:			
0512	State Compensation Insurance Fund	\$978,422	\$941,836	\$992,768
	Totals, State Operations	\$978,422	\$941,836	\$992,768
TOTALS, EXPENDITURES				
	State Operations	978,422	941,836	992,768
	Unclassified	1,441,279	1,384,048	1,567,601
	Totals, Expenditures	\$2,419,701	\$2,325,884	\$2,560,369

EXPENDITURES BY CATEGORY

1 State Operations	Positions			Expenditures		
	2014-15	2015-16	2016-17	2014-15*	2015-16*	2016-17*
PERSONAL SERVICES						
Baseline Positions	4,689.5	4,889.0	4,889.0	\$293,862	\$315,474	\$315,474
Total Adjustments	-469.2	-308.9	-303.3	-20,550	-9,321	-8,685
Net Totals, Salaries and Wages	4,220.3	4,580.1	4,585.7	\$273,312	\$306,153	\$306,789
Staff Benefits	-	-	-	83,228	104,858	106,370
Totals, Personal Services	4,220.3	4,580.1	4,585.7	\$356,540	\$411,011	\$413,159
OPERATING EXPENSES AND EQUIPMENT				\$621,882	\$530,825	\$579,609
TOTALS, POSITIONS AND EXPENDITURES, ALL FUNDS (State Operations)				\$978,422	\$941,836	\$992,768

4 Unclassified

	Expenditures		
	2014-15*	2015-16*	2016-17*
Other Special Items of Expense	\$1,441,279	\$1,384,048	\$1,567,601
TOTALS, EXPENDITURES, ALL FUNDS (Unclassified)	\$1,441,279	\$1,384,048	\$1,567,601

DETAIL OF APPROPRIATIONS AND ADJUSTMENTS

1 STATE OPERATIONS	2014-15*	2015-16*	2016-17*
0512 State Compensation Insurance Fund			
APPROPRIATIONS			
Insurance Code sections 11770 and 11800.1	\$573,661	\$1,012,547	\$992,768
Allocation for employee compensation	5,359	7,423	-
Allocation for staff benefits	2,429	4,260	-
Baseline Adjustments	453,327	-	-
Miscellaneous baseline adjustments	-	-85,008	-

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8420 State Compensation Insurance Fund - Continued

1 STATE OPERATIONS	2014-15*	2015-16*	2016-17*
Past year adjustments	-65,196	-	-
Section 3.60 pension contribution adjustment	<u>8,842</u>	<u>2,614</u>	<u>-</u>
TOTALS, EXPENDITURES	<u>\$978,422</u>	<u>\$941,836</u>	<u>\$992,768</u>
Total Expenditures, All Funds, (State Operations)	<u>\$978,422</u>	<u>\$941,836</u>	<u>\$992,768</u>
4 UNCLASSIFIED	2014-15*	2015-16*	2016-17*
0512 State Compensation Insurance Fund			
APPROPRIATIONS			
Insurance Code section 11800.1 Benefits Paid--Workers' Compensation	\$860,949	\$1,477,854	\$1,567,601
Baseline Adjustments	462,446	-	-
Miscellaneous baseline adjustments	-	-93,806	-
Past year adjustments	<u>117,884</u>	<u>-</u>	<u>-</u>
TOTALS, EXPENDITURES	<u>\$1,441,279</u>	<u>\$1,384,048</u>	<u>\$1,567,601</u>
Total Expenditures, All Funds, (Unclassified)	<u>\$1,441,279</u>	<u>\$1,384,048</u>	<u>\$1,567,601</u>
TOTALS, EXPENDITURES, ALL FUNDS (State Operations and Unclassified)	<u>\$2,419,701</u>	<u>\$2,325,884</u>	<u>\$2,560,369</u>

CHANGES IN AUTHORIZED POSITIONS

	<u>Positions</u>			<u>Expenditures</u>		
	<u>2014-15</u>	<u>2015-16</u>	<u>2016-17</u>	<u>2014-15*</u>	<u>2015-16*</u>	<u>2016-17*</u>
Baseline Positions	4,689.5	4,889.0	4,889.0	\$293,862	\$315,474	\$315,474
Salary and Other Adjustments	<u>-469.2</u>	<u>-308.9</u>	<u>-303.3</u>	<u>-20,550</u>	<u>-9,321</u>	<u>-8,685</u>
Totals, Adjustments	<u>-469.2</u>	<u>-308.9</u>	<u>-303.3</u>	<u>-\$20,550</u>	<u>-\$9,321</u>	<u>-\$8,685</u>
TOTALS, SALARIES AND WAGES	4,220.3	4,580.1	4,585.7	\$273,312	\$306,153	\$306,789

* Dollars in thousands, except in Salary Range. Numbers may not add or match to other statements due to rounding of budget details.