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Workers Compensation Court of Appeals

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AT A GLANCE

- Five appellate judges, who sit as panels of three or five.
- Budget 100% funded by the Workers Compensation Fund, through the Special Compensation Fund assessment.
- We review workers' compensation appeals from the Office of Administrative Hearings, the Department of Labor & Industry and union workers' compensation arbitration.
- We also decide petitions to reopen workers' compensation settlements.
- Our website provides information, rules and searchable text of decisions of the court.
- Appeals from our decisions proceed directly to the Minnesota Supreme Court.

PURPOSE

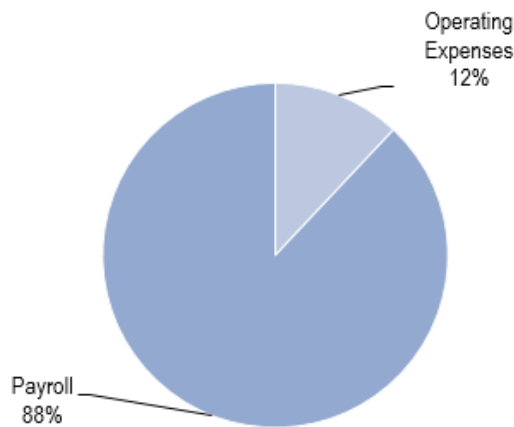
The Workers' Compensation Court of Appeals' mission is to provide equal access to fair and timely review of disputed workers' compensation issues which affect entitlement to and delivery of workers' compensation wage loss and medical benefits.

Outcomes advanced include:

- Efficient and accountable government services
- A thriving economy that encourages business growth and employment opportunities
- People in Minnesota are safe
- All Minnesotans have optimal health

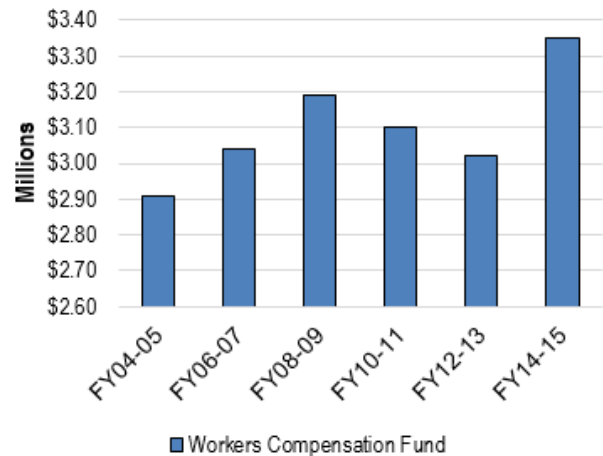
BUDGET

**Spending by Category
FY 15 Actual**



Source: SWIFT

Historical Spending



Source: Consolidated Fund Statement

STRATEGIES

We work to provide equal access to fair and timely review of disputes before us by:

- Reviewing the evidentiary record created by the initial decision making body;
- Presiding over oral arguments;
- Conducting necessary legal research;
- Deciding the issues; and
- Issuing appropriate written orders, decisions and memoranda.

RESULTS

We decide disputes before us promptly under our statutory mandate to:

- Ensure the quick and efficient delivery of benefits to injured workers at a reasonable cost to employers;
- Maintain economic stability for injured workers and their families;
- Provide for appropriate medical treatment of work-related illnesses and injuries;
- Support a competitive business climate for Minnesota employers by reducing the amount of litigation; and
- Support employers in creating safe and healthy work environments.

Decisions are written to inform the parties and the public of the bases for the court's decisions and to create a consistent body of law interpreting and applying the Minnesota Workers' Compensation Act. Our decisions are provided to the public both in published volumes and at: <http://search.state.mn.us/workcomp/>.

<i>Type of Measure</i>	<i>Name of Measure</i>	<i>Previous</i>	<i>Current</i>	<i>Dates</i>
Quantity	Cases processed by the WCCA	116	111	FY 2014: FY 2015
Quality	Average number of days between case assignment and issuance of decision	49	48	FY 2014: FY 2015
Results	% of WCCA decisions reversed by Supreme Court	3%	2%	FY 2014: FY 2015

The legal authority for the Workers' Compensation Court of Appeals is provided by Minn. Stat. Chapters 175A and 176 (<https://www.revisor.mn.gov/statutes/?id=175A>; <https://www.revisor.mn.gov/statutes/?id=176>).

(Dollars in Thousands)

Expenditures By Fund

	Actual FY14	Actual FY15	Actual FY16	Estimate FY17	Forecasted Base		Governor's Recommendation	
					FY18	FY19	FY18	FY19
2830 - Workers Compensation	1,633	1,714	1,752	1,978	1,913	1,913	2,034	2,033
Total	1,633	1,714	1,752	1,978	1,913	1,913	2,034	2,033
Biennial Change				383		96		337
Biennial % Change				11		3		9
Governor's Change from Base								241
Governor's % Change from Base								6

Expenditures by Program

Program: Workers Comp Ct Of Appeals	1,633	1,714	1,752	1,978	1,913	1,913	2,034	2,033
Total	1,633	1,714	1,752	1,978	1,913	1,913	2,034	2,033

Expenditures by Category

Compensation	1,435	1,513	1,541	1,695	1,683	1,683	1,795	1,800
Operating Expenses	187	194	211	281	228	228	237	231
Other Financial Transactions		7		2	2	2	2	2
Capital Outlay-Real Property	11							
Total	1,633	1,714	1,752	1,978	1,913	1,913	2,034	2,033

Full-Time Equivalents

12.9	11.8	11.7	12.0	12.0	12.0	13.0	13.0
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2830 - Workers Compensation

	Actual	Actual	Actual	Estimate	Forecast Base		Governor's Recommendation	
	FY14	FY15	FY16	FY17	FY18	FY19	FY18	FY19
Balance Forward In	0	280	0	65	0	0	0	0
Direct Appropriation	1,913	1,703	1,817	1,913	1,913	1,913	2,034	2,033
Net Transfers	0	(87)	0	0	0	0	0	0
Cancellations	0	182	0	0	0	0	0	0
Expenditures	1,633	1,714	1,752	1,978	1,913	1,913	2,034	2,033
Balance Forward Out	280	0	65	0	0	0	0	0
<i>Biennial Change in Expenditures</i>				383		96		337
<i>Biennial % Change in Expenditures</i>				11		3		9
<i>Gov's Exp Change from Base</i>								241
<i>Gov's Exp % Change from Base</i>								6
Full-Time Equivalents	12.9	11.8	11.7	12.0	12.0	12.0	13.0	13.0

Workers' Compensation Court of Appeals

FY18-19 Biennial Budget Change Item

Change Item Title: Compensation Adjustment to Maintain Core Operations

Fiscal Impact (\$000s)	FY 2018	FY 2019	FY 2020	FY 2021
General Fund				
Expenditures	0	0	0	0
Revenues	0	0	0	0
Workers Compensation Fund				
Expenditures	121	120	120	120
Revenues	121	120	120	120
Net Fiscal Impact = (Expenditures – Revenues)	0	0	0	0
FTEs	1	1	1	1

Recommendation:

The Governor recommends an increase to the Workers' Compensation Court of Appeals (WCCA) base appropriation to maintain core operations and to maintain the current level of service delivery. This appropriation increase is \$121,000 in FY 2018 and \$120,000 each year thereafter.

This expenditure is funded through the Special Compensation Fund which funds Minnesota's workers' compensation programs. Each year, the Special Compensation assessment rate is determined based on the liability and the operating expenses in the Workers Compensation Fund. This expenditure change will be included in the FY 2018 assessment rate calculation, and each year thereafter.

Rationale/Background:

The WCCA consists of 5 judges, appointed pursuant to Minn. Stat. § 175A.01, supported by 5 full-time compensation attorney principals, and 3 full-time support staff positions, one of which will be annualized with this funding level in FY 2018. The WCCA is entirely funded from the Workers Compensation Fund, through the Special Compensation Fund assessment.

Each year, employer-paid health care contributions, pension contributions, FICA and Medicare, along with other salary and compensation-related costs increase. Other operating costs, like rent and IT costs, are also estimated to grow at the WCCA. This cost growth puts pressure on agency operating budgets that remain flat from year to year.

Payroll and rent costs currently represent 93 percent of the entire WCCA budget; accordingly there are no effective alternatives to fund the required increased operating and salary expenses. Without an increase to maintain core operations of the WCCA, significant delays in deciding workers' compensation cases would result.

Proposal:

This proposal is an increase in Special Compensation Fund allotment to the WCCA to fund existing core operations.

Results:

This proposal is intended to allow the WCCA to continue to meet its statutory requirements and issue decisions within 90 days. This will result in the WCCA continuing to provide equal access to fair and timely review of disputed workers' compensation issues.

Performance is measured by the average number of days between case assignment and issuance of decision. This measure balances complexity, quality and time to meet the statutory requirement that decisions be issued within 90 days. Current trends on this measure have been stable at about 60 days.

Statutory Change(s):

Not applicable.