

Fund	Proposed Rate	Projected Annual Revenue	Projected Annual Expenditures	Difference
1420-WC Cash Fund	1.40%	\$18,745,888	\$16,120,200	\$2,625,688
4160/4170-Special Funds	0.00%	\$0	\$7,931,000	(\$7,931,000)
1430-PCC Fund	0.03%	\$347,879	\$366,557	(\$18,678)
Recommended Total Surcharge Rates	Carriers	1.43%	Self-Insured	1.40%
*Current Total Surcharge Rates		1.45%		1.44%

[Revenue Assessment Balance Projections](#)

Fund 1420-WC Cash Fund

- We recommend **increasing** the current rate of 1.34% to **1.40%** for 1420-WC Cash Fund.
- The impacts of the recent pandemic have exacerbated a previously identified need for further modernization of a workers’ compensation computer system. Increasing this rate allows the division to maintain the current overall surcharge rate, while also anticipating a significant expense related to a system modernization.
- We have a goal to begin each fiscal year with at least one year of expenditures in our fund balance.
 - We will begin FY2024 with a projected balance of \$15.1M. The projected expenses for FY2024 are \$16.1M.

Fund 4160/4170-Special Funds

- We recommend **decreasing** the current rate of 0.10% to **0.00%** for 4160/4170-Special Funds.
- Recent actuarial studies indicate that, “When considering the Funds’ solvency, no years of additional assessment are required after the 7/1/2021 -2022 fiscal year to maintain a balance over \$0.”
- The recommended rate will require a continued reduction of TABOR by a minimum of \$4M per year.
 - The most recent recommendation by the JBC Staff Memo includes:
 - “Decrease the designation for the Major Medical Insurance Fund to \$25.0 million. This would allow the Division of Workers’ Compensation to eliminate the existing related premium surcharge of 0.1 percent, effective July 1, 2022. This would reduce related revenues for FY 2022-23 by \$1,364,724, which would reduce the TABOR refund by the same amount.”

Fund 1430-PCC Fund

- We recommend **increasing** the current rate of 0.01% to **0.03%** for 1430-PCC Fund. This rate will allow for salary payment of all FTE currently working in our Premium Cost Containment Program. Premium Cost Containment has 6 FTE.
- 8-44-112(1)(b)(I) does not allow the PCC surcharge rate to exceed 0.03%.
- This fund is required to maintain a balance less than \$200,000 to be in compliance with 24-75-402 C.R.S.
 - The fund is currently compliant and the proposed rate assures future compliance while also keeping the fund active.