

**FISCAL NOTE**  
**LEGISLATIVE FISCAL ANALYST ESTIMATE**

<b>ESTIMATE OF FISCAL IMPACT – STATE AGENCIES</b> (See narrative for political subdivision estimates)				
	<b>FY 2013-14</b>		<b>FY 2014-15</b>	
	EXPENDITURES	REVENUE	EXPENDITURES	REVENUE
GENERAL FUNDS				
CASH FUNDS				
FEDERAL FUNDS				
OTHER FUNDS				
TOTAL FUNDS				

**Any Fiscal Notes received from state agencies and political subdivisions are attached following the Legislative Fiscal Analyst Estimate.**

This bill would change total disability income benefits under the Nebraska Workers' Compensation Act.

The Workers' Compensation Court estimates no fiscal impact from this bill.

The Department of Administrative Services (DAS) is unable to determine the future number of cases that fall under this bill, so the fiscal impact is unknown at this time. See the agency response following for additional details.

The City of Lincoln states that there is the potential for additional cost from this bill, but is unable to make an estimate at this time. See the City's response following for additional details.

<b>ADMINISTRATIVE SERVICES-STATE BUDGET DIVISION: REVIEW OF AGENCY &amp; POLT. SUB. RESPONSES</b>			
LB: <b>LB 302</b>	AM:	AGENCY/POLT. SUB: <b>City of Lincoln</b>	
REVIEWED BY: Joe Wilcox		DATE: February 1 <sup>st</sup> , 2013	PHONE: (402) 471-4178
COMMENTS: The City of Lincoln makes no specific estimates of fiscal impact but ultimately concludes the final impact is undetermined at this time.			

<b>ADMINISTRATIVE SERVICES-STATE BUDGET DIVISION: REVIEW OF AGENCY &amp; POLT. SUB. RESPONSES</b>			
LB: <b>LB 302</b>	AM:	AGENCY/POLT. SUB: <b>Department of Administrative Services (065)</b>	
REVIEWED BY: Joe Wilcox		DATE: January 28 <sup>th</sup> , 2013	PHONE: (402) 471-4178
COMMENTS: DAS makes certain estimates of fiscal impact but ultimately concludes the final impact is unknown at this time. No basis to dispute agency analysis for the Department of Administrative Services.			

<b>ADMINISTRATIVE SERVICES-STATE BUDGET DIVISION: REVIEW OF AGENCY &amp; POLT. SUB. RESPONSES</b>			
LB: <b>LB 302</b>	AM:	AGENCY/POLT. SUB: <b>Workers' Compensation Court (037)</b>	
REVIEWED BY: Joe Wilcox		DATE: January 22 <sup>nd</sup> , 2013	PHONE: (402) 471-4178
COMMENTS: Concur with agency analysis of No Fiscal Impact on the Workers' Compensation Court.			

Please complete ALL (5) blanks in the first three lines.

**2013**

**LB<sup>(1)</sup> 302 FISCAL NOTE**

State Agency OR Political Subdivision Name: <sup>(2)</sup> Nebraska Workers' Compensation Court

Prepared by: <sup>(3)</sup> Glenn Morton Date Prepared: <sup>(4)</sup> 01/18/2013 Phone: <sup>(5)</sup> 402-471-3602

**ESTIMATE PROVIDED BY STATE AGENCY OR POLITICAL SUBDIVISION**

	<u>FY 2013-14</u>		<u>FY 2014-15</u>	
	<u>EXPENDITURES</u>	<u>REVENUE</u>	<u>EXPENDITURES</u>	<u>REVENUE</u>
GENERAL FUNDS	_____	_____	_____	_____
CASH FUNDS	_____	_____	_____	_____
FEDERAL FUNDS	_____	_____	_____	_____
OTHER FUNDS	_____	_____	_____	_____
TOTAL FUNDS	=====	=====	=====	=====

Return by date specified or 72 hours prior to public hearing, whichever is earlier.

Explanation of Estimate:

**No Fiscal Impact**

**MAJOR OBJECTS OF EXPENDITURE**

Personal Services:

<u>POSITION TITLE</u>	<u>NUMBER OF POSITIONS</u>		<u>2013-14</u>	<u>2014-15</u>
	<u>13-14</u>	<u>14-15</u>	<u>EXPENDITURES</u>	<u>EXPENDITURES</u>
_____	_____	_____	_____	_____
_____	_____	_____	_____	_____
Benefits.....	_____	_____	_____	_____
Operating.....	_____	_____	_____	_____
Travel.....	_____	_____	_____	_____
Capital outlay.....	_____	_____	_____	_____
Aid.....	_____	_____	_____	_____
Capital improvements.....	_____	_____	_____	_____
TOTAL.....	_____	_____	_____	_____

# 2013 Legislative Bill Proposal Fiscal Note

**Bill #: 302**

**State Agency:** Administrative Services - Risk

**Prepared by:** Shannon Anderson

**Date Prepared:** January 22, 2013

**Phone:** 402-471-4436

## Estimate of Fiscal Impact – State Agencies

	FY 2013-14		FY 2014-15	
	Expenditures	Revenue	Expenditures	Revenue
General Funds				
Cash Funds				
Federal Funds				
Other Funds	See below		See below	
Total Funds	See below		See below	

**Explanation of Estimate:**

LB 302 would require that any weekly income benefit for total disability awarded after the effective date of this act be adjusted each year in a proportion equal to the annual increase resulting from the determination of the average weekly wage pursuant to statute 48-121.02.

For the last 5 years the increase in the state average weekly wage as set by the Workers Compensation Court has been on average approximately 2.5% per year. Last year, there was a total of \$662,324 in perm total disability benefits (PTD) paid on 48 claims. This represents all PTD cases regardless of the date of the accident (oldest claim is from 1980). At a 2.5% increase, the State would pay an additional \$16,558 in benefits for 2013 ( $\$662,324 \times 2.5\% = 16,558$ ) and \$16,972 in 2014 ( $\$678,882 \times 2.5\% = 16,972$ ).

It is unclear whether the bill includes temporary total disability cases and those claims were not include in the calculations. It is also unclear whether a Workers Compensation Court order is required before the increase would be applied. Requiring such would initially keep the number of cases down until they all got court orders.

**However, DAS is unable to determine the future number of total disability determinations, thus the exact fiscal impact of this bill as written is unknown.**

## Major Objects of Expenditure

**Personal Services:**

Position Title:	Number of Positions			FY 2013-14	FY 2014-15
	13-14	14-15		Expenditures	Expenditures
Benefits					
Operating					
Travel					
Capital Outlay					
Aid					
Capital Improvements					
<b>TOTAL</b>					

Please complete ALL (5) blanks in the first three lines.

**2013**

**LB<sup>(1)</sup> 302 FISCAL NOTE**

State Agency OR Political Subdivision Name: <sup>(2)</sup> City of Lincoln

Prepared by: <sup>(3)</sup> Jan Bolin Date Prepared: <sup>(4)</sup> 2/1/2013 Phone: <sup>(5)</sup> 402-441-8306

**ESTIMATE PROVIDED BY STATE AGENCY OR POLITICAL SUBDIVISION**

	<u>FY 2013-14</u>		<u>FY 2014-15</u>	
	<u>EXPENDITURES</u>	<u>REVENUE</u>	<u>EXPENDITURES</u>	<u>REVENUE</u>
GENERAL FUNDS	_____	_____	_____	_____
CASH FUNDS	_____	_____	_____	_____
FEDERAL FUNDS	_____	_____	_____	_____
OTHER FUNDS	_____	_____	_____	_____
TOTAL FUNDS	=====	=====	=====	=====

Return by date specified or 72 hours prior to public hearing, whichever is earlier.

**Explanation of Estimate:**

We cannot make an accurate estimate, but there is the potential for additional cost to the City of Lincoln. This bill proposes a change that would have the effect of increasing the workers compensation benefits that the City of Lincoln pays out as a self insured in the State of Nebraska. With this bill, any weekly income benefit for total disability will need to be adjusted each year in a proportion equal to annual increases rather than keeping benefits set and budgetable by the date of injury. It would require many additional calculations, which the City has not yet had an opportunity to complete.

**MAJOR OBJECTS OF EXPENDITURE**

**Personal Services:**

<u>POSITION TITLE</u>	<u>NUMBER OF POSITIONS</u>		<u>2013-14 EXPENDITURES</u>	<u>2014-15 EXPENDITURES</u>
	<u>13-14</u>	<u>14-15</u>		
_____	_____	_____	_____	_____
_____	_____	_____	_____	_____
Benefits.....				
Operating.....				
Travel.....				
Capital outlay.....				
Aid.....				
Capital improvements.....				
TOTAL.....				