

PREPARED BY: Doug Nichols
 DATE PREPARED: February 1, 2016
 PHONE: 402-471-0052

LB 743

Revision: 00

FISCAL NOTE
LEGISLATIVE FISCAL ANALYST ESTIMATE

ESTIMATE OF FISCAL IMPACT – STATE AGENCIES (See narrative for political subdivision estimates)				
	FY 2016-17		FY 2017-18	
	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 clarify compensation for shoulder injuries under the Nebraska Workers' Compensation Act.

The Workers' Compensation Court, DAS Risk Management, and the city of Omaha all estimate no fiscal impact from this bill.

The City of Lincoln estimates costs ranging from \$135,412 to \$406,237 in FY17 and FY18. See their response for additional details.

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

2016

LB⁽¹⁾ 743

FISCAL NOTE

State Agency OR Political Subdivision Name: ⁽²⁾

Worker's Compensation Court

Prepared by: ⁽³⁾ Glenn Morton

Date Prepared: ⁽⁴⁾ 01/07/16

Phone: ⁽⁵⁾ 402-471-3602

ESTIMATE PROVIDED BY STATE AGENCY OR POLITICAL SUBDIVISION

	<u>FY 2016-17</u>		<u>FY 2017-18</u>	
	<u>EXPENDITURES</u>	<u>REVENUE</u>	<u>EXPENDITURES</u>	<u>REVENUE</u>
GENERAL FUNDS	_____	_____	_____	_____
CASH FUNDS	_____	_____	_____	_____
FEDERAL FUNDS	_____	_____	_____	_____
OTHER FUNDS	_____	_____	_____	_____
TOTAL FUNDS	=====	=====	=====	=====

Explanation of Estimate:

There would be no fiscal impact for the compensation court as a result of LB 743.

BREAKDOWN BY MAJOR OBJECTS OF EXPENDITURE

Personal Services:

<u>POSITION TITLE</u>	<u>NUMBER OF POSITIONS</u>		<u>2016-17</u>	<u>2017-18</u>
	<u>16-17</u>	<u>17-18</u>	<u>EXPENDITURES</u>	<u>EXPENDITURES</u>
_____	_____	_____	_____	_____
_____	_____	_____	_____	_____
Benefits.....	_____	_____	_____	_____
Operating.....	_____	_____	_____	_____
Travel.....	_____	_____	_____	_____
Capital outlay.....	_____	_____	_____	_____
Aid.....	_____	_____	_____	_____
Capital improvements.....	_____	_____	_____	_____
TOTAL.....	_____	_____	_____	_____

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

2016

LB⁽¹⁾ 743

FISCAL NOTE

State Agency OR Political Subdivision Name: ⁽²⁾ Department of Administrative Services - Risk Management

Prepared by: ⁽³⁾ Shereece Dendy Date Prepared: ⁽⁴⁾ January 7, 2016 Phone: ⁽⁵⁾ 402-471-4436

ESTIMATE PROVIDED BY STATE AGENCY OR POLITICAL SUBDIVISION

	<u>FY 2016-17</u>		<u>FY 2017-18</u>	
	<u>EXPENDITURES</u>	<u>REVENUE</u>	<u>EXPENDITURES</u>	<u>REVENUE</u>
GENERAL FUNDS	_____	_____	_____	_____
CASH FUNDS	_____	_____	_____	_____
FEDERAL FUNDS	_____	_____	_____	_____
OTHER FUNDS	_____	_____	_____	_____
TOTAL FUNDS	<u>0</u>	<u>0</u>	<u>0</u>	<u>0</u>

Explanation of Estimate:

LB743 clarifies compensation for injuries related to the arm and shoulder. The bill also makes clear that the loss of use of an arm is not considered loss of use of the shoulder for disability compensation purposes. Shoulder injuries are separate and distinct of arm injuries.

The bill provides for better understanding of how disability compensation should be determined based upon the body parts injured.

There is no fiscal impact to the State of Nebraska.

BREAKDOWN BY MAJOR OBJECTS OF EXPENDITURE

Personal Services:

<u>POSITION TITLE</u>	<u>NUMBER OF POSITIONS</u>		<u>2016-17</u>	<u>2017-18</u>
	<u>16-17</u>	<u>17-18</u>	<u>EXPENDITURES</u>	<u>EXPENDITURES</u>
_____	_____	_____	_____	_____
_____	_____	_____	_____	_____
Benefits.....	_____	_____	_____	_____
Operating.....	_____	_____	_____	_____
Travel.....	_____	_____	_____	_____
Capital outlay.....	_____	_____	_____	_____
Aid.....	_____	_____	_____	_____
Capital improvements.....	_____	_____	_____	_____
TOTAL.....	_____	_____	_____	_____

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

2016

LB⁽¹⁾ 743

FISCAL NOTE

State Agency OR Political Subdivision Name: ⁽²⁾

City of Omaha

Prepared by: ⁽³⁾ Tyler Leimer

Date Prepared: ⁽⁴⁾ 1/13/2016

Phone: ⁽⁵⁾ 402-444-4514

ESTIMATE PROVIDED BY STATE AGENCY OR POLITICAL SUBDIVISION

	<u>FY 2016-17</u>		<u>FY 2017-18</u>	
	<u>EXPENDITURES</u>	<u>REVENUE</u>	<u>EXPENDITURES</u>	<u>REVENUE</u>
GENERAL FUNDS	_____	_____	_____	_____
CASH FUNDS	_____	_____	_____	_____
FEDERAL FUNDS	_____	_____	_____	_____
OTHER FUNDS	_____	_____	_____	_____
TOTAL FUNDS	=====	=====	=====	=====

Explanation of Estimate: **NO FISCAL IMPACT**

BREAKDOWN BY MAJOR OBJECTS OF EXPENDITURE

Personal Services:

<u>POSITION TITLE</u>	<u>NUMBER OF POSITIONS</u>		<u>2016-17 EXPENDITURES</u>	<u>2017-18 EXPENDITURES</u>
	<u>16-17</u>	<u>17-18</u>		
_____	_____	_____	_____	_____
_____	_____	_____	_____	_____
Benefits.....	_____	_____	_____	_____
Operating.....	_____	_____	_____	_____
Travel.....	_____	_____	_____	_____
Capital outlay.....	_____	_____	_____	_____
Aid.....	_____	_____	_____	_____
Capital improvements.....	_____	_____	_____	_____
TOTAL.....	_____	_____	_____	_____

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

2016

LB⁽¹⁾ 743

FISCAL NOTE

State Agency OR Political Subdivision Name: ⁽²⁾

City of Lincoln

Prepared by: ⁽³⁾ Steve Hubka/Bill Kostner

Date Prepared: ⁽⁴⁾ 1/10/16

Phone: ⁽⁵⁾ 402 441-7412

ESTIMATE PROVIDED BY STATE AGENCY OR POLITICAL SUBDIVISION

	<u>FY 2016-17</u>		<u>FY 2017-18</u>	
	<u>EXPENDITURES</u>	<u>REVENUE</u>	<u>EXPENDITURES</u>	<u>REVENUE</u>
GENERAL FUNDS	_____	_____	_____	_____
CASH FUNDS	_____	_____	_____	_____
FEDERAL FUNDS	_____	_____	_____	_____
OTHER FUNDS	_____	_____	_____	_____
TOTAL FUNDS	<u>\$135,412 -</u> <u>\$406,237</u>	_____	<u>\$135,412 -</u> <u>\$406,237</u>	_____

Explanation of Estimate:

BREAKDOWN BY MAJOR OBJECTS OF EXPENDITURE

Personal Services:

<u>POSITION TITLE</u>	<u>NUMBER OF POSITIONS</u>		<u>2016-17</u> <u>EXPENDITURES</u>	<u>2017-18</u> <u>EXPENDITURES</u>
	<u>16-17</u>	<u>17-18</u>		
Benefits.....	_____	_____	_____	_____
Operating.....	_____	_____	<u>\$135,412 -</u> <u>\$406,237</u>	<u>\$135,412 -</u> <u>\$406,237</u>
Travel.....	_____	_____	_____	_____
Capital outlay.....	_____	_____	_____	_____
Aid.....	_____	_____	_____	_____
Capital improvements.....	_____	_____	_____	_____
TOTAL.....	_____	_____	_____	_____

To evaluate the impact to the City of Lincoln, I have estimated the number of shoulder/ arm injuries we average to be approximately 23 claims per year. I also calculated the difference of a 10% disability rating to be \$5,887.50, and the difference of a 30% rating to be \$17,662.50; between the present and the proposed rating scale. Most ratings fall between 10% and 30%. Both are calculated at the current state maximum, or \$785/week, as most City of Lincoln employees are at the maximum rate. Using the 23 shoulder/arm claims per year, I can state with reasonable certainty that the increased cost to the City of Lincoln would be between the range of \$135,412.50 and \$406,237.50 in increased costs. This would also result in a greater vocational rehab costs as body as a whole claims usually require vocational rehabilitation and scheduled injury ratings usually do not. From Bill Kostner, Risk Manager