

FISCAL NOTE
LEGISLATIVE FISCAL ANALYST ESTIMATE

ESTIMATE OF FISCAL IMPACT – STATE AGENCIES (See narrative for political subdivision estimates)				
	FY 2014-15		FY 2015-16	
	EXPENDITURES	REVENUE	EXPENDITURES	REVENUE
GENERAL FUNDS	See Below			
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 workers' compensation death benefit provisions.

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

AS Risk Management states that this bill would increase costs to the state compared to the current law but the exact fiscal impact is unknown.

The City of Omaha states the impact of the bill is difficult to determine at this time.

The City of Lincoln estimates this bill will increase costs by \$309,000 to \$618,000. See their response for details.

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

2014

LB⁽¹⁾ 793

**FISCAL
NOTE**

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

Prepared by: ⁽³⁾ Shannon M. Anderson Date Prepared: ⁽⁴⁾ January 13, 2014 Phone: ⁽⁵⁾ 402-471-4436

ESTIMATE PROVIDED BY STATE AGENCY OR POLITICAL SUBDIVISION

	<u>FY 2014-15</u>		<u>FY 2015-16</u>	
	<u>EXPENDITURES</u>	<u>REVENUE</u>	<u>EXPENDITURES</u>	<u>REVENUE</u>
GENERAL FUNDS	_____	_____	_____	_____
CASH FUNDS	_____	_____	_____	_____
FEDERAL FUNDS	_____	_____	_____	_____
OTHER FUNDS	See below	_____	See below	_____
TOTAL FUNDS	<u>See below</u>	<u>-0-</u>	<u>See Below</u>	<u>-0-</u>

Explanation of Estimate: LB 793 would change how wages are determined when calculating death benefits for a retired worker who dies as a result of an occupational disease or latent and progressive injury or disease. It would set the benefit wage rate to the rate that existed when the retired worker was last employed by the employer found liable for the occupational disease or latent and progressive injury or disease as opposed to the rate at the time of hiring.

Additionally, LB 793 would create a conclusive presumption that the retired worker suffered a loss of access to the labor market and suffered a diminution of employability or impairment of earning capacity.

LB793, as written, would increase costs to the state compared to the present, if any benefits are rendered under the bill. However, AS- Risk Management is unable to determine the future numbers of cases or the impact on the death benefits paid for a retired worker, thus the exact fiscal impact of this bill is unknown.

BREAKDOWN BY MAJOR OBJECTS OF EXPENDITURE

Personal Services:

<u>POSITION TITLE</u>	<u>NUMBER OF POSITIONS</u>		<u>2014-15</u>	<u>2015-16</u>
	<u>14-15</u>	<u>15-16</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.

2014

LB⁽¹⁾ 793

FISCAL NOTE

State Agency OR Political Subdivision Name: ⁽²⁾

Nebraska Workers' Compensation Court

Prepared by: ⁽³⁾ Glenn Morton

Date Prepared: ⁽⁴⁾ 1/17/14

Phone: ⁽⁵⁾ 402-471-3602

ESTIMATE PROVIDED BY STATE AGENCY OR POLITICAL SUBDIVISION

	<u>FY 2014-15</u>		<u>FY 2015-16</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>2014-15</u>	<u>2015-16</u>
	<u>14-15</u>	<u>15-16</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.

2014

LB⁽¹⁾ 793

FISCAL
NOTE

State Agency OR Political Subdivision Name: ⁽²⁾ City of Lincoln

Prepared by: ⁽³⁾ Steve Hubka – Bill Kostner Date Prepared: ⁽⁴⁾ 1/13/14 Phone: ⁽⁵⁾ 402 441-7412

ESTIMATE PROVIDED BY STATE AGENCY OR POLITICAL SUBDIVISION

	FY 2014-15		FY 2015-16	
	EXPENDITURES	REVENUE	EXPENDITURES	REVENUE
GENERAL FUNDS				
CASH FUNDS				
FEDERAL FUNDS				
OTHER FUNDS				
TOTAL FUNDS	\$309,000- \$618,000		\$309,000- \$618,000	

Explanation of Estimate:

BREAKDOWN BY MAJOR OBJECTS OF EXPENDITURE

Personal Services:

POSITION TITLE	NUMBER OF POSITIONS		2014-15	2015-16
	14-15	15-16	EXPENDITURES	EXPENDITURES
Benefits.....			\$309,000-	\$309,000-
Operating.....			\$618,000	\$618,000
Travel.....				
Capital outlay.....				
Aid.....				
Capital improvements.....				
TOTAL.....			\$309,000- \$618,000	\$309,000- \$618,000

Analysis prepared by Bill Kostner, City Risk Manager: Usually death benefits under workers compensation are based on the average weekly wage at the time of the injury. This bill creates a presumption that there was a loss of employability, or an impairment of earnings capacity, if there is an occupational disease or latent and progressive injury or disease. This would increase death benefits and make it more difficult to budget a fair settlement value. It could cause a significant increase in workers compensation costs.

Although the potential increased costs associated with the bill cannot be determined with certainty at this time, we estimate it could be a 10-20% increase in total workers compensation costs. In FY 2014-15, we are budgeting \$3,090,000 for our self insured workers compensation fund. A 10-20% increase equates to \$309,000 - \$618,000.

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

2014

LB⁽¹⁾ 793 FISCAL NOTE

State Agency OR Political Subdivision Name: ⁽²⁾ City of Omaha

Prepared by: ⁽³⁾ Sheri Larsen Date Prepared: ⁽⁴⁾ 01/21/2014 Phone: ⁽⁵⁾ 402-444-5477

ESTIMATE PROVIDED BY STATE AGENCY OR POLITICAL SUBDIVISION

	<u>FY 2014-15</u>		<u>FY 2015-16</u>	
	<u>EXPENDITURES</u>	<u>REVENUE</u>	<u>EXPENDITURES</u>	<u>REVENUE</u>
GENERAL FUNDS	_____	_____	_____	_____
CASH FUNDS	_____	_____	_____	_____
FEDERAL FUNDS	_____	_____	_____	_____
OTHER FUNDS	_____	_____	_____	_____
TOTAL FUNDS	<u>_____</u>	<u>_____</u>	<u>_____</u>	<u>_____</u>

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

Explanation of Estimate:

The impact of LB 793 is difficult to determine at this time. The long term impact on the City may be negative but it is unmeasurable.

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.....	_____	_____	_____	_____