

Updated to reflect amendments adopted through April 07, 2008.

FISCAL NOTE
LEGISLATIVE FISCAL ANALYST ESTIMATE

ESTIMATE OF FISCAL IMPACT – STATE AGENCIES *				
	FY 2008-09		FY 2009-10	
	EXPENDITURES	REVENUE	EXPENDITURES	REVENUE
GENERAL FUNDS	69,187		69,187	
CASH FUNDS	27,414		27,414	
FEDERAL FUNDS	20,887		20,887	
OTHER FUNDS	13,054		13,054	
TOTAL FUNDS	130,542		130,542	

*Does not include any impact on political subdivisions. See narrative for political subdivision estimates.

This bill, as amended, would change the Nebraska Workers' Compensation Act to redefine injury and personal injuries.

IMPACT ON STATE: The Legislative Fiscal Office analyst (LFO) received information from the Workers Compensation Court that both the state of Arkansas and Maine has provisions in their workers compensation laws that are similar to this bill. The experience of Arkansas over a three year period (2005-2007) shows that claims averaged about 0.1% of total workers compensation claims. The experience of Maine over a four year period (2002-2005) shows that claims consistently average about 2% of total lost time first reports.

Based on this information, the LFO estimates the impact to the state as follows:

Fund	Expenditures
General Fund	69,187
Cash Fund	27,414
Federal Fund	20,887
Other	13,054
Total	130,541

The Workers Compensation Court (WCC) notes that this bill could result in increased expenditures from the Workers Compensation Trust Fund. Vocational rehabilitation payments are made from this Fund for workers unable to return to their job or a similar job. This bill creates a new class of injuries and a certain percentage of these new cases would qualify for vocational rehabilitation. Because this is a new injury that has never been compensated before, any increased expenditures from the Workers Compensation Trust Fund is unknown at this time.

The WCC notes that there would be an increase in workload for judges and staff to process these new cases, but they do not anticipate additional expenditures for judges or staff at this time.

The Department of Administrative Services response to AM2709 dated March 31, 2008, is attached.

IMPACT ON POLITICAL SUBDIVISIONS: This bill could impact workers compensation expenditures of political subdivisions in a manner similar to the state impact noted above. This amount is not known at this time.

The City of Lincoln has sent an email to the LFO and a summary of their comments follows: Lincoln notes that their present workers compensation budget is \$2,876,000. It appears the impact from this amended bill could be in the range of about 0.4% to as high as 20%, or roughly \$10,000 to \$500,000.

LFO notes that two of the states that have enacted a workers compensation provision similar to this amended bill have shown an impact of about 0.1% to 2%. See above under "IMPACT ON STATE". Based on this information, the impact to Lincoln will probably be on the low end of their estimate.