

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

<b>ESTIMATE OF FISCAL IMPACT – STATE AGENCIES</b> (See narrative for political subdivision estimates)				
	<b>FY 2023-24</b>		<b>FY 2024-25</b>	
	<b>EXPENDITURES</b>	<b>REVENUE</b>	<b>EXPENDITURES</b>	<b>REVENUE</b>
GENERAL FUNDS				
CASH FUNDS				
FEDERAL FUNDS				
OTHER FUNDS				
<b>TOTAL FUNDS</b>	See below.	See below.	See below.	See below.

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

LB 5 seeks to expand workers’ compensation coverage for personal injury to include mental injuries and mental illness unaccompanied by physical injury for an employee whose mental injuries or mental illness were caused by workplace violence, if such employee establishes, through a mental health professional, the medical causation between the mental injury or mental illness and the workplace violence by medical evidence. Workplace violence is defined as a shooting, hostage situation, act of terrorism, or similar act of violence occurring in the workplace.

Increasing the number of employees who have the ability to file claims for mental injuries or illness that is unaccompanied by physical injury would potentially increase the number of claims filed, and potentially the costs for managed care services that are charged to the claim file individually. The State cannot predict future mental injury-only claims caused by workplace violence.

The DAS – Risk Management Workers’ Compensation program is a revolving fund program and is funded by an annual assessment that includes all agencies, boards and commissions, the University and state colleges. Any increase in costs could increase the amount assessed and would require additional revolving fund appropriation. The biennial FY23-25 workers’ compensation assessment has already been published and could need to be adjusted, pending the determination of potential claims increases.

The table provided by the Department of Administrative Services (DAS) summarizes the estimated impact of any increase in the assessment by fund type. The allocation by fund type is based on a four-year (2019-2022) average of the payment of previous workers’ compensation assessments.

<b>Fund Type</b>	<b>Percentage</b>
General Fund	58%
Cash Fund	26%
Federal Fund	13%
Revolving Fund	3%
<b>Total</b>	<b>100%</b>

The Fiscal Office has no basis to disagree that this bill is likely to have a fiscal impact, but the amount is indeterminate.

<b>ADMINISTRATIVE SERVICES STATE BUDGET DIVISION: REVIEW OF AGENCY &amp; POLT. SUB. RESPONSE</b>		
<b>LB: 5</b>	<b>AM:</b>	<b>AGENCY/POLT. SUB: Nebraska Workers’ Compensation Court (037)</b>
REVIEWED BY: Joe Wilcox	DATE: 01/11/2023	PHONE: (402) 471-4178
COMMENTS: Do not disagree with the Nebraska Workers’ Compensation Court estimate of potential, but indeterminate Fiscal Impact to the Agency from LB 5.		

ADMINISTRATIVE SERVICES STATE BUDGET DIVISION: REVIEW OF AGENCY & POLT. SUB. RESPONSE

**LB: 5**      **AM:**      AGENCY/POLT. SUB: **Department of Administrative Services – Risk Management Division (065)**

REVIEWED BY: Joe Wilcox

DATE: 01/17/2023

PHONE: (402) 471-4178

COMMENTS: No basis to disagree with the Department of Administrative Services Risk management Division estimate of potential but Indeterminate fiscal impact to the Agency and the State from LB 5.

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

**2023**

**LB<sup>(1)</sup> 5**

**FISCAL NOTE**

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

Prepared by: <sup>(3)</sup> Jill Gradwohl Schroeder Date Prepared: <sup>(4)</sup> January 11, 2023 Phone: <sup>(5)</sup> (402) 471-3602

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

	<u>FY 2023-24</u>		<u>FY 2024-25</u>	
	<u>EXPENDITURES</u>	<u>REVENUE</u>	<u>EXPENDITURES</u>	<u>REVENUE</u>
GENERAL FUNDS	_____	_____	_____	_____
CASH FUNDS	_____	_____	_____	_____
FEDERAL FUNDS	_____	_____	_____	_____
OTHER FUNDS	_____	_____	_____	_____
<b>TOTAL FUNDS</b>	<b>=====</b>	<b>=====</b>	<b>=====</b>	<b>=====</b>

Explanation of Estimate:

LB 5 is **not** expected to have a direct fiscal impact on the operations of the Nebraska Workers' Compensation Court.

To the extent the Workers' Compensation Court is an employer, IF a workplace injury were to occur, there is the potential that workers' compensation benefits would be payable based on this legislation. This potential is too speculative to quantify.

**BREAKDOWN BY MAJOR OBJECTS OF EXPENDITURE**

**Personal Services:**

<u>POSITION TITLE</u>	<u>NUMBER OF POSITIONS</u>		<u>2023-24</u>	<u>2024-25</u>
	<u>23-24</u>	<u>24-25</u>	<u>EXPENDITURES</u>	<u>EXPENDITURES</u>
Benefits.....	_____	_____	_____	_____
Operating.....	_____	_____	_____	_____
Travel.....	_____	_____	_____	_____
Capital outlay.....	_____	_____	_____	_____
Aid.....	_____	_____	_____	_____
Capital improvements.....	_____	_____	_____	_____
<b>TOTAL.....</b>	<b>_____</b>	<b>_____</b>	<b>_____</b>	<b>_____</b>

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

**2023**

**LB<sup>(1)</sup> 5**

**FISCAL NOTE**

State Agency OR Political Subdivision Name: <sup>(2)</sup> Dept of Administrative Services (DAS) – Risk Management Division

Prepared by: <sup>(3)</sup> Allen D. Simpson Date Prepared: <sup>(4)</sup> 01/06/2023 Phone: <sup>(5)</sup> (402)471-4436

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

	<u>FY 2023-24</u>		<u>FY 2024-25</u>	
	<u>EXPENDITURES</u>	<u>REVENUE</u>	<u>EXPENDITURES</u>	<u>REVENUE</u>
GENERAL FUNDS	_____	_____	_____	_____
CASH FUNDS	_____	_____	_____	_____
FEDERAL FUNDS	_____	_____	_____	_____
REVOLVING FUNDS	<u>See Below</u>	<u>See Below</u>	<u>See Below</u>	<u>See Below</u>
TOTAL FUNDS	=====	=====	=====	=====

**Explanation of Estimate:**

LB 5 seeks to expand workers’ compensation coverage for personal injury to include mental injuries and mental illness unaccompanied by physical injury for an employee whose mental injuries or mental illness were caused by workplace violence if such employee establishes, through a mental health professional, the medical causation between the mental injury or mental illness and the workplace violence by medical evidence. Workplace violence is defined as a shooting, hostage situation, act of terrorism, or similar act of violence occurring in the workplace.

Increasing the number of employees who have the ability to file claims for mental injuries/illness unaccompanied by physical injury would have the potential of having an increase in the number of claims filed, as well as a potential increase in costs for managed care services that are charged to the claim file individually, depending on the services provided. The State cannot predict future mental injury only claims caused by workplace violence.

The DAS - Risk Management Workers’ Compensation program is a revolving fund program and is funded by an annual assessment that includes all agencies, boards and commissions, the University and state colleges. Any increase in costs could increase the amount assessed and would require addition revolving fund appropriation. The biennial FY23-25 worker’s compensation assessment has already been published and would need to be adjusted.

The table below summarizes the estimated impact of any increase in the assessment by fund type. The allocation by fund type is based on a four-year (2019-2022) average of the payment of previous workers’ compensation assessments.

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**BREAKDOWN BY MAJOR OBJECTS OF EXPENDITURE**

**Personal Services:**

<b>POSITION TITLE</b>	<b>NUMBER OF POSITIONS</b>		<b>2023-24</b>	<b>2024-25</b>
	<b><u>23-24</u></b>	<b><u>24-25</u></b>	<b><u>EXPENDITURES</u></b>	<b><u>EXPENDITURES</u></b>
Benefits.....				
Operating.....				
Travel.....				
Capital outlay.....				
Aid.....				
Capital improvements.....				
TOTAL.....				