

FISCAL NOTE
LEGISLATIVE FISCAL ANALYST ESTIMATE

ESTIMATE OF FISCAL IMPACT – STATE AGENCIES (See narrative for political subdivision estimates)					
EXPENDITURES	GENERAL	CASH	FEDERAL	REVOLVING	TOTAL
FY2025-2026	0	0	0	0	0
FY2026-2027	81,627	31,886	8,928	132,643	255,084
FY2027-2028	81,627	31,886	8,928	132,643	255,084
FY2028-2029	81,627	31,886	8,928	132,643	255,084
REVENUE	GENERAL	CASH	FEDERAL	REVOLVING	TOTAL
FY2025-2026	0	0	0	0	0
FY2026-2027	0	0	0	127,542	127,542
FY2027-2028	0	0	0	127,542	127,542
FY2028-2029	0	0	0	127,542	127,542

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

LB 1009 changes the provisions regarding when compensation begins under the Nebraska Workers' Compensation Act. LB 1009 changes the disability compensation from seven to three days. In certain cases, it changes compensation from eight to four days and from six weeks to two weeks.

The Workers Compensation Court reports no fiscal impact to its agency resulting from LB 1009.

The fiscal impact to the State of Nebraska to the workers' compensation program for state employees is that there will be an increase in claim conversions from medical only to indemnity workers' compensation ipayment for Temporary Total Disability (TTD/Temporary Partial Disability (TPD).

The Department of Administrative Services (DAS) reports that from July 1, 2024 to June 30, 2025, there were 201 reported claims, which fell during the waiting period of four to seven days. Using an average state employee hourly rate of \$27.42 per hour x 40 hours per week totals an average weekly wage of \$1,096.80 (\$27.42 x 40 hours per week). TTD payments are equal to 2/3 of the average weekly wage (\$1,096.80 x 2/3 = \$734.86). The additional four TTD/TPD days would be calculated as follows:

$$\text{Weekly Rate} / 7 + \text{Daily Rate} \times 4 \text{ additoinal days} = \text{Total Additional Compensation Per Claim}$$

$$\$734.86 / 7 \times 4 = \$419.92$$

Using FY2025 data, the 201 claims with four additional days of payment would have resulted in additional payments of \$84,403.92 (\$419.92 additional cost x 201 claims = \$84,403.92).

Reducing the time frame from six weeks to two weeks when disability compensation would begin on the date of disability would have resulted in 241 additional claims from July 1, 2024, to June 30, 2025. This would have required payment of three additional days from the workers compensation program for TTD/TDP payments.

The total additional cost for FY2025 would have been \$43,138.08.

Total FY2025 cost with the increase described would be \$127,542 (\$84,403.92 + \$43,138.08 = \$127,542).

These additional costs would result in the need for additional revolving fund appropriation and an increase in the Workers' Compensation Assessment. The biennial FY25-27 Worker's Compensation Assessment has already been published and would need to be adjusted, thus impacting agencies, boards and commissions, the University, and the State Colleges.

The total impact for the prior fiscal year described above (\$127,542) is used below, without any adjustments for possible increases in the average hourly rate as a result of salary increases. The revenue will be received by Risk Management as an annual assessment.

The table below summarizes the estimated impact by fund type of the increased enterprise-wide Workers' Compensation Assessment that will be paid by the agencies to the Risk Management Division of DAS. The allocation by fund type is based on a four-year (2022-2025) average of the payment of previous Workers Compensation Assessments.

	FY26-27	FY27-28
	Estimated Expenditures	Estimated Expenditures
General Funds	\$81,627	\$81,627
Cash Funds	31,886	31,886
Federal Funds	8,928	8,928
Revolving Funds	5,101	5,101
Total Funds	\$127,542	\$127,542

The Fiscal Analyst has no basis to disagree with these estimates.

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

2026

LB⁽¹⁾ 1009

FISCAL NOTE

State Agency OR Political Subdivision Name: ⁽²⁾ Dept. of Administrative Services – Risk Management

Prepared by: ⁽³⁾ Sarah Skinner Date Prepared: ⁽⁴⁾ 01/15/2026 Phone: ⁽⁵⁾ 402-419-4229

ESTIMATE PROVIDED BY STATE AGENCY OR POLITICAL SUBDIVISION

	<u>FY 2026-27</u>		<u>FY 2027-28</u>	
	<u>EXPENDITURES</u>	<u>REVENUE</u>	<u>EXPENDITURES</u>	<u>REVENUE</u>
GENERAL FUNDS	\$81,627		\$81,627	
CASH FUNDS	\$31,886		\$31,886	
FEDERAL FUNDS	\$8,928		\$8,928	
REVOLVING FUNDS	\$5,101	\$127,542	\$5,101	\$127,542
TOTAL FUNDS	\$127,542	\$127,542	\$127,542	\$127,542

Explanation of Estimate:

LB 1009 proposes to reduce the wait time to begin disability compensation from seven days to three days. It also proposes computing compensation from the date disability begins if disability continues for only two weeks as opposed to the current six-week time period. The impact on the workers' compensation program is that there will be an increase in claim conversions from medical only to indemnity workers' compensation payment for Temporary Total Disability (TTD)/Temporary Partial Disability (TPD).

From July 1, 2024, to June 30, 2025, there were 201 reported claims, which fell during the waiting period of four to seven days. Using an average state employee hourly rate of \$27.42 per hour x 40 hours per week totals an average weekly wage of \$1,096.80 (\$27.42 X 40 hours per week = \$1,096.80). TTD payments are equal to 2/3 of the average weekly wage (\$1,096.80 X 2/3 = \$734.86). The additional four TTD/TPD days would be calculated as follows:

$$\text{Weekly Rate} / 7 = \text{Daily Rate} \times 4 \text{ additional days} = \text{Total Additional Compensation Per Claim}$$

$$\$734.86 / 7 \times 4 = \$419.92$$

Using FY2025 data the 201 claims with four additional days of payment would have resulted in additional payments of **\$84,403.92** (\$419.92 additional cost x 201 claims = \$84,403.92).

Reducing the time frame from six weeks to two weeks when disability compensation would begin on the date of disability would have resulted in 241 additional claims from July 1, 2024, to June 30, 2025. This would have required payment of three additional days from the workers compensation program for TTD/TDP payments.

The total additional cost for FY2025 would have been **\$43,138.08**.

Total FY2025 - \$127,542 (\$84,403.92 + \$43,138.08 = \$127,542).

These additional costs would result in the need for additional revolving fund appropriation and an increase in the Workers' Compensation Assessment. The biennial FY25-27 Worker's Compensation Assessment has already been published and would need to be adjusted, thus impacting agencies, boards and commissions, the University, and the State Colleges.

The total impact for the prior fiscal year described above (**\$127,542**) is used below, without any adjustments for possible increases in the average hourly rate as a result of salary increases.

The table below summarizes the estimated impact by fund type of the increased enterprise-wide Workers' Compensation Assessment. The allocation by fund type is based on a four-year (2022-2025) average of the payment of previous Workers Compensation Assessments.

	FY26-27	FY27-28
	Estimated Expenditures	Estimated Expenditures
General Funds	\$81,627	\$81,627
Cash Funds	\$31,886	\$31,886
Federal Funds	\$8,928	\$8,928
Revolving Funds	\$5,101	\$5,101
Total Funds	\$127,542	\$127,542

BREAKDOWN BY MAJOR OBJECTS OF EXPENDITURE

Personal Services:

POSITION TITLE	NUMBER OF POSITIONS		2026-27	2027-28
	<u>26-27</u>	<u>27-28</u>	<u>EXPENDITURES</u>	<u>EXPENDITURES</u>
Benefits.....				
Operating.....				
Travel.....				
Capital outlay.....				
Aid.....				
Capital improvements.....				
TOTAL.....				

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

LB: 1009 AM: AGENCY/POLT. SUB: Nebraska Workers' Compensation Court (WCC)

REVIEWED BY: Ryan Yang DATE: 1/16/2026 PHONE: (402) 471-4178

COMMENTS: No basis to disagree with the WCC assessment of no fiscal impact from LB 1009.

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2026

LB⁽¹⁾ 1009

FISCAL NOTE

State Agency OR Political Subdivision Name: ⁽²⁾ Nebraska Workers' Compensation Court

Prepared by: ⁽³⁾ Lorra O'Banion Date Prepared: ⁽⁴⁾ January 13, 2026 Phone: ⁽⁵⁾ 402.471.3602

ESTIMATE PROVIDED BY STATE AGENCY OR POLITICAL SUBDIVISION

	<u>FY 2026-27</u>		<u>FY 2027-28</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>2026-27</u>	<u>2027-28</u>
	<u>26-27</u>	<u>27-28</u>	<u>EXPENDITURES</u>	<u>EXPENDITURES</u>
_____	_____	_____	_____	_____
_____	_____	_____	_____	_____
Benefits.....	_____	_____	_____	_____
Operating.....	_____	_____	_____	_____
Travel.....	_____	_____	_____	_____
Capital outlay.....	_____	_____	_____	_____
Aid.....	_____	_____	_____	_____
Capital improvements.....	_____	_____	_____	_____
TOTAL.....	_____	_____	_____	_____