

PREPARED BY:  
 DATE PREPARED:  
 EMAIL:

Suzanne Houlden  
 February 20, 2026  
 shoulden@leg.ne.gov

**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	0	0	0	0	0
FY2027-2028	0	0	0	0	0
FY2028-2029	0	0	0	0	0
REVENUE	GENERAL	CASH	FEDERAL	REVOLVING	TOTAL
FY2025-2026	0	0	0	0	0
FY2026-2027	0	0	0	0	0
FY2027-2028	0	0	0	0	0
FY2028-2029	0	0	0	0	0

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

LB1077 updates how workers' compensation claims data are reported for purposes of calculating experience modification factors used to set insurance premiums. It intends to move Nebraska from a gross reporting system to a net reporting system. Under this approach, deductible payments made by employers would not be included when determining a business's experience modification factor.

The Workers Compensation Court responded that since it is unknown at this time how many employers would choose a workers' compensation policy with a deductible, it is unknown what the overall financial impact the enactment of LB 1077 would have on the Compensation Court Cash Fund.

The Department of Administrative Services and the Department of Insurance anticipate no fiscal impact at this time.

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

**2026**

**LB<sup>(1)</sup> 1077**

**FISCAL NOTE**

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

Prepared by: <sup>(3)</sup> Sarah Skinner Date Prepared: <sup>(4)</sup> 02/18/2026 Phone: <sup>(5)</sup> 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	_____	_____	_____	_____
CASH FUNDS	_____	_____	_____	_____
FEDERAL FUNDS	_____	_____	_____	_____
OTHER FUNDS	_____	_____	_____	_____
<b>TOTAL FUNDS</b>	<b>=====</b>	<b>=====</b>	<b>=====</b>	<b>=====</b>

**Explanation of Estimate:**

Effective January 1, 2027, LB1077 would amend provisions of a workers' compensation insurance policy, so losses paid by the employer under the deductible would be credited against the employer's experience modification while the deductible option is used, unless the employer elects to purchase a gross reportable deductible policy.

The State of Nebraska is self-insured for workers' compensation, and there is no impact to the State Workers' Compensation Fund.

**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.....	_____	_____	_____	_____
<b>TOTAL.....</b>	<b>_____</b>	<b>_____</b>	<b>_____</b>	<b>_____</b>

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

LB: 1077                      AM:                      AGENCY/POLT. SUB: Workers' Compensation Court

REVIEWED BY: Ryan Walton                      DATE: 1/25/2026                      PHONE: (402) 471-4174

COMMENTS: The Workers' Compensation Court's assessment of indeterminate fiscal impact from LB 1077 appears reasonable.

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

LB: 1077                      AM:                      AGENCY/POLT. SUB: Department of Insurance

REVIEWED BY: Ryan Walton                      DATE: 2/19/2026                      PHONE: (402) 471-4174

COMMENTS: The Department of Insurance's assessment of no fiscal impact from LB 1077 appears reasonable.

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

**2026**

**LB<sup>(1)</sup> 1077**

**FISCAL NOTE**

State Agency OR Political Subdivision Name: <sup>(2)</sup> Department of Insurance

Prepared by: <sup>(3)</sup> Jordan Blades Date Prepared: <sup>(4)</sup> 2/19/26 Phone: <sup>(5)</sup> 402-471-4638

**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	_____	_____	_____	_____
<b>TOTAL FUNDS</b>	<b>=====</b>	<b>=====</b>	<b>=====</b>	<b>=====</b>

Explanation of Estimate:

The Department does not anticipate any fiscal impact at this time.

**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.....	_____	_____	_____	_____
<b>TOTAL.....</b>	<b>_____</b>	<b>_____</b>	<b>_____</b>	<b>_____</b>

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

**2026**

**LB<sup>(1)</sup> 1077**

**FISCAL NOTE**

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

Prepared by: <sup>(3)</sup> Lorra O'Banion Date Prepared: <sup>(4)</sup> January 22, 2026 Phone: <sup>(5)</sup> 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	_____	_____	_____	_____
<b>TOTAL FUNDS</b>	<b>=====</b>	<b>=====</b>	<b>=====</b>	<b>=====</b>

**Explanation of Estimate:**

LB1077 proposes to allow employers to receive a credit against the employer's experience modification for losses paid under a deductible, unless the employer elects to purchase a gross reportable deductible policy. If enacted, the amount of assessments collected for the Compensation Court Cash Fund, which is "used to aid in providing for the expense of administering the Nebraska Workers' Compensation Act and the payment of salaries and expenses of the personnel of the Nebraska Workers' Compensation Court" would be negatively impacted. The Compensation Court Cash Fund is comprised in part through an assessment of 1 percent of the gross amount of direct writing premiums received by insurers during the preceding calendar year for workers' compensation insurance business transacted in this state. Neb. Rev. Stat. § 48-1,113. If experience modification excludes loss amounts paid under a deductible, the experience modification rating is expected to decrease, ultimately resulting in a lower premium paid by an employer and a decrease in the assessments collected for the Compensation Court's Cash Fund pursuant to Neb. Rev. Stat. § 48-1,113. It is unknown at this time how many employers would choose a workers' compensation policy with a deductible; therefore, it is unknown what the overall financial impact the enactment of this bill will have on the Compensation Court Cash Fund. Preliminary information from the National Council on Compensation Insurance (NCCI) was utilized by the court in order to respond to this fiscal note.

**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.....	_____	_____	_____	_____
<b>TOTAL.....</b>	<b>=====</b>	<b>=====</b>	<b>=====</b>	<b>=====</b>