

**FISCAL NOTE**

**LEGISLATIVE FISCAL ANALYST ESTIMATE**

Updated for amendments adopted through March 6, 2020.

<b>ESTIMATE OF FISCAL IMPACT – STATE AGENCIES (See narrative for political subdivision estimates)</b>				
	<b>FY 2020-21</b>		<b>FY 2021-22</b>	
	<b>EXPENDITURES</b>	<b>REVENUE</b>	<b>EXPENDITURES</b>	<b>REVENUE</b>
GENERAL FUNDS	442,500		442,500	
CASH FUNDS				
FEDERAL FUNDS				
OTHER FUNDS				
<b>TOTAL FUNDS</b>	<b>442,500</b>		<b>442,500</b>	

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

This bill, as amended by AM2523, would change provisions relating to workers' compensation for injuries to first responders and frontline state employees. It would provide a means of demonstrating a prima facie case of personal injury. The bill would provide duties for the Critical Incident Stress Management Program (CISM) and the Department of Health and Human Services (HHS). Finally, it would require HHS to reimburse for the cost of resilience training at a rate set by the CISM.

The Workers' Compensation Court estimates no fiscal impact from AM2523.

DAS Risk Management (DAS) notes that there may be additional claims and payments under AM2523, but this amount is not known.

The City of Lincoln estimates a minimal fiscal impact from AM2523.

AM2776 adds a sunset clause and makes other changes that do not appear to have a significant fiscal impact.

AM2734 would change provisions relating to compensation for burial expenses under the Nebraska Workers' Compensation Act. The amendment changes the amount to \$11,000 from the amount in current law of \$10,000. It also adds that beginning in 2023, the Workers' Compensation Court shall annually adjust the dollar limitation as specified in AM2734. Any adjustment is effective on July 1.

AM2734 is the same as AM2648 to LB448. For AM2648, the Workers' Compensation Court estimated no fiscal impact.

HHS has not responded to any of the amendments as of the date noted at the top of this fiscal note. In the introduced copy of this bill, HHS estimated there are about 17,700 first responders subject to resilience training reimbursement. The bill requires the CISM team to establish a reimbursement rate. Because no rate has been established, HHS assumed a range of \$25 to \$100 for resilience training reimbursement, which results in total estimated costs of \$442,500 to \$1,770,000. The provision requiring HHS to reimburse a first responder for resilience training is still included in AM2523, so it is assumed that HHS would still estimate the same cost for resilience training reimbursement.

The fiscal note response of HHS for the introduced copy of this bill is attached because it contains additional details that are not included in this fiscal note.

The amount in the boxes at the top of this fiscal note reflect the amount that was appropriated in LB963A, rather than the range in costs estimated by HHS for resilience training reimbursement.

This fiscal note may be updated to include any additional responses received.

<b>ADMINISTRATIVE SERVICES STATE BUDGET DIVISION: REVIEW OF AGENCY &amp; POLT. SUB. RESPONSE</b>			
<b>LB: 963</b>	<b>AM: 2523</b>	<b>AGENCY/POLT. SUB: Nebraska Workers Compensation Court (037)</b>	
REVIEWED BY: Joe Wilcox	DATE: 3/02/2020	PHONE: (402) 471-4178	
COMMENTS: No basis to dispute the Nebraska Workers Compensation Court estimate of No Fiscal impact to the Agency from LB 963, as amended by the Business and Labor Committee Amendment – AM 2523.			

ADMINISTRATIVE SERVICES STATE BUDGET DIVISION: REVIEW OF AGENCY & POLT. SUB. RESPONSE		
<b>LB: 963</b>	<b>AM: 2523</b>	AGENCY/POLT. SUB: <b>Nebraska Department of Administrative Services Risk Management Division (065)</b>
REVIEWED BY: Joe Wilcox	DATE: 3/02/2020	PHONE: (402) 471-4178
COMMENTS: No basis to dispute the Nebraska Department of Administrative Services (DAS) Risk Management Division estimate of potential, but Indeterminate Fiscal impact to the Agency or the State from LB 963, as amended by the Business and Labor Committee Amendment – AM 2523.		

ADMINISTRATIVE SERVICES STATE BUDGET DIVISION: REVIEW OF AGENCY & POLT. SUB. RESPONSE		
<b>LB: 963</b>	<b>AM: 2523</b>	AGENCY/POLT. SUB: <b>City of Lincoln</b>
REVIEWED BY: Joe Wilcox	DATE: 3/02/2020	PHONE: (402) 471-4178
COMMENTS: No basis to dispute the City of Lincoln estimate of "Minimal" Fiscal impact to the City from LB 963, as amended by the Business and Labor Committee Amendment – AM 2523.		

ADMINISTRATIVE SERVICES STATE BUDGET DIVISION: REVIEW OF AGENCY & POLT. SUB. RESPONSE		
<b>LB: 963</b>	<b>AM:</b>	AGENCY/POLT. SUB: <b>Department of Health and Human Services (025)</b>
REVIEWED BY: Joe Wilcox	DATE: 1/23/2020	PHONE: (402) 471-4178
COMMENTS: Though the agency fiscal note presents a broad range of potential costs, there is no basis to dispute the Department of Health and human Services (DHHS) estimate of potential Fiscal impact to the Agency from LB 963.		

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

**2020**

**LB<sup>(1)</sup> 963, AM2523**

**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> February 25, 2020 Phone: <sup>(5)</sup> 402.471.3602

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

	<u>FY 2020-21</u>		<u>FY 2021-22</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:

LB 963, **AM2523** is not expected to have a direct fiscal impact upon the operations of the Nebraska Workers' Compensation Court.

**BREAKDOWN BY MAJOR OBJECTS OF EXPENDITURE**

Personal Services:

<u>POSITION TITLE</u>	<u>NUMBER OF POSITIONS</u>		<u>2020-21 EXPENDITURES</u>	<u>2021-22 EXPENDITURES</u>
	<u>20-21</u>	<u>21-22</u>		
_____	_____	_____	_____	_____
_____	_____	_____	_____	_____
Benefits.....	_____	_____	_____	_____
Operating.....	_____	_____	_____	_____
Travel.....	_____	_____	_____	_____
Capital outlay.....	_____	_____	_____	_____
Aid.....	_____	_____	_____	_____
Capital improvements.....	_____	_____	_____	_____
TOTAL.....	_____	_____	_____	_____

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

**2020**

**LB<sup>(1)</sup> 963 AM 2523**

**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> 2/21/2020 Phone: <sup>(5)</sup> (402)471-4436

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

	<u>FY 2020-21</u>		<u>FY 2021-22</u>	
	<u>EXPENDITURES</u>	<u>REVENUE</u>	<u>EXPENDITURES</u>	<u>REVENUE</u>
GENERAL FUNDS	_____	_____	_____	_____
CASH FUNDS	_____	_____	_____	_____
FEDERAL FUNDS	_____	_____	_____	_____
REVOLVING FUNDS	_____	_____	_____	_____
TOTAL FUNDS	<u>See Below</u>	<u>_____</u>	<u>See Below</u>	<u>_____</u>

**Explanation of Estimate:**

LB 963, AM 2523 changes how a first responder or front line state employee can qualify for a mental injury or mental illness. The proposal requires that the medical causation between the mental injury or illness and the employment conditions be established by a mental health professional as defined in the bill.

The bill, as amended, outlines how first responders may establish prima facie evidence that such mental injury or illness was actually caused by their employment, which includes (1) providing evidence of mental health examination before onset of the mental injury or illness; (2) the ability of a mental health professional to provide testimony or an affidavit stating the first responder suffers from a mental injury or illness caused by one or more events or a series of events which cumulatively produced the mental injury or illness; (3) evidence that events or series of events arose out of and in the course of employment; and (4) evidence of participation in resilience training as detailed in the bill.

By providing a way to establish prima facie evidence of a mental injury or mental illness caused by the employment, it is foreseeable that there may be additional claims and payments. However, the amount of additional claims and payments is difficult to determine.

**BREAKDOWN BY MAJOR OBJECTS OF EXPENDITURE**

**Personal Services:**

<u>POSITION TITLE</u>	<u>NUMBER OF POSITIONS</u>		<u>2020-21</u>	<u>2021-22</u>
	<u>20-21</u>	<u>21-22</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.

**2020**

**LB<sup>(1)</sup> 963 AM2523**

**FISCAL NOTE**

State Agency OR Political Subdivision Name: <sup>(2)</sup> City of Lincoln

Prepared by: <sup>(3)</sup> James Van Bruggen Date Prepared: <sup>(4)</sup> 2/27/20 Phone: <sup>(5)</sup> 402-441-8301

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

	<u>FY 2020-21</u>		<u>FY 2021-22</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:

Minimal Impact.

**BREAKDOWN BY MAJOR OBJECTS OF EXPENDITURE**

Personal Services:

<u>POSITION TITLE</u>	<u>NUMBER OF POSITIONS</u>		<u>2020-21</u>	<u>2021-22</u>
	<u>20-21</u>	<u>21-22</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>

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

State Agency or Political Subdivision Name:(2) Department of Health and Human Services

Prepared by: (3) Mike Michalski

Date Prepared 1-15-2020

Phone: (5) 471-6719

	<u>FY 2020-2021</u>		<u>FY 2021-2022</u>	
	<u>EXPENDITURES</u>	<u>REVENUE</u>	<u>EXPENDITURES</u>	<u>REVENUE</u>
<b>GENERAL FUNDS</b>	\$442,500 -		\$442,500 -	
	\$1,770,000		\$1,770,000	
<b>CASH FUNDS</b>				
<b>FEDERAL FUNDS</b>				
<b>OTHER FUNDS</b>				
<b>TOTAL FUNDS</b>	\$442,500 -		\$442,500 -	
	\$1,770,000		\$1,770,000	

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

**Explanation of Estimate:**

LB 963 establishes qualifications for first responders and frontline state employees in order to be eligible for worker’s compensation due to mental injury and/or illness incurred as a result of trauma experienced on the job. One of these requirements is that the employee must have participated in resilience training annually prior to the incident in order to qualify for worker’s compensation. Should the employer not provide or reimburse the employee with resilience training, then the Department of Health and Human Services is to reimburse the cost at a rate set by the Critical Incident Stress Management Program (CISM).

The definition given by statute for a first responder is a sheriff, deputy sheriff, police officer, Nebraska State Patrol officer, a volunteer or paid firefighter, or a volunteer or paid emergency medical care worker licensed in Nebraska. There are currently 6,700 emergency medical care workers licensed in Nebraska. The estimated number of law enforcement officers is around 8,000. According to FEMA’s 2019 National Fire Department Registry Summary, there are 391 registered fire departments in Nebraska with 96.2% of personnel being volunteer or mostly volunteer. Also, according to statistics, there are approximately 1.5 firefighters per 1,000 persons in Nebraska. Based on a population of 2,000,000 the estimate would be 3,000 firefighters in Nebraska. Therefore, the potential number of first responders subject to resilience training reimbursement are approximately 17,700. It is unclear if LB 963 is intended to include frontline state employees in the reimbursement of training.

LB 963 requires the CISM team to establish the reimbursement rate. Since the reimbursement rate is unknown, this estimate assumes a range of \$25 to \$100 reimbursement for annual resilience training. The range of total impact due to reimbursement is estimated to cost between \$442,500 to \$1,770,000 per year. The source of funding is not indicated by LB 963, therefore the estimated cost is being listed under General Funds. It is anticipated the funding would be included as part of Program 514 – Health Aid.

DHHS will incur additional cost to develop guidelines for resilience training and set an annual limit on the hours or quantity of resilience training required for reimbursement. The CISM program is managed by the CISM Council as well as the Interagency Management Committee. The council and committee are composed of DHHS, State Fire Marshal’s office, the Superintendent of Law Enforcement and Public Safety and the Adjutant General as members. LB 963 would require the council and committee to meet several times in order to develop regulations and standards. DHHS would absorb the costs of members representing DHHS.

The estimated cost to develop guidelines, set annual limits on required training and set the reimbursement rate for applicable employees is estimated as the following:

Title	Hours	Hourly Cost	Absorbed Cost
Director	4	74.28	\$ 297
Deputy Director	4	53.48	\$ 214
Administrator I	4	30.82	\$ 123
Program Specialist	8	22.52	\$ 180
Program Analyst	16	21.91	\$ 351
Attorney III	30	33.82	\$ 1,015
<b>Subtotal Staff Cost</b>			
	66		\$ 2,180
Council and Committee Meeting cost each			\$ 1,500
<b>Total Absorbed Costs</b>			<b>\$ 3,680</b>

**MAJOR OBJECTS OF EXPENDITURE**

PERSONAL SERVICES: POSITION TITLE	NUMBER OF POSITIONS		2020-2021	2021-2022
	20-21	21-22	EXPENDITURES	EXPENDITURES
Benefits.....				
Operating.....				
Travel.....				
Capital Outlay.....				
Aid.....			\$442,500 -	\$442,500 -
			\$1,770,000	\$1,770,000
Capital Improvements.....				
<b>TOTAL.....</b>				