

FISCAL NOTE
LEGISLATIVE FISCAL ANALYST ESTIMATE

ESTIMATE OF FISCAL IMPACT – STATE AGENCIES (See narrative for political subdivision estimates)				
	FY 2015-16		FY 2016-17	
	EXPENDITURES	REVENUE	EXPENDITURES	REVENUE
GENERAL FUNDS				
CASH FUNDS				
FEDERAL FUNDS				
OTHER FUNDS				
TOTAL FUNDS				

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

This bill would change interest rate provisions on certain Nebraska Workers' Compensation Court awards. It strikes the interest rate provided in section 45-104.01 (14%) and replaces it with the interest rate provided in section 45-103 (2% point above the bond equivalent yield of the fifty-two-week United States Treasury bills in effect on the date of entry of the judgment). As of January 16, 2015, the judgment interest rate is 2.132%.

The Workers' Compensation Court estimates no fiscal impact from this bill.

AS Risk Management states that this would reduce the amount of interest required to be paid by the state; however, the state did not pay any interest in a workers' compensation case the past year. Therefore, they are not able to determine a fiscal impact.

The city of Omaha estimates a minimal impact, and the city of Lincoln estimates a savings of approximately \$1,000 per year.

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

2015

LB⁽¹⁾ 133

FISCAL NOTE

State Agency OR Political Subdivision Name: ⁽²⁾

Nebraska Workers' Compensation Court

Prepared by: ⁽³⁾ Glenn Morton

Date Prepared: ⁽⁴⁾ 01/12/15

Phone: ⁽⁵⁾ 402-471-3602

ESTIMATE PROVIDED BY STATE AGENCY OR POLITICAL SUBDIVISION

	<u>FY 2015-16</u>		<u>FY 2016-17</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>2015-16 EXPENDITURES</u>	<u>2016-17 EXPENDITURES</u>
	<u>15-16</u>	<u>16-17</u>		
_____	_____	_____	_____	_____
_____	_____	_____	_____	_____
Benefits.....	_____	_____	_____	_____
Operating.....	_____	_____	_____	_____
Travel.....	_____	_____	_____	_____
Capital outlay.....	_____	_____	_____	_____
Aid.....	_____	_____	_____	_____
Capital improvements.....	_____	_____	_____	_____
TOTAL.....	_____	_____	_____	_____

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

2015

LB⁽¹⁾ 133

**FISCAL
NOTE**

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

Prepared by: ⁽³⁾ Shannon Anderson Date Prepared: ⁽⁴⁾ January 13, 2015 Phone: ⁽⁵⁾ 402-471-4436

ESTIMATE PROVIDED BY STATE AGENCY OR POLITICAL SUBDIVISION

	<u>FY 2015-16</u>		<u>FY 2016-17</u>	
	<u>EXPENDITURES</u>	<u>REVENUE</u>	<u>EXPENDITURES</u>	<u>REVENUE</u>
GENERAL FUNDS	_____	_____	_____	_____
CASH FUNDS	_____	_____	_____	_____
FEDERAL FUNDS	_____	_____	_____	_____
OTHER FUNDS	_____	_____	_____	_____
TOTAL FUNDS	<u>0</u>	<u>0</u>	<u>0</u>	<u>0</u>

Explanation of Estimate:

LB133 would require that when an attorney fee is allowed with regard to workers compensation payments there shall be further assessed against the employer, an amount of interest on the final award obtained, computed from the date compensation was payable, as provided in section 48-119, until the date payment is made by the employer, at a rate equal to the rate of interest as provided in section 45-103.

The current law provides that the rate is computed at 14%. LB133 would fix the interest at a rate equal to two percentage points above the bond investment yield as published by the Secretary of the Treasury of the United States and distributed by the State Court Administrator.

While presumably LB133 would reduce the amount of interest required, the State of Nebraska was not ordered to pay interest in a workers compensation case this past year.

Therefore, we are not able to determine a fiscal impact to Administrative Services.

BREAKDOWN BY MAJOR OBJECTS OF EXPENDITURE

Personal Services:

<u>POSITION TITLE</u>	<u>NUMBER OF POSITIONS</u>		<u>2015-16</u>	<u>2016-17</u>
	<u>15-16</u>	<u>16-17</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.

2015

LB⁽¹⁾ 133

FISCAL NOTE

State Agency OR Political Subdivision Name: ⁽²⁾ City of Omaha

Prepared by: ⁽³⁾ Sheri Larsen Date Prepared: ⁽⁴⁾ 01/23/2015 Phone: ⁽⁵⁾ 402-444-5477

ESTIMATE PROVIDED BY STATE AGENCY OR POLITICAL SUBDIVISION

	<u>FY 2015-16</u>		<u>FY 2016-17</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:

The financial impact of LB 133 on the City of Omaha would be minimal. There could be no impact on the City if all awards are paid timely and no attorney fees are imposed but there is the potential as written to reduce the amount the City is required to pay on some Worker's Compensation awards. The amount would be minimal and is difficult to determine.

BREAKDOWN BY MAJOR OBJECTS OF EXPENDITURE

Personal Services:

<u>POSITION TITLE</u>	<u>NUMBER OF POSITIONS</u>		<u>2015-16</u>	<u>2016-17</u>
	<u>15-16</u>	<u>16-17</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.

2015

LB⁽¹⁾ 133

FISCAL NOTE

State Agency OR Political Subdivision Name: ⁽²⁾ City of Lincoln

Prepared by: ⁽³⁾ Steve Hubka/Bill Kostner Date Prepared: ⁽⁴⁾ 1/21/15 Phone: ⁽⁵⁾ 402 441-7412

ESTIMATE PROVIDED BY STATE AGENCY OR POLITICAL SUBDIVISION

	<u>FY 2015-16</u>		<u>FY 2016-17</u>	
	<u>EXPENDITURES</u>	<u>REVENUE</u>	<u>EXPENDITURES</u>	<u>REVENUE</u>
GENERAL FUNDS	<u>-500</u>	<u></u>	<u>-\$500</u>	<u></u>
CASH FUNDS	<u>-\$500</u>	<u></u>	<u>-\$500</u>	<u></u>
FEDERAL FUNDS	<u></u>	<u></u>	<u></u>	<u></u>
OTHER FUNDS	<u></u>	<u></u>	<u></u>	<u></u>
TOTAL FUNDS	<u>-\$1,000</u>	<u></u>	<u>-\$1,000</u>	<u></u>

Explanation of Estimate:

BREAKDOWN BY MAJOR OBJECTS OF EXPENDITURE

Personal Services:

<u>POSITION TITLE</u>	<u>NUMBER OF POSITIONS</u>		<u>2015-16 EXPENDITURES</u>	<u>2016-17 EXPENDITURES</u>
	<u>15-16</u>	<u>16-17</u>		
Benefits.....	<u></u>	<u></u>	<u></u>	<u></u>
Operating.....	<u></u>	<u></u>	<u>-\$1,000</u>	<u>-\$1,000</u>
Travel.....	<u></u>	<u></u>	<u></u>	<u></u>
Capital outlay.....	<u></u>	<u></u>	<u></u>	<u></u>
Aid.....	<u></u>	<u></u>	<u></u>	<u></u>
Capital improvements.....	<u></u>	<u></u>	<u></u>	<u></u>
TOTAL.....	<u></u>	<u></u>	<u>-\$1,000</u>	<u>-\$1,000</u>

This changes interest rates for certain awards from 14% to 2%. This does not come up very often for the City of Lincoln.

This results in an estimated savings of approximately \$1,000 per year if LB 133 were approved and signed into law.