

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

<b>ESTIMATE OF FISCAL IMPACT – STATE AGENCIES</b> (See narrative for political subdivision estimates)				
	<b>FY 2015-16</b>		<b>FY 2016-17</b>	
	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 provide annual adjustments for total disability income benefits under the Nebraska Workers' Compensation Act.

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

AS Risk Management states the fiscal impact of this bill is unknown.

The city of Omaha states that this bill could increase their costs, but they are unable to determine a cost at this time.

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

**2015**

**LB<sup>(1)</sup> 388**

**FISCAL NOTE**

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

Nebraska Workers' Compensation Court

Prepared by: <sup>(3)</sup> Glenn Morton

Date Prepared: <sup>(4)</sup> 01/20/15

Phone: <sup>(5)</sup> 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<sup>(1)</sup> 388**

**FISCAL  
NOTE**

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

Prepared by: <sup>(3)</sup> Shannon M. Anderson Date Prepared: <sup>(4)</sup> January 20, 2015 Phone: <sup>(5)</sup> 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	_____	_____	_____	_____
<b>TOTAL FUNDS</b>	<b>=====</b>	<b>=====</b>	<b>=====</b>	<b>=====</b>

**Explanation of Estimate:**

LB388 would require that any weekly income benefit for total disability awarded after the effective date of this act be adjusted each year in a proportion equal to annual increases resulting from the determination of the average weekly wage under section 48-121.02.

In 2014, the State paid \$686,620 in permanent total disability (PTD) payments on 49 claims. For the last 5 years, the increase in the state average weekly wage was approximately 2.0%. This represents all PTD cases regardless of the date of the accident (oldest claim is from 1980).

At a 2.0% increase, the State would pay an additional \$13,732 in benefits in 2015 ( $\$686,620 \times 2.0\% = \$13,732$ ) and \$14,007 in additional benefits in 2016 ( $\$700,352 \times 2\% = \$14,007$ ).

It is unclear whether the bill includes temporary total disability cases and those claims were not included in the calculations.

It is also unclear whether a Workers' Compensation Court order is required before the increase would be applied. Requiring such would initially keep the number of cases down until each received Court orders.

AS Risk Management is unable to determine the future number of total disability determinations, thus the exact fiscal impact of this bill as written is unknown.

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

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

**2015**

**LB<sup>(1)</sup> 388**

**FISCAL NOTE**

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

Prepared by: <sup>(3)</sup> Sheri Larsen Date Prepared: <sup>(4)</sup> 01/23/2015 Phone: <sup>(5)</sup> 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:**

LB 388 creates annual adjustments to increase the amount of total disability income benefits in proportion to annual increases of the State Average Weekly Wage. The bill has the potential to increase the amount the City is required to pay under the act but a monetary value cannot be determined at this time.

**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.....	_____	_____	_____	_____