

**FISCAL NOTE**  
 LEGISLATIVE FISCAL ANALYST ESTIMATE

<b>ESTIMATE OF FISCAL IMPACT – STATE AGENCIES</b> (See narrative for political subdivision estimates)				
	<b>FY 2018-19</b>		<b>FY 2019-20</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 change provisions relating to compensation paid upon the death of an employee under the Nebraska Workers' Compensation Act.

The burial expense would increase from an amount not exceeding \$10,000, to an amount not exceeding fourteen times the state average weekly wage. Effective January 1, 2018, the state average weekly wage is \$831. Taking this amount multiplied by 14 equals \$11,634. This would be the maximum burial expense amount for 2018. The state average weekly wage usually changes every year.

The bill also provides that if there is no spouse, child, or other dependent entitled to benefits, the personal representative of the estate of the deceased would receive \$25,000.

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

DAS Risk Management states that this bill creates a fiscal impact but the exact impact is unknown. See the agency response attached for additional details not included in this fiscal note.

For informational purposes, workers' compensation assessments are based on actuarial studies that identify actual claims and loss history for each agency. Therefore, such costs must occur before they can be worked into the assessments charged to any agency impacted by this bill. Additionally, the Workers' Compensation Claims Fund (Fund 58920) had a FY17 ending balance of over \$21 million, giving DAS a cushion to cover any increased costs imposed by this bill until DAS is able to work any increased costs into the workers' compensation assessments.

<b>ADMINISTRATIVE SERVICES STATE BUDGET DIVISION: REVIEW OF AGENCY &amp; POLT. SUB. RESPONSE</b>			
<b>LB: 928</b>	<b>AM:</b>	<b>AGENCY/POLT. SUB: Nebraska Department of Administrative Services – Risk Management Division (065)</b>	
REVIEWED BY: Joe Wilcox	DATE: 01/18/2018	PHONE: <a href="tel:4024714178">(402) 471-4178</a>	
COMMENTS: No basis to dispute the Nebraska Department of Administrative Services – Risk Management Division estimate of potential but Indeterminate Impact to the Agency and the State from LB 928.			

<b>ADMINISTRATIVE SERVICES STATE BUDGET DIVISION: REVIEW OF AGENCY &amp; POLT. SUB. RESPONSE</b>			
<b>LB: 928</b>	<b>AM:</b>	<b>AGENCY/POLT. SUB: Workers Compensation Court (37)</b>	
REVIEWED BY: Joe Wilcox	DATE: 01/11/2018	PHONE: <a href="tel:4024714178">(402) 471-4178</a>	
COMMENTS: No basis to dispute the Nebraska Workers Compensation Court estimate of No Fiscal Impact to the Agency from LB 928.			

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

2018

LB<sup>(1)</sup> 928

FISCAL NOTE

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

Prepared by: <sup>(3)</sup> Shereece Dendy-Sanders Date Prepared: <sup>(4)</sup> 1/12/18 Phone: <sup>(5)</sup> 402-471-4436

ESTIMATE PROVIDED BY STATE AGENCY OR POLITICAL SUBDIVISION

	FY 2018-19		FY 2019-20	
	EXPENDITURES	REVENUE	EXPENDITURES	REVENUE
GENERAL FUNDS	_____	_____	_____	_____
CASH FUNDS	_____	_____	_____	_____
FEDERAL FUNDS	_____	_____	_____	_____
OTHER FUNDS	_____	_____	_____	_____
TOTAL FUNDS	<u>See Below</u>	<u>See Below</u>	<u>See Below</u>	<u>See Below</u>

Explanation of Estimate:

LB 928 relates to burial expenses upon the death of an employee due to a work-related injury or illness. The bill proposes to change the burial expense from \$10,000 (maximum) to any amount not exceeding (14) fourteen times the employee's average weekly wage for the year of the death. The bill also provides that if a deceased employee does not have a spouse, children or other dependents that the personal representative of the estate shall be awarded benefits in the amount of \$25,000.

There is a fiscal impact, but it would fluctuate on a case-by-case basis. The proposed change could save the State money if the employee has a low average weekly wage. Alternatively, the burial expenses would be more than the current maximum of \$10,000 if the employee earned more than \$714.29 per week.

There is fiscal impact as it relates to providing the personal representative \$25,000. As the statute is currently written, the personal representative is not entitled to benefits. This proposed change would now require the State to pay all personal representatives \$25,000, if the employee had no dependents at the time of the employee's death. It is unknown how many claims would be affected by this change, but even one claim would result in a fiscal impact that is not present currently.

This bill creates a fiscal impact; however the exact fiscal impact is unknown. The Workers' Compensation Program is a revolving funded program that is funded through an annual assessment that includes the State, University of Nebraska and State Colleges. Any increases in program costs would require an increase in the assessment and revolving fund appropriation. The FY2018-19 assessment has already been published and could require an adjustment.

A four-year average – 2014-2017 of wages [which reflects how the Worker's Compensation assessment is paid] shows that 52.75% of salaries were paid with General Funds, reflecting which fund the majority of any increase would impact.

BREAKDOWN BY MAJOR OBJECTS OF EXPENDITURE

Personal Services:

POSITION TITLE	NUMBER OF POSITIONS		2018-19 EXPENDITURES	2019-20 EXPENDITURES
	18-19	19-20		
_____	_____	_____	_____	_____
_____	_____	_____	_____	_____
Benefits.....				
Operating.....				
Travel.....				
Capital outlay.....				
Aid.....				
Capital improvements.....				
TOTAL.....				

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

**2018**

**LB<sup>(1)</sup> 928**

**FISCAL NOTE**

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

Prepared by: <sup>(3)</sup> Jacqueline Boesen Date Prepared: <sup>(4)</sup> January 11, 2018 Phone: <sup>(5)</sup> (402) 471-3602

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

	<u>FY 2018-19</u>		<u>FY 2019-20</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:

**No Fiscal Impact**

**BREAKDOWN BY MAJOR OBJECTS OF EXPENDITURE**

Personal Services:

<u>POSITION TITLE</u>	<u>NUMBER OF POSITIONS</u>		<u>2018-19</u>	<u>2019-20</u>
	<u>18-19</u>	<u>19-20</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>