

FISCAL NOTE
 LEGISLATIVE FISCAL ANALYST ESTIMATE

ESTIMATE OF FISCAL IMPACT – STATE AGENCIES (See narrative for political subdivision estimates)				
	FY 2022-23		FY 2023-24	
	EXPENDITURES	REVENUE	EXPENDITURES	REVENUE
GENERAL FUNDS	See Below		See Below	
CASH FUNDS				
FEDERAL FUNDS				
OTHER FUNDS				
TOTAL FUNDS	See Below		See Below	

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

LB 1039 amends the Firefighter Cancer Benefit Act.

Section 2 requires the State Fire Marshal to reimburse any rural or suburban fire protection district, airport authority, city, village, or nonprofit corporation that provides enhanced cancer benefits under the act. Such reimbursements shall be for the annual cost of premiums for such enhanced cancer benefits.

The State Fire Marshal is unable to determine the cost of the bill's provisions. Information obtained by the Fire Marshal shows that one company providing similar coverage in another state was in an amount between \$1,500,000 and \$3,000,000 annually. However, the variables for such reimbursement make a more accurate estimation difficult. The number of entities providing enhanced coverage, the number of covered individuals, the rate of premiums, etc. are speculative.

LB 1039 specifies the Legislature's intent to appropriate funds to carry out the bill. When the State Fire Marshal is able to provide such an estimate or has made reimbursements and is seeking deficit funding, it is assumed that funds will be appropriated.

ADMINISTRATIVE SERVICES STATE BUDGET DIVISION: REVIEW OF AGENCY & POLT. SUB. RESPONSE		
LB: 1039	AM:	AGENCY/POLT. SUB: State Fire Marshal (21)
REVIEWED BY: Joe Wilcox	DATE: 02/01/2022	PHONE: (402) 471-4178
COMMENTS: No basis to dispute the State Fire Marshal estimate of potential, but Indeterminate Fiscal Impact to the Agency from LB 1039.		

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

2022

LB⁽¹⁾ 1039

FISCAL NOTE

State Agency OR Political Subdivision Name: ⁽²⁾ State Fire Marshal Agency

Prepared by: ⁽³⁾ Regina Shields/Deb Hostetler

Date Prepared: ⁽⁴⁾ 1/27/22

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ESTIMATE PROVIDED BY STATE AGENCY OR POLITICAL SUBDIVISION

	<u>FY 2022-23</u>		<u>FY 2023-24</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 fiscal impact to the State Fire Marshal Agency is indeterminable.

The Agency will be required to reimburse fire departments that provided enhanced cancer benefits, pursuant to the Firefighter Cancer Benefits Act, the annual cost of premiums for such enhanced cancer benefits. There is no way to accurately determine these costs as the following are unknown: 1) the number of departments that would provide such enhanced cancer benefits; 2) the cost of such premiums if the benefit was provided; and 3) if the numbers for either 1 or 2 would fluctuate from year to year. Currently, there are no known departments providing the type of coverage required in the Firefighter Cancer Benefits Act. Working with other State Entities, the Agency could not find a company that would issue the required coverage. Information was found from one company that provides similar coverage in another state; possible reimbursement amounts ranged from \$1.5 million to \$3 million. Again, variables such as the changing number of firefighters and providing coverage for a three-year period after the member has left the department, made a more accurate projection impossible.

As stated, it is unknown how many of the 478 departments will participate in this program. The bill requires the participating departments to "submit information regarding the total annual costs of such premiums in a manner prescribed by the State Fire Marshal." The Agency does not anticipate any costs with the development of a form for this submittal. However, if all or even a large majority of the Departments choose to participate the Agency will either need to hire temporary staff to process all the submitted claims in a thirty-day time frame or an extension of the required processing time will need to be included in the bill. The actual costs are indeterminable until the participation level will be known.

BREAKDOWN BY MAJOR OBJECTS OF EXPENDITURE

Personal Services:

POSITION TITLE	NUMBER OF POSITIONS		2022-23	2023-24
	<u>22-23</u>	<u>23-24</u>	<u>EXPENDITURES</u>	<u>EXPENDITURES</u>
Benefits.....				
Operating.....				
Travel.....				
Capital outlay.....				
Aid.....				
Capital improvements.....				
TOTAL.....				