

PREPARED BY: Suzanne Houlden
 DATE PREPARED: February 15, 2023
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LB 501

Revision: 00

FISCAL NOTE

LEGISLATIVE FISCAL ANALYST ESTIMATE

ESTIMATE OF FISCAL IMPACT – STATE AGENCIES (See narrative for political subdivision estimates)				
	FY 2023-24		FY 2024-25	
	EXPENDITURES	REVENUE	EXPENDITURES	REVENUE
GENERAL FUNDS				
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 501 makes it a presumption that cancer experienced by a firefighter arose out of and in the course of employment if the cancer is diagnosed during the firefighter's employment. This includes retired firefighters whose cancer diagnosis occurs within a period not to exceed sixty months after retiring.

The Department of Administrative Services (DAS) – Risk Management Workers' Compensation Program is a revolving fund program and is funded by an annual assessment that includes all agencies, boards and commissions, the University and state colleges. Any increase in costs over time would increase the amount assessed and would require additional revolving fund appropriation.

ADMINISTRATIVE SERVICES STATE BUDGET DIVISION: REVIEW OF AGENCY & POLT. SUB. RESPONSE			
LB: 501	AM:	AGENCY/POLT. SUB: Dept. of Administrative Services – Risk Management	
REVIEWED BY: Kimberly Burns	DATE: 02/03/2023	PHONE: (402) 471-4171	
COMMENTS: No basis to disagree with the Department of Administrative Services' assessment of indeterminate fiscal impact from LB 501.			

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

2023

LB⁽¹⁾ 501

FISCAL NOTE

State Agency OR Political Subdivision Name: ⁽²⁾ Dept of Administrative Services (DAS) – Risk Management Division

Prepared by: ⁽³⁾ Allen D. Simpson Date Prepared: ⁽⁴⁾ 01/20/2023 Phone: ⁽⁵⁾ (402)471-4436

ESTIMATE PROVIDED BY STATE AGENCY OR POLITICAL SUBDIVISION

	<u>FY 2023-24</u>		<u>FY 2024-25</u>	
	<u>EXPENDITURES</u>	<u>REVENUE</u>	<u>EXPENDITURES</u>	<u>REVENUE</u>
GENERAL FUNDS	_____	_____	_____	_____
CASH FUNDS	_____	_____	_____	_____
FEDERAL FUNDS	_____	_____	_____	_____
REVOLVING FUNDS	_____	_____	_____	_____
TOTAL FUNDS	=====	=====	=====	=====

Explanation of Estimate:

LB 501 makes it a presumption that cancer experienced by a firefighter arose out of and in the course of employment if the cancer is diagnosed during the firefighter’s employment. This includes retired firefighters if the cancer is diagnosed within a period not to exceed sixty months after retiring.

The State of Nebraska has 183 state teammates that could meet the definition of firefighters, investigators, and instructors. According to a National Institute for Occupational Safety and Health study firefighters have a 9% higher risk of being diagnosed with cancer and a 14% higher risk of dying from cancer than the general public. In addition, cancer caused 70 percent of the line-of-duty deaths for career firefighters in 2016.

An example of one of these state teammates would be a 30-year-old with a 52-year life expectancy per the Social Security Administration actuarial life table: 52 years X 52 weeks per year = 2,704 weeks remaining for life expectancy. Using a \$20 per hour average hourly rate X 40 hours per week equals \$800 average weekly wage. At 2/3 Total Permanent Disability (TPD) rate would be \$533.33. The worker with cancer would receive \$533.33 for the remaining life expectancy X 2,704 weeks for a total indemnity benefit of \$1,442,133.33. In addition, the American Association of Retired Persons (AARP) estimates the average cancer treatment costs to be \$150,000. Finally, the cost of in-home or long-term care ranges from \$25,000 to \$250,000 per year.

Total possible expense for one person diagnosed with cancer could be \$1,442,133.33 for indemnity, \$150,000 for cancer treatment and additional \$25,000 to \$250,000 per year if they required in-home care or reside in a long-term care facility.

The DAS - Risk Management Workers’ Compensation program is a revolving fund program and is funded by an annual assessment that includes all agencies, boards and commissions, the University and state colleges. Any increase in costs over time would increase the amount assessed and would require additional revolving fund appropriation.

The table below summarizes the estimated impact of any increase in the assessment by fund type. The allocation by fund type is based on a four-year (2019-2022) average of the payment of previous workers' compensation assessments.

Fund Type	Percentage
General Fund	58%
Cash Fund	26%
Federal Fund	13%
Revolving Fund	3%
Total	100%

LB 501 is likely to have a fiscal impact, but the amount is indeterminate.

BREAKDOWN BY MAJOR OBJECTS OF EXPENDITURE

Personal Services:

POSITION TITLE	NUMBER OF POSITIONS		2023-24	2024-25
	<u>23-24</u>	<u>24-25</u>	<u>EXPENDITURES</u>	<u>EXPENDITURES</u>
_____	_____	_____	_____	_____
_____	_____	_____	_____	_____
Benefits.....				
Operating.....				
Travel.....				
Capital outlay.....				
Aid.....				
Capital improvements.....				
TOTAL.....				