

### Fiscal Estimate - 2015 Session

Original     
  Updated     
  Corrected     
  Supplemental

LRB Number <b>15-1786/1</b>	Introduction Number <b>AB-0501</b>
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**Description**  
 Various changes to the worker's compensation law, granting rule-making authority, and making an appropriation

**Fiscal Effect**

**State:**

No State Fiscal Effect  
 Indeterminate

<input type="checkbox"/> Increase Existing Appropriations <input type="checkbox"/> Decrease Existing Appropriations <input type="checkbox"/> Create New Appropriations	<input type="checkbox"/> Increase Existing Revenues <input type="checkbox"/> Decrease Existing Revenues	<input checked="" type="checkbox"/> Increase Costs - May be possible to absorb within agency's budget <input type="checkbox"/> Yes <input checked="" type="checkbox"/> No <input type="checkbox"/> Decrease Costs
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**Local:**

No Local Government Costs  
 Indeterminate

1. <input type="checkbox"/> Increase Costs <input type="checkbox"/> Permissive <input type="checkbox"/> Mandatory 2. <input type="checkbox"/> Decrease Costs <input type="checkbox"/> Permissive <input type="checkbox"/> Mandatory	3. <input type="checkbox"/> Increase Revenue <input type="checkbox"/> Permissive <input type="checkbox"/> Mandatory 4. <input type="checkbox"/> Decrease Revenue <input type="checkbox"/> Permissive <input type="checkbox"/> Mandatory	<b>5. Types of Local Government Units Affected</b> <input type="checkbox"/> Towns <input type="checkbox"/> Village <input type="checkbox"/> Cities <input type="checkbox"/> Counties <input type="checkbox"/> Others <input type="checkbox"/> School Districts <input type="checkbox"/> WTCS Districts
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<b>Fund Sources Affected</b>	<b>Affected Ch. 20 Appropriations</b>
<input type="checkbox"/> GPR <input type="checkbox"/> FED <input type="checkbox"/> PRO <input type="checkbox"/> PRS <input checked="" type="checkbox"/> SEG <input type="checkbox"/> SEGS 20.427(1)(ra)	

<b>Agency/Prepared By</b> LIRC/ Tracey Schwalbe (608) 266-7728	<b>Authorized Signature</b> Tracey Schwalbe (608) 266-7728	<b>Date</b> 11/24/2015
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## Fiscal Estimate Narratives

LIRC 11/24/2015

LRB Number	15-1786/1	Introduction Number	AB-0501	Estimate Type	Original
<b>Description</b> Various changes to the worker's compensation law, granting rule-making authority, and making an appropriation					

### Assumptions Used in Arriving at Fiscal Estimate

The bill was reviewed for provisions that affect the Labor & Industry Review Commission (LIRC).

Administrative review of a worker's compensation decision

A fiscal impact of less than \$500 is anticipated with these changes. In 2014, 130 of 190 petitions, or 68% of all WC petitions for review were filed with LIRC. In 2013, 115 of 176 petitions were filed directly with LIRC. LIRC allows petitions to be filed online and the trend is towards more petitions being filed online and more petitions being filed directly with LIRC. Approximately 70% of WC petitions are already filed with LIRC and the processes and systems are in place to do so for all petitions. Processing of the additional petitions filed at LIRC can be done by current LIRC staff. Minimal additional expenses may be incurred for mail costs and copying costs associated with the additional petitions. The Department of Workforce Development (DWD) may incur expenses for updating appeal rights forms or other information to notify parties of the changes that are not included in this estimate.

Other provisions clarify the "reason beyond control" standard for late appeals and establish the date from which the time period to set aside a commission decision runs (the date of the commission decision and the date it is mailed to the party's last-known address are the same date), with no fiscal impact.

Judicial review of a worker's compensation decision

No fiscal impact is anticipated with these changes. The format for commission decisions will need to be adjusted for the additional information about parties who need to be named as defendants when a case is appealed to circuit court. Also, appeal rights forms and website information will need to be updated for the new requirements. These updates can be accomplished by current LIRC legal and IT staff within current duties and without additional expense, but will take time to accomplish.

Other provisions affecting LIRC

It is expected that appeals to the commission would rise with the various changes in the bill. For example, since there is no precedent on the issue of negligence in WC cases, the expectation would be that a substantial number of cases would be litigated and appealed to the commission and to the courts until the law changes are interpreted. Appeals to LIRC would likely increase corresponding to the increase in the number of ALJ decisions (currently, approximately 35-40% of appealable WC decisions of administrative law judges are appealed to LIRC), but may increase more substantially. At this time these costs are indeterminate.

Technical Note

The applicability dates in the bill for these provisions is the effective date, or January 1, 2016. Additional time will be required to make the necessary changes to forms and processes and to notify parties and stakeholders so their due process rights are not affected.

### Long-Range Fiscal Implications