Wisconsin Department of Administration Division of Executive Budget and Finance DOA-2048 (R07/2000)

Fiscal Estimate - 2001 Session

☑ Original		Updated		Corrected		Supplemental		
LRB Number	01-3500/1		Introdu	uction Numbe	r A	B-505		
Subject Worker's Compensat	ion changes							
Fiscal Effect State: No State Fiscal Indeterminate Increase Ex Appropriatio Decrease E Appropriatio Create New	isting ons xisting	Increase Ex Revenues Decrease E Revenues s	•	absorb_wi	ithin age Yes	May be possible to ency's budget ☐ No		
2. Decrease	Costs e	3. Increase Re y Permissive 4. Decrease Re y Permissive	Mandat	□ Counti	cted s [overnment Village Cities Others WTCS Districts		
Fund Sources Affected Affected Ch. 20 Appropriations GPR FED PRO PRS SEG SEGS 20.445 (1) (t)								
Agency/Prepared By	<i></i>	Autho	orized Siç	nature		Date		
DWD/ Jim O'Malley (6	608) 266-0331	Kimbe	erly Markh	nam (608) 267-320	00	9/25/01		

Fiscal Estimate Narratives DWD 9/26/01

LRB Number 01-3500/1	Introduction Number	AB-505	Estimate Type	Original
Subject				
Worker's Compensation changes				

Assumptions Used in Arriving at Fiscal Estimate

Assembly Bill 505 will impact the Work Injury Supplemental Benefit Fund under Chapter 102.65 in two areas. This bill is not expected to increase costs for worker's compensation insurance premiums or assessments from employers and insurance carriers.

The increased costs under AB505 are payable from the Work Injury Supplemental Benefit Fund. As of July 1, 2001, the current balance of the Fund was approximately \$4 million. Current annual revenue to the fund equals approximately \$2 million. It is anticipated that the Fund balance will be sufficient to pay for the increased costs resulting from AB505.

The two areas that the bill will increase costs for are:

- 1) This bill will increase the rate of supplemental benefits from a maximum of \$150 per week to \$202 per week under section 102.44 (1). The increase in benefits will result in approximately an additional \$392,080.00 being paid from the Work Injury Supplemental Benefit Fund annually. Currently there are 132 claimants eligible to receive these benefits.
- 2) AB505 will pay for prosthetic devices for individuals resulting from traumatic injuries which are no longer compensable because the statute of limitations for the claim has expired. It is not possible at this time to determine the exact number of claims which will result from this new provision. It is estimated there may be 5-10 claims per year for medical expense for prosthetic devices. Payment for these claims will also be made from the Work Injury Supplemental Benefit Fund.

Long-Range Fiscal Implications

Fiscal Estimate Worksheet - 2001 Session

Detailed Estimate of Annual Fiscal Effect

Updated Updated	Corrected	Supplemental			
LRB Number 01-3500/1	Introduction Numbe	r AB-505			
Subject					
Worker's Compensation changes					
I. One-time Costs or Revenue Impacts for annualized fiscal effect):	State and/or Local Government (do not include in			
II. Annualized Costs:	Annualized Fisca	Annualized Fiscal Impact on funds from:			
	Increased Costs	Decreased Costs			
A. State Costs by Category					
State Operations - Salaries and Fringes	\$				
(FTE Position Changes)					
State Operations - Other Costs					
Local Assistance					
Aids to Individuals or Organizations	392,080				
TOTAL State Costs by Category	\$392,080	\$			
B. State Costs by Source of Funds					
GPR					
FED					
PRO/PRS					
SEG/SEG-S	392,080				
III. State Revenues - Complete this only w (e.g., tax increase, decrease in license fee	e, ets.)				
John T	Increased Rev	Decreased Rev			
GPR Taxes	\$	\$			
GPR Earned					
FED					
PRO/PRS					
SEG/SEG-S					
TOTAL State Revenues	\$	\$			
NET ANNU	JALIZED FISCAL IMPACT				
NET OLIANOE IN COOTO	State	Local			
NET CHANGE IN COSTS	\$392,080	\$			
NET CHANGE IN REVENUE	. \$	\$			
Agency/Prepared By	Authorized Signature	Date			
DWD/ Jim O'Malley (608) 266-0331	Kimberly Markham (608) 267-320	9/25/01			