



## Fiscal Estimate Narratives

DWD 9/26/01

LRB Number	<b>01-3500/1</b>	Introduction Number	<b>AB-505</b>	Estimate Type	<b>Original</b>
<b>Subject</b>					
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

Original     
  Updated     
  Corrected     
  Supplemental

<b>LRB Number</b> <b>01-3500/1</b>		<b>Introduction Number</b> <b>AB-505</b>	
<b>Subject</b>			
Worker's Compensation changes			
<b>I. One-time Costs or Revenue Impacts for State and/or Local Government (do not include in annualized fiscal effect):</b>			
<b>II. Annualized Costs:</b>		<b>Annualized Fiscal Impact on funds from:</b>	
		Increased Costs	Decreased Costs
<b>A. State Costs by Category</b>			
State Operations - Salaries and Fringes		\$	
(FTE Position Changes)			
State Operations - Other Costs			
Local Assistance			
Aids to Individuals or Organizations	392,080		
<b>TOTAL State Costs by Category</b>	<b>\$392,080</b>		<b>\$</b>
<b>B. State Costs by Source of Funds</b>			
GPR			
FED			
PRO/PRS			
SEG/SEG-S	392,080		
<b>III. State Revenues - Complete this only when proposal will increase or decrease state revenues (e.g., tax increase, decrease in license fee, etc.)</b>			
	Increased Rev	Decreased Rev	
GPR Taxes	\$	\$	
GPR Earned			
FED			
PRO/PRS			
SEG/SEG-S			
<b>TOTAL State Revenues</b>	<b>\$</b>	<b>\$</b>	
<b>NET ANNUALIZED FISCAL IMPACT</b>			
	<u>State</u>	<u>Local</u>	
NET CHANGE IN COSTS	\$392,080	\$	
NET CHANGE IN REVENUE	\$	\$	
<b>Agency/Prepared By</b>		<b>Authorized Signature</b>	<b>Date</b>
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