



## Fiscal Estimate Narratives

DWD 12/8/2003

LRB Number	03-3006/2	Introduction Number	SB-339	Estimate Type	Original
<b>Subject</b>					
Worker's compensation changes					

### Assumptions Used in Arriving at Fiscal Estimate

Senate Bill 339 (SB 339) and Assembly Bill 669 (AB 669) are companion bills.

Senate Bill 339 will impact the Work Injury Supplemental Benefit Fund (WISBF) under s. 102.65, Wis. Stats., in two (2) areas. This bill is not expected to significantly increase costs for worker's compensation insurance premiums or assessments from employers and insurance carriers.

The increased costs under SB 339 are due to benefit increases payable from the WISBF and increased revenues from employers and insurance carriers are due for work-related injuries resulting in death and dismemberment. As of July 1, 2003 the balance of the WISBF was approximately \$4.3 million. Current annual income/revenue to the WISBF is approximately \$2 million. It is anticipated that the WISBF balance with the increased revenue will be sufficient to pay the increased benefits provided in SB 339.

The two (2) areas in which SB 339 will have a fiscal impact are:

1. This bill will increase the rate of supplemental benefits from a maximum of \$202 per week to \$233 per week under s. 102.44 (1), Wis. Stats. The increase in benefits will result in approximately an additional \$275,000 being paid from the WISBF annually. Currently there are 144 claimants eligible to receive these benefits. SB 339 will make an additional 59 claimants eligible to receive these benefits. Although the proposed statutory change will increase the maximum supplemental benefit rate to \$233 per week not all employees will be eligible to be paid at the maximum rate. If all employees were eligible to be paid at the maximum rate the total increase in benefits would be \$327,000 rather than the projected \$275,000.
2. SB 339 will increase the revenues from worker's compensation insurance carriers and self-insured employers under s. 102.49(5), Wis. Stats., for work-related deaths from \$5,000 to \$10,000 and for injuries resulting in dismemberment from \$7,000 to \$10,000 under s. 102.59(2), Wis. Stats. In the last fiscal year there were 64 work-related death claims resulting in revenues of approximately \$320,000 and 13 dismemberment injuries resulting in revenues of approximately \$91,000. Over the last four (4) years there has been an average of about 60 work-related deaths and 15 dismemberment injuries annually. It is estimated that SB 339 will increase revenues by about \$300,000 annually for death claims and \$45,000 for dismemberment injuries for a total of approximately \$345,000 annually.

This bill will not require any additional staff by the Worker's Compensation Division. This bill will not have a significant impact on increasing costs for worker's compensation insurance premiums or for self-insured employers. The increases in revenue are expected to involve approximately 75 injuries per year. The increased revenues provided for in this bill will be approximately \$345,000 annually compared to an estimated \$1.2 billion annual worker's compensation insurance premium in this state. Costs to local government for increased revenues will also be minimal since a very small portion of the approximate 75 injuries are likely to involve employees of local government.

### Long-Range Fiscal Implications

There are no long-range fiscal implications other than mentioned above.

## Fiscal Estimate Worksheet - 2003 Session

Detailed Estimate of Annual Fiscal Effect

Original     
  Updated     
  Corrected     
  Supplemental

LRB Number <b>03-3006/2</b>		Introduction Number <b>SB-339</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	275,000		
<b>TOTAL State Costs by Category</b>	<b>\$275,000</b>		<b>\$</b>
<b>B. State Costs by Source of Funds</b>			
GPR			
FED			
PRO/PRS			
SEG/SEG-S	275,000		
<b>III. State Revenues - Complete this only when proposal will increase or decrease state revenues (e.g., tax increase, decrease in license fee, ets.)</b>			
	Increased Rev	Decreased Rev	
GPR Taxes	\$		\$
GPR Earned			
FED			
PRO/PRS			
SEG/SEG-S	345,000		
<b>TOTAL State Revenues</b>	<b>\$345,000</b>		<b>\$</b>
<b>NET ANNUALIZED FISCAL IMPACT</b>			
	<u>State</u>	<u>Local</u>	
NET CHANGE IN COSTS	\$275,000		\$
NET CHANGE IN REVENUE	\$345,000		\$
<b>Agency/Prepared By</b>		<b>Authorized Signature</b>	
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		<b>Date</b>	
		12/8/2003	