BDR 53-72
AB 141

EXECUTIVE AGENCY

FISCAL NOTE

AGENCY'S ESTIMATES

Date Prepared: February 27, 2023

Agency Submitting: Department of Business and Industry, Division of Industrial Relations

Items of Revenue or Expense, or Both	Fiscal Year 2022-23	Fiscal Year 2023-24	Fiscal Year 2024-25	Effect on Future Biennia
Assessment Transfer (Revenue)			($3,549,553)	($7,099,106)
Total	0	0	($3,549,553)	($7,099,106)

Explanation (Use Additional Sheets of Attachments, if required)

The fiscal impact of BDR 53-72 (AB141) would be the loss of revenue from the Workers' Compensation Assessment of $3,549,553 in FY 2025. In the subsequent biennium, there would be a loss of revenue from the Workers' Compensation Assessment of $7,099,106.

This bill would eliminate the assessments for the Subsequent Injury Account for: (1) self-insured employers; (2) associations of self-insured public or private employers; and (3) private carriers. The bill would limit reimbursement from the Subsequent Injury Accounts to claims where a subsequent injury or disability occurred on or before 9/30/2023.

This bill does not change the ability of insurers to submit ongoing requests for reimbursement for subsequent injuries or disabilities that occurred on or before 9/30/2023. The bill also leaves in place the entitlement to reimbursement. Since the only source of funds for this reimbursement is the Workers' Compensation Assessment, there would be no source of funds for these ongoing costs once funds are exhausted. There will be significant ongoing demand for funds. Exhibit 4 details the 144 claims that submitted supplemental requests since 2018. Claims can last many years.

Name Victoria Carreon

Title Administrator, Division of Industrial Relations

GOVERNOR'S OFFICE OF FINANCE COMMENTS

Date Friday, February 24, 2023

The agency's response appears reasonable.

Name Amy Stephenson

Title Director

Exhibit 1 - Estimated Cash Flow/Fiscal Impact to BA 4689 Subsequent Injury Account

Revenue Items	**FY 23**	**FY 24**	**FY 25**	**FY 26**	**FY 27**	
Beginning Cash	2,384,072.00	1,365,523.09	-	-	-	
RGL 4326 Treasurer's Interest	63,958.10	63,958.10	-	-	-	
*RGL 4659 Trans from Indus Relations	4,918,198.00	2,120,071.14	-	-	-	
Total Revenue	**7,366,228.10**	**3,549,552.33**	**-**	**-**	**-**	
Categories	**** FY 23**	***** FY 24**	**FY 25**	**FY 26**	**FY 27**	**FY 26-27 Biennial Amount**
10-Private Carrier Subsequent Inury (PC)	1,638,709.80	1,324,643.24	1,324,643.24	1,324,643.24	1,324,643.24	2,649,286.48
11-Group Self-Insurers Subsequent Injury (SIA)	822,135.72	675,513.02	675,513.02	675,513.02	675,513.02	1,351,026.04
12-Self-Insured Subequent Injury (SIE)	3,539,859.49	1,549,396.07	1,549,396.07	1,549,396.07	1,549,396.07	3,098,792.15
Total Expenditures	**6,000,705.01**	**3,549,552.33**	**3,549,552.33**	**3,549,552.33**	**3,549,552.33**	**7,099,104.66**
Ending Cash Balance	**1,365,523.09**	**-**	**(3,549,552.33)**	**(3,549,552.33)**	**(3,549,552.33)**	**(7,099,104.66)**

FY25-27 Ending Cash Balances are the estimated annual and biennial fiscal Impact to the Subsequent Injury account if assessments are eliminated as a funding source.

**Transfer of BA 4689 Portion of Worker's Compensation Assessment.*

*** FY23 Expenditures based on current year projections.*

****FY24-FY27 Projections based FY 18-FY 22 Five-Year average*

Treasurers Interest Calculation:	8,358	FY23 Q1
	23,621	FY23 Q2
	63,958	**Est. FY23 Q1-Q4 and FY24**

FY23 Subsequent Injury Projections

Outstanding Subsequent Injury Account Submissions			
	Initial	Supplemental	Total
PC (10)	$ 451,346.36	$ 1,072,927.31	$ 1,524,273.67
SIA (11)	$ 66,689.71	$ 596,448.62	$ 663,138.33
SIE (12)	$ 2,316,389.48	$ 1,131,918.99	$ 3,448,308.47
Total	**$ 2,834,425.55**	**$ 2,801,294.92**	**$ 5,635,720.47**

Category	Description	Expended	Pending Requests	Estimated FY23 Total Claims
10	Subsequent Injury	$ 114,436.13	$ 1,524,273.67	$ 1,638,709.80
11	Group Self-Ins Subsequent Inj	$ 158,997.39	$ 663,138.33	$ 822,135.72
12	Self Insured Subsequent Injury	$ 91,551.02	$ 3,448,308.47	$ 3,539,859.49
Total		**$ 364,984.54**	**$ 5,635,720.47**	**$ 6,000,705.01**

Historical Expenditures for Subsequent Injury Accounts							
WORKER'S COMP AND SAFETY FUND							
	FY18	**FY19**	**FY20**	**FY21**	**FY22**	**FY23 YTD**	**FY18-22 Average**
Private Insurance Subsequent Injury CAT 10	1,355,679	1,668,593	1,764,755	999,516	834,672	114,436	1,324,643
Group Self-Insurance Subsequent Injury CAT 11	750,128	942,501	358,822	974,047	352,067	158,997	675,513
Self-Insured Subsequent Injury CAT 12	2,059,747	970,740	2,436,687	1,293,068	986,737	91,551	1,549,396
Totals:	**$ 4,165,554.37**	**$ 3,581,834.66**	**$ 4,560,264.74**	**$ 3,266,631.56**	**$ 2,173,476.33**	**$ 364,984.54**	**$ 3,549,552.33**

Summary of Supplemental Requests							
Initial Claim	**2018**	**2019**	**2020**	**2021**	**2022**	**2023**	**Grand Total**
695858	1						**1**
787179	1						**1**
3236308	2						**2**
3342773		1	1				**2**
46724525	1						**1**
90075857		2		1			**3**
1200012776	1						**1**
2009103881	1	2	1	1	1		**6**
2010112807	1						**1**
2011148126	1	1	1	1	1		**5**
2016001190				1			**1**
4521503230	2						**2**
8410050469						1	**1**
19880689759	1	1	1				**3**
20000248547	1	1	1	1	1		**5**
20010030839	1	2	1	1			**5**
20010112807	2	2	2	1	1		**8**
20010227420	1	1	1				**3**
20020036530	1						**1**
20020103709	1	1		1	1		**4**
20030025666	1	1					**2**
84100150120	2	1	2	1	1		**7**
84100150469	1	1	2				**4**
84100151884	1	1	1	1	1		**5**
84100153027	1						**1**
84100154678	1	1	1	1		1	**5**
84100155246	1		2	1	1		**5**
84200150298		1				1	**2**
84200151298	1		1	1			**3**
84200171278	1		1	1	1		**4**
84200171287		1					**1**
84200174553	1	1	1	1			**4**
711000015825	1						**1**
7110000158250	1	1	1	1			**4**
74638774233174	1						**1**
201312051900002				1			**1**
006354484	1						**1**
00G284029597			1	1			**2**
00G28Y029597					2	1	**3**
00Gf284029597		1					**1**
010705-014007					1		**1**
01C62B082426	1	1					**2**
01C62B082555	2	2	1	1	1		**7**
01C62B083208	1	1	1	1	1	1	**6**
01C62B083209	1	1	1	1	1	1	**6**
02F78G693581	1	1	1	1			**4**
03C62B086900		1					**1**
04C62B087459	1	1	1	1	1	1	**6**
04D34B9063922	1						**1**

Summary of Supplemental Requests							
Initial Claim	**2018**	**2019**	**2020**	**2021**	**2022**	**2023**	**Grand Total**
04D34B906922		1			1		**2**
0583-WC-18-0000200				1			**1**
0583-WC-18-0000-200				2			**2**
0583-WC-18-0000837				1			**1**
05853A376918	1		1	1	1		**4**
05C514994023			1				**1**
05C51A994023	1	1		1	1		**4**
06515T845953	1	1	1	1			**4**
07475T976184	1		1				**2**
07C62B031468					1		**1**
07C62B091468	1	1	1	1		1	**5**
07D34B894234	1						**1**
07D85A191713					1		**1**
08438A246038	1						**1**
09515A588697	1	1	1				**3**
10C52B373680	1	1	1	1	1		**5**
10C62B368413		1	1	1	1		**4**
11C52B492221	1	1	1	1			**4**
11C62B929472	2	2	1	1	1		**7**
11F78G682857	1						**1**
12034C227726				1			**1**
12853C073355			1				**1**
12C62C081443	2	1	1	1	1	1	**7**
12C62C373327		1	1				**2**
12D34C227726					1		**1**
12G284027465		1	1	1			**3**
12G28Y027465					1		**1**
13C51C445366	1	1					**2**
14475E615437		1					**1**
1447E615437			1				**1**
14C62E378732					1		**1**
14D34E312879		1					**1**
14F02E096866	1						**1**
14G284022217				1			**1**
14G28Y022217					1		**1**
15C62E643195		2	1	1	1		**5**
15C62E711473		1					**1**
15D34E764429					1		**1**
15F02G240097	1						**1**
15F78G682594		1					**1**
16C51G633168	1						**1**
16C66G499686	1	1					**2**
16D34G875553				1			**1**
16D34G941702				1			**1**
17C62F281947		1	1				**2**
186144567-001	1						**1**
188087510-001				1			**1**
18D34F766450				1			**1**
19515F899624				1	1		**2**

Summary of Supplemental Requests							
Initial Claim	**2018**	**2019**	**2020**	**2021**	**2022**	**2023**	**Grand Total**
19C62F979834				1			**1**
19D34J140891					1		**1**
19D34J160624				1			**1**
2789979-1		1					**1**
3ASWC0503357				1			**1**
438-013042	2				1		**3**
45215-03230	2						**2**
4D616356314022			1				**1**
4D6163563201314			1				**1**
4D656356313329				1			**1**
4D65656356313329			1				**1**
4D72635631997B	1						**1**
5001-0114-2003-0006		1	1	1	1		**4**
5001-0142-2019-1200					1		**1**
5001-0443-2014-0302	1						**1**
5001-0447-2004-0042	1		1	1	1		**4**
5001-0638-2016-18888		1					**1**
5001-064020170350					1		**1**
5001-0640-2017-0358				1			**1**
5001-0658-2011-0340					1		**1**
5001-0758-2017-0179		1		1			**2**
5001-0871-2008-0446			1				**1**
5003-0234-2015-0072	1						**1**
5012-1090-2015-0459	1						**1**
5012-1271-2015-0195				1	1		**2**
711-00000158250					1		**1**
88D13B575167				1			**1**
95388T288921		1					**1**
96853A375047	1	1	1	2			**5**
C143-00-00055-01			1				**1**
C143-03-00898-01	1						**1**
C143-03-01086-01	1		1	1			**3**
C143-04-00544-01			1				**1**
C143-04-01222-01	1						**1**
C143-06-01387-01	1						**1**
C143-08-03402-01				1			**1**
C143-08-03615-01				1			**1**
C143-10-05247-01			1	1			**2**
C143-11-05911-01				1			**1**
INGO1767		1					**1**
R00012776	2						**2**
R00033717	1						**1**
WYNN-10057				1			**1**
Y67 24525				1			**1**
Y67C24525	1						**1**
YZSC-28337		1					**1**
Grand Total	**81**	**62**	**55**	**64**	**41**	**9**	**312**