

LOCAL GOVERNMENT
FISCAL NOTE

AGENCY'S ESTIMATES

Date Prepared: April 10, 2023

Agency Submitting: Local Government

| Items of Revenue or Expense, or Both | Fiscal Year 2022-23 | Fiscal Year 2023-24 | Fiscal Year 2024-25 | Effect on Future Biennia |
|--------------------------------------|---------------------|---------------------|---------------------|--------------------------|
| | | | | |
| Total | 0 | 0 | 0 | 0 |

Explanation

(Use Additional Sheets of Attachments, if required)

See attached.

Name Michael Nakamoto

Title Chief Principal Deputy Fiscal Analyst

The following responses from local governments were compiled by the Fiscal Analysis Division. The Fiscal Analysis Division can neither verify nor comment on the figures provided by the individual local governments.

Local Government Responses
A.B. 410 / BDR 53 - 1030

City/County: **Carson City**
 Approved by: Sheri Russell-Benabou, Chief Financial officer
 Comment: By allowing a series of stress events to be considered, this eliminates the requirement to seek medical care within 90 days of the incident; thereby opening the door for claims to be filed years later, and could easily result in claims for each and every public safety officer and ancillary staff as well, which would certainly increase the cost of claims, permanent partial disability ratings, and could be extremely costly for the City's Self-Insured Workers Compensation Plan.

| Impact | FY 2022-23 | FY 2023-24 | FY 2024-25 | Future Biennia |
|----------------------|------------|------------|------------|----------------|
| Cannot Be Determined | \$0 | \$0 | \$0 | \$0 |

City/County: **Clark County**
 Approved by: Rachel Stevens, Principal Management Analyst
 Comment: The bill would make injuries or diseases sustained by an employee caused by stress resulting from gradual mental stimulus compensable under industrial insurance. According to Mental Health America, it is estimated 21.38 percent of adults in Nevada have a diagnosable mental, behavioral, or emotional disorder, other than a developmental or substance use disorder. Applying this percentage to Clark County's current employee population, an estimated 2,893 employees are expected to develop a behavioral health condition. Assuming 10 percent of these employees file a claim each year, Clark County will receive an additional 289 workers' compensation claims annually as a result of this bill. Fiscal impacts include the salary and benefit costs of hiring a full-time Registered Nurse to manage the new claims. Medical treatment for these claims is expected to cost an average of \$585 per month, with treatment lasting six months, for a cost of \$1.0 million per year. Additionally, assuming half the claimants go out on temporary total disability (TTD) for an average of 6 pay periods (12 weeks) at a rate of \$2,241 per pay period, total TTD payments will cost the County \$1.9 million per year. All diagnosed claimants will also be eligible for a permanent partial disability (PPD) lump sum payment after the completion of six months of medical treatment. Assuming an average lump sum payment of \$102,289, estimated PPD payments resulting from this bill could total \$29.6 million. Note, fiscal impacts for FY24 are reduced, due to a January 1, 2024 effective date.

| Impact | FY 2022-23 | FY 2023-24 | FY 2024-25 | Future Biennia |
|------------|------------|-------------|--------------|----------------|
| Has Impact | \$0 | \$1,616,975 | \$32,694,047 | \$65,405,379 |

City/County: **Douglas County**
 Approved by: Terri Willoughby, Chief Financial Officer
 Comment: The proposed legislation opens the door to more potential claims, but it is impossible to quantify a specific fiscal impact.

| Impact | FY 2022-23 | FY 2023-24 | FY 2024-25 | Future Biennia |
|----------------------|------------|------------|------------|----------------|
| Cannot Be Determined | \$0 | \$0 | \$0 | \$0 |

City/County: **Elko County**

Approved by: Susan Paprocki, Comptroller

Comment:

| Impact | FY 2022-23 | FY 2023-24 | FY 2024-25 | Future Biennia |
|---------------|-------------------|-------------------|-------------------|-----------------------|
| No Impact | \$0 | \$0 | \$0 | \$0 |

City/County: **Humboldt County**

Approved by: Abel Del Real-Nava, Assistant County Manager/Human Resources Director

Comment: Unable to determine fiscal impact.

| Impact | FY 2022-23 | FY 2023-24 | FY 2024-25 | Future Biennia |
|----------------------|-------------------|-------------------|-------------------|-----------------------|
| Cannot Be Determined | \$0 | \$0 | \$0 | \$0 |

City/County: **Lyon County**

Approved by: Josh Foli, Comptroller

Comment: This will have a increased fiscal impact on our workers' compensation costs as the scope of the statute is broadened; however, it is not possible to estimate what that impact may be.

It could be significant impact to rates as a single case may result in a very large claim.

| Impact | FY 2022-23 | FY 2023-24 | FY 2024-25 | Future Biennia |
|----------------------|-------------------|-------------------|-------------------|-----------------------|
| Cannot Be Determined | \$0 | \$0 | \$0 | \$0 |

City/County: **Pershing County**

Approved by: Karen Wesner, Administrative Assistant

Comment:

| Impact | FY 2022-23 | FY 2023-24 | FY 2024-25 | Future Biennia |
|---------------|-------------------|-------------------|-------------------|-----------------------|
| No Impact | \$0 | \$0 | \$0 | \$0 |

City/County: **Washoe County**

Approved by: Cadence Matijevich, Government Affairs Liaison

Comment: It is anticipated that the provisions of this bill will increase the total number of industrial insurance claims that must be paid by Washoe County. However, because the total number of claims that would result directly from this legislation is unknown, a reliable estimate of the dollar amount of the effect of this bill on Washoe County cannot be determined at this time.

| Impact | FY 2022-23 | FY 2023-24 | FY 2024-25 | Future Biennia |
|----------------------|-------------------|-------------------|-------------------|-----------------------|
| Cannot Be Determined | \$0 | \$0 | \$0 | \$0 |

City/County: **City of Boulder City**

Approved by: Angela Manninen, Acting Finance Director

Comment:

| Impact | FY 2022-23 | FY 2023-24 | FY 2024-25 | Future Biennia |
|---------------|-------------------|-------------------|-------------------|-----------------------|
| No Impact | \$0 | \$0 | \$0 | \$0 |

City/County: **City of Elko**

Approved by: Kelly Wooldridge, City Clerk

Comment:

| Impact | FY 2022-23 | FY 2023-24 | FY 2024-25 | Future Biennia |
|---------------|-------------------|-------------------|-------------------|-----------------------|
| No Impact | \$0 | \$0 | \$0 | \$0 |

City/County: **City of Henderson**

Approved by: Mike Cathcart, Business Operations Manager

Comment: The fiscal impact of this legislation is based on an average of 20 claims per year with an average amount of \$150,000 to complete the claim.

| Impact | FY 2022-23 | FY 2023-24 | FY 2024-25 | Future Biennia |
|---------------|-------------------|-------------------|-------------------|-----------------------|
| Has Impact | \$3,000,000 | \$3,000,000 | \$3,000,000 | \$6,000,000 |

City/County: **City of Las Vegas**

Approved by: Brian Lovelin, Grant Administrator

Comment: The bill language expands on events that qualify for a stress related claim. The fiscal impact estimates the increased cost to employees, including additional medical expenses, who develop an illness due to a related claim.

| Impact | FY 2022-23 | FY 2023-24 | FY 2024-25 | Future Biennia |
|---------------|-------------------|-------------------|-------------------|-----------------------|
| Has Impact | \$200,000 | \$200,000 | \$200,000 | \$400,000 |

City/County: **City of North Las Vegas**

Approved by: William Harty, Finance Director

Comment: Additional coverage will potentially lead to additional claims

| Impact | FY 2022-23 | FY 2023-24 | FY 2024-25 | Future Biennia |
|---------------|-------------------|-------------------|-------------------|-----------------------|
| Has Impact | \$0 | \$0 | \$0 | \$0 |

City/County: **City of Reno**

Approved by: Jordan Hosmer-Henner, Urban Economist

Comment: Based on historical incidents, the City would see an additional two covered injuries that would necessitate an annual average additional cost of \$59,733 that would vary considerably depending on the particular circumstances.

| Impact | FY 2022-23 | FY 2023-24 | FY 2024-25 | Future Biennia |
|---------------|-------------------|-------------------|-------------------|-----------------------|
| Has Impact | \$119,467 | \$119,467 | \$119,467 | \$119,467 |

City/County: **City of Sparks**

Approved by: Jeff Cronk, Chief Financial Officer

Comment: It's impossible to determine the fiscal impacts from the provisions of this bill since the number of potential beneficiaries is unknown. However, the expansion of eligibility can certainly be expected to result in increased costs, perhaps significantly so.

| Impact | FY 2022-23 | FY 2023-24 | FY 2024-25 | Future Biennia |
|----------------------|-------------------|-------------------|-------------------|-----------------------|
| Cannot Be Determined | \$0 | \$0 | \$0 | \$0 |

City/County: **City of West Wendover**

Approved by: Alina Ceballos, Chief Financial Officer

Comment: no fiscal impact

| Impact | FY 2022-23 | FY 2023-24 | FY 2024-25 | Future Biennia |
|---------------|-------------------|-------------------|-------------------|-----------------------|
| No Impact | \$0 | \$0 | \$0 | \$0 |

School District: **Carson City School District**

Approved by: Spencer Winward, Director of Fiscal Services

Comment: Carson City School District cannot determine the fiscal impact of this proposed legislation. We have no method of tracking how many employees have stress-related injuries nor how those would affect our industrial insurance costs.

| Impact | FY 2022-23 | FY 2023-24 | FY 2024-25 | Future Biennia |
|----------------------|-------------------|-------------------|-------------------|-----------------------|
| Cannot Be Determined | \$0 | \$0 | \$0 | \$0 |

School District: **Churchill County School District**

Approved by: Dr. Summer E. Stephens, Superintendent

Comment: With the unknown nature of who might qualify for this at any given time, the cost cannot be determined to our worker's compensation costs.

| Impact | FY 2022-23 | FY 2023-24 | FY 2024-25 | Future Biennia |
|----------------------|-------------------|-------------------|-------------------|-----------------------|
| Cannot Be Determined | \$0 | \$0 | \$0 | \$0 |

School District: **Clark County School District**

Approved by: Steven Maiello, Coordinator IV

Comment: If passed, based on the estimated number of claims the cost is estimated at \$1,340,000 million. Claim cost is estimated to cost approximately \$270,000. The salary cost to cover employees who are out is approximately \$1,070,000.

| Impact | FY 2022-23 | FY 2023-24 | FY 2024-25 | Future Biennia |
|---------------|-------------------|-------------------|-------------------|-----------------------|
| Has Impact | \$0 | \$670,000 | \$1,340,000 | \$2,680,000 |

School District: **Elko County School District**

Approved by: Julie Davis, CFO

Comment: Language change not expected to have a significant impact on the District.

| Impact | FY 2022-23 | FY 2023-24 | FY 2024-25 | Future Biennia |
|---------------|-------------------|-------------------|-------------------|-----------------------|
| No Impact | \$0 | \$0 | \$0 | \$0 |

School District: **Lincoln County School District**

Approved by: Pam Teel, Superintendent

Comment: Unclear on impact to school district

| Impact | FY 2022-23 | FY 2023-24 | FY 2024-25 | Future Biennia |
|----------------------|-------------------|-------------------|-------------------|-----------------------|
| Cannot Be Determined | \$0 | \$0 | \$0 | \$0 |

School District: **Lyon County School District**

Approved by: Kyle Rodriguez, Fiscal Services Officer

Comment:

| Impact | FY 2022-23 | FY 2023-24 | FY 2024-25 | Future Biennia |
|---------------|-------------------|-------------------|-------------------|-----------------------|
| No Impact | \$0 | \$0 | \$0 | \$0 |

School District: **Nye County School District**

Approved by: Kelly Wood, Executive Secretary

Comment: There could be a significant financial impact with passage of BDR 53-1030 (AB410), as we will see more claims of stress from events over time. Currently, mental stress claims can only be filed under very specific situations. This bill removes provisions prohibiting an ailment or disorder caused by any gradual mental stimulus or any death or disability ensuing therefrom from being compensable under industrial insurance. Section 1 expands the stress-related injuries that may be compensable under industrial insurance under certain circumstances to include a mental injury caused by extreme stress for which the primary cause was a series of events, rather than a single event, that arose out of and during the course of employment. This could bankrupt the district.

| Impact | FY 2022-23 | FY 2023-24 | FY 2024-25 | Future Biennia |
|---------------|-------------------|-------------------|-------------------|-----------------------|
| Has Impact | \$0 | \$0 | \$0 | \$0 |

School District: **Pershing County School District**

Approved by: Russell Fecht, Superintendent

Comment:

| Impact | FY 2022-23 | FY 2023-24 | FY 2024-25 | Future Biennia |
|---------------|-------------------|-------------------|-------------------|-----------------------|
| No Impact | \$0 | \$0 | \$0 | \$0 |

School District: **Washoe County School District**

Approved by: Mark Mathers, Chief Financial Officer

Comment: The expansion of stress-related injuries that may be compensable and removal of provisions prohibiting an ailment or disorder caused by any gradual mental stimulus or any death or disability from being compensable under industrial insurance in Section 1 will likely increase the District's workers compensation costs, but we cannot quantify that impact at this time.

| Impact | FY 2022-23 | FY 2023-24 | FY 2024-25 | Future Biennia |
|----------------------|-------------------|-------------------|-------------------|-----------------------|
| Cannot Be Determined | \$0 | \$0 | \$0 | \$0 |

School District: **White Pine School District**

Approved by: Paul Johnson, Chief Financial Officer

Comment: Impact can not be determined.

| Impact | FY 2022-23 | FY 2023-24 | FY 2024-25 | Future Biennia |
|----------------------|-------------------|-------------------|-------------------|-----------------------|
| Cannot Be Determined | \$0 | \$0 | \$0 | \$0 |

The following cities/counties/school districts did not provide a response: Churchill County, Esmeralda County, Eureka County , Lander County , Lincoln County, Mineral County, Nye County, Storey County, White Pine County, City of Caliente , City of Carlin, City of Ely, City of Fallon, City of Fernley, City of Mesquite, City of Wells, City of Winnemucca, City of Yerington, Douglas County School District, Esmeralda County School District, Eureka County School District, Humboldt County School District, Lander County School District, Mineral County School District, and Storey County School District.