

EXECUTIVE AGENCY
FISCAL NOTE

AGENCY'S ESTIMATES

Date Prepared: March 10, 2025

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

Items of Revenue or Expense, or Both	Fiscal Year 2024-25	Fiscal Year 2025-26	Fiscal Year 2026-27	Effect on Future Biennia
(Revenue)			(\$3,263,810)	(\$6,527,620)
Total	0	0	(\$3,263,810)	(\$6,527,620)

Explanation

(Use Additional Sheets of Attachments, if required)

The fiscal impact of BDR 53-325 would be the loss of revenue from the Workers' Compensation Assessment of \$3,263,810 in FY 2027. In the subsequent biennium, there would be a loss of revenue from the Workers' Compensation Assessment of \$6,527,620.

Sections 6(6), 9(6) and 12(6) of 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 9/30/2025. 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 have been 391 supplemental requests since 2018 representing 159 claims. For any given claim, medical costs and other benefits can go on for many years, meaning that the number of reimbursement requests will likely remain stable over the next two biennia. In future biennia, the number of reimbursement requests would gradually decrease as the claimants pass away.

Name Victoria Carreon

Title Administrator

GOVERNOR'S OFFICE OF FINANCE COMMENTS

Date Friday, March 07, 2025

The agency's response appears reasonable.

Name Tiffany Greenameyer

Title Director

Exhibit 1 - Estimated Cash Flow/Fiscal Impact to BA 4689 Subsequent Injury Account						
	FY 25	FY 26	FY 27	FY 28	FY 29	
Revenue Items						
Beginning Cash	2,682,731.00	-	-	-	-	
RGL 4326 Treasurer's Interest	144,076.92	144,076.92	-	-	-	
*RGL 4659 Trans from Indus Relations	4,275,667.08	3,119,733.08	-	-	-	
Total Revenue	7,102,475.00	3,263,810.00	-	-	-	
Categories	** FY 25	*** FY 26	FY 27	FY 28	FY 29	FY 26-27 Biennial Amount
10-Private Carrier Subsequent Injury (PC)	2,118,022.00	1,096,468.00	1,096,468.00	1,096,468.00	1,096,468.00	2,192,936.00
11-Group Self-Insurers Subsequent Injury (SIA)	1,422,686.00	612,808.00	612,808.00	612,808.00	612,808.00	1,225,616.00
12-Self-Insured Subsequent Injury (SIE)	3,561,767.00	1,554,534.00	1,554,534.00	1,554,534.00	1,554,534.00	3,109,068.00
Total Expenditures	7,102,475.00	3,263,810.00	3,263,810.00	3,263,810.00	3,263,810.00	6,527,620.00
Ending Cash Balance	-	-	(3,263,810.00)	(3,263,810.00)	(3,263,810.00)	(6,527,620.00)
			<i>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.</i>			
<i>*Transfer of BA 4689 Portion of Worker's Compensation Assessment, includes pending transactions.</i>						
<i>** FY25 Expenditures based on current year projections.</i>						
<i>***FY26-FY29 Projections based FY 20-FY 25 Six-Year average</i>						
Treasurers Interest Calculation:	36,019	FY25 Q1				
	-	FY25 Q2				
	144,077	Est. FY25 Q1-Q4 and FY26				