

January 20, 2021

The Honorable Sean Tarwater, Chairperson  
House Committee on Commerce, Labor and Economic Development  
Statehouse, Room 151D-S  
Topeka, Kansas 66612

Dear Representative Tarwater:

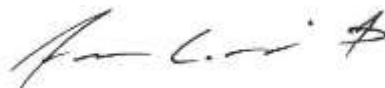
SUBJECT: Fiscal Note for HB 2016 by Representative Carmichael

In accordance with KSA 75-3715a, the following fiscal note concerning HB 2016 is respectfully submitted to your committee.

HB 2016 would amend workers compensation law by changing language related to the cause of injury from a “prevailing factor” to a “substantial factor.”

According to the Kansas Department of Labor, HB 2016 would have no fiscal effect on the Workers Compensation Program. The Department of Administration estimates the bill would increase workers compensation claim costs for the State Self Insurance Fund by \$298,992 in FY 2022. This amount includes \$267,148 for claims that would be paid under HB 2016 (47 claims x \$5,684 average cost per claim) plus \$31,844 for legal costs. The Department of Administration estimates additional costs of \$307,065 from the State Self Insurance Fund in FY 2023. The increase in costs would result in an increase in workers compensation assessment rates for state agencies. This would increase agency expenditures for benefits, which would be funded from a variety of funding sources including the State General Fund. However, the fiscal effect on state agencies is unknown because the quantitative increase in workers compensation assessment rates is also unknown. Any fiscal effect associated with HB 2016 is not reflected in *The FY 2022 Governor’s Budget Report*.

Sincerely,



Adam Proffitt  
Director of the Budget

cc: Dawn Palmberg, Department of Labor  
Jeff Scannell, Department of Administration