

Fiscal Estimate Narratives

DWD 2/7/2021

LRB Number	21-1158/1	Introduction Number	AB-0017	Estimate Type	Original
Description various changes to the worker's compensation law					

Assumptions Used in Arriving at Fiscal Estimate

This bill proposes changes to the conditions of liability for worker's compensation benefits that allow for a law enforcement officer or a full-time fire fighter who is diagnosed with post-traumatic stress disorder (PTSD) related to employment to bring a claim for worker's compensation benefits and sets a maximum duration of benefits at 32 weeks. The bill also proposes to allow employers or insurers an option to make a lump sum payment instead of the current law requirement for five annual installment payments into WISBF, and includes that a payment to WISBF by an employer or insurer is not required if a claim includes a violation of an employer's drug or alcohol use policy resulting in death.

The fiscal impact of AB 17 to the Department and local government units is indeterminate.

The changes in AB 17 related to worker's compensation for PTSD could increase the number of submitted claims for worker's compensation benefits which could result in an increased number of hearings on contested claims. Due to this increased workload, operational and administrative costs would increase affecting the Fund 227 appropriation s.20.445 (1) (ra) Worker's compensation operations fund; administration. The Department, however, is unable to reliably estimate the number of increased claims and hearings due to this new coverage, and the associated operations costs.

The WISBF changes in AB 17 are estimated to require changes to Department IT systems. System changes would be needed to reconcile employer data in Unemployment Insurance IT systems with employer drug policy information in the worker's compensation IT system. Changes would also be needed in WC systems to open, track, and close investigations related to this new provision. Because multiple systems are affected, and there is a possibility of cascading effects of IT system interactions with any change, the Department is not able to reliably project the amount of IT programming hours needed to implement the bill's provisions.

The WISBF changes in AB 17 could also result in a revenue reduction for WISBF Fund 226, as the change would not require an employer's payment to WISBF if an employer's drug or alcohol use policy was violated. Additionally, if an employer uses the lump sum payment option to WISBF, DWD would be required to give an interest credit to the employer or insurer. An estimate for the amount of lost interest and employer payments where a drug or alcohol policy violation occurred is not available at this time. Thus, the department is not able to reliably project the total revenue impact.

Lastly, the bill would increase costs to all types of local government units subject to the worker's compensation provisions that employ law enforcement officers or full-time fire fighters. However, the Department is unable to accurately project the extent to which these costs would increase.

Long-Range Fiscal Implications

Indeterminate.