

FISCAL NOTE

	FY 2021	FY 2022	FY 2023
NON-ADMINISTRATIVE IMPACT			
Anticipated Revenue (decrease)			
INDUSTRIAL ACCIDENT FUND	(\$16,443,024)		

Source of revenue (decrease):

The source of the revenue decrease will be in the form of a workers' compensation premium credit to all covered employers in good standing with the Department of Workforce Services (Department) Workers' Compensation Division.

Assumptions:

The Department based its estimate on a similar workers' compensation premium credit given in FY 2017. The estimate presented in the table above is based on the following assumptions:

- The premium credit is estimated as 8.33% and is equal to one month of premium (100% / 12 months = 8.33%)
- All currently eligible employers will remain eligible to claim the credit by 12/31/2020
- Estimated premium totals for 2020 are \$197,395,242
- $8.33\% \times \$197,395,342 = \$16,443,024$ revenue decrease

The bill is effective immediately. The Department will need to make a change to the Workers' Compensation claims management system to calculate and generate the premium credit. Based on similar work conducted for the FY 2017 premium credit the Department estimated that a total of \$10,800 from the 900 series will be expended before July 1, 2020. The Department anticipates that their current budget has sufficient funding for the expenditure increase.

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