

COMMITTEE ON LEGISLATIVE RESEARCH
OVERSIGHT DIVISION

FISCAL NOTE

L.R. No.: 2569-01
Bill No.: SB 665
Subject: Workers' Compensation
Type: Original
Date: March 8, 2007

Bill Summary: This proposal requires yearly audits of the workers' compensation fund.

FISCAL SUMMARY

ESTIMATED NET EFFECT ON GENERAL REVENUE FUND			
FUND AFFECTED	FY 2008	FY 2009	FY 2010
Total Estimated Net Effect on General Revenue Fund	\$0	\$0	\$0

ESTIMATED NET EFFECT ON OTHER STATE FUNDS			
FUND AFFECTED	FY 2008	FY 2009	FY 2010
Worker Compensation Fund	(Unknown over \$30,000)	(Unknown over \$30,000)	(Unknown over \$30,000)
Total Estimated Net Effect on <u>Other</u> State Funds	(Unknown over \$30,000)	(Unknown over \$30,000)	(Unknown over \$30,000)

Numbers within parentheses: () indicate costs or losses.
This fiscal note contains 4 pages.

ESTIMATED NET EFFECT ON FEDERAL FUNDS			
FUND AFFECTED	FY 2008	FY 2009	FY 2010
Total Estimated Net Effect on <u>All</u> Federal Funds	\$0	\$0	\$0

ESTIMATED NET EFFECT ON FULL TIME EQUIVALENT (FTE)			
FUND AFFECTED	FY 2008	FY 2009	FY 2010
Total Estimated Net Effect on FTE	0	0	0

Estimated Total Net Effect on All funds expected to exceed \$100,000 savings or (cost).

Estimated Net Effect on General Revenue Fund expected to exceed \$100,000 (cost).

ESTIMATED NET EFFECT ON LOCAL FUNDS			
FUND AFFECTED	FY 2008	FY 2009	FY 2010
Local Government	\$0	\$0	\$0

FISCAL ANALYSIS

ASSUMPTION

Officials at the **Department of Labor and Industrial Relations** assume this bill requires the Department's Division of Workers' Compensation (Division) to conduct annual actuarial studies on the Second Injury Fund. Currently, the Division is required to conduct an actuarial study every three years. Requiring annual studies will increase the cost to the Division. The last two actuarial studies cost \$30,000 in 2001 and \$27,000 in 2004. The Department assumes that future actuarial studies will cost over \$30,000 annually to comply with the provisions of the bill.

Officials at the **Office of the Attorney General** assume that any potential costs arising from this proposal can be absorbed with existing resources.

Officials at the **Office of the State Treasurer** assume that there is no fiscal impact from this proposal.

<u>FISCAL IMPACT - State Government</u>	FY 2008	FY 2009	FY 2010
	(10 Mo.)		

WORKER COMPENSATION FUND

<u>Cost - Worker Compensation Fund</u>			
Yearly audit	<u>(Unknown over \$30,000)</u>	<u>(Unknown over \$30,000)</u>	<u>(Unknown over \$30,000)</u>

ESTIMATED NET EFFECT ON WORKER COMPENSATION FUND	<u>(Unknown over \$30,000)</u>	<u>(Unknown over \$30,000)</u>	<u>(Unknown over \$30,000)</u>
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<u>FISCAL IMPACT - Local Government</u>	FY 2008	FY 2009	FY 2010
	(10 Mo.)		
	<u>\$0</u>	<u>\$0</u>	<u>\$0</u>

FISCAL IMPACT - Small Business

No direct fiscal impact to small businesses would be expected as a result of this proposal.

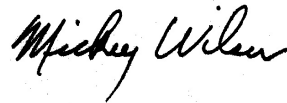
FISCAL DESCRIPTION

Currently, an actuarial study is made of the second injury fund every three years to determine solvency. This act requires an annual study.

This legislation is not federally mandated, would not duplicate any other program and would not require additional capital improvements or rental space.

SOURCES OF INFORMATION

Office of the Attorney General
Office of the State Treasurer

A handwritten signature in black ink that reads "Mickey Wilson". The signature is written in a cursive, slightly slanted style.

Mickey Wilson, CPA
Director
March 8, 2007