

FISCAL NOTE

LEGISLATIVE FISCAL ANALYST ESTIMATE

Revised for AM 678

ESTIMATE OF FISCAL IMPACT – STATE AGENCIES (See narrative for political subdivision estimates)					
EXPENDITURES	GENERAL	CASH	FEDERAL	REVOLVING	TOTAL
FY2025-2026	0	0	0	0	0
FY2026-2027	SEE BELOW	0	0	0	SEE BELOW
FY2027-2028	SEE BELOW	0	0	0	SEE BELOW
FY2028-2029	SEE BELOW	0	0	0	SEE BELOW
REVENUE	GENERAL	CASH	FEDERAL	REVOLVING	TOTAL
FY2025-2026	0	0	0	0	0
FY2026-2027	0	0	0	0	0
FY2027-2028	0	0	0	0	0
FY2028-2029	0	0	0	0	0

Any Fiscal Notes received from state agencies and political subdivisions are attached following the Legislative Fiscal Analyst Estimate.

AM 678 amends LB 455 and incorporates LB 313 as amended into the amendment.

LB 455 as amended by AM 678 would change subrogation regarding third-party claims and the distribution of proceeds in the settlement of third-party claims. The bill also requires first injury reports are confidential except as otherwise provided.

The first injury report would be subject to disclosure by the Workers' Compensation Court with personal information redacted pursuant to 84-712 to 84-712.09. An employee may waive confidentiality of such reports allowing for disclosure of the employee's confidential information. Pursuant to a public records request, the employee's confidential information may be provided by the compensation court to those specified in (2)(f)(i) – (ix).

LB 455 as amended by AM 678 removes the fair and equitable distribution and instead adds a formula for disbursement to the employee, employer or workers' compensation insurer, and the employee's personal representative. The State's workers' compensation program is self-insured. The Department of Administrative Services (DAS) - Risk Management workers' compensation program is a revolving fund program and is funded by an annual assessment that includes all agencies, boards and commissions, the University, and state colleges.

In its fiscal note response, DAS – Risk Management does not anticipate LB 455 AM 678 to result in significant increases to its program costs or to the workers' compensation benefits paid, but reports that certain cases could have factors that result in potentially higher future payments. However, the fiscal impact is not determinable at this time.

DAS provides a table which summarizes, by fund type, how increases in appropriation would be distributed among agencies should there be cases that result in cost increases to DAS - Risk Management.

Fund Type	Percentage
General Fund	64%
Cash Fund	35%
Federal Fund	7%
Revolving Fund	4%
TOTAL	100%

The Workers Compensation Court reports no direct fiscal impact to its agency.

Please complete ALL (5) blanks in the first three lines.

2026

LB⁽¹⁾ 455 AM 678

FISCAL NOTE

State Agency OR Political Subdivision Name: ⁽²⁾ Dept. of Administrative Services (DAS) – Risk Management

Prepared by: ⁽³⁾ Sarah Skinner Date Prepared: ⁽⁴⁾ 3/5/2026 Phone: ⁽⁵⁾ 402-419-4229

ESTIMATE PROVIDED BY STATE AGENCY OR POLITICAL SUBDIVISION

	<u>FY 2026-27</u>		<u>FY 2027-28</u>	
	<u>EXPENDITURES</u>	<u>REVENUE</u>	<u>EXPENDITURES</u>	<u>REVENUE</u>
GENERAL FUNDS	_____	_____	_____	_____
CASH FUNDS	_____	_____	_____	_____
FEDERAL FUNDS	_____	_____	_____	_____
REVOLVING FUNDS	_____	_____	_____	_____
TOTAL FUNDS	<u>See Below</u>	<u>See Below</u>	<u>See Below</u>	<u>See Below</u>

Explanation of Estimate:

LB 455 AM 678 proposes changes to the Workers’ Compensation Act. It would change subrogation regarding third-party claims and the distribution of proceeds in the settlement of third-party claims and would also make first injury reports confidential except as otherwise provided.

The first injury report would be subject to disclosure by the Workers’ Compensation Court with personal information redacted pursuant to 84-712 to 84-712.09. An employee may waive confidentiality of such reports allowing for disclosure of the employee’s confidential information. Pursuant to a public records request, the employee’s confidential information may be provided by the compensation court to those specified in (2)(f)(i) – (ix).

LB 455 AM 678 removes the fair and equitable distribution and instead adds a formula for disbursement to the employee, employer or workers’ compensation insurer, and the employee’s personal representative.

The State’s workers’ compensation program is self-insured. The DAS - Risk Management workers’ compensation program is a revolving fund program and is funded by an annual assessment that includes all agencies, boards and commissions, the University and state colleges. Any increase in costs could increase the amount assessed.

The table below summarizes the estimated impact of any increase in the assessment by fund type. The allocation by fund type is based on a four-year (2022-2025) average of the payment of previous workers’ compensation assessments.

Fund Type	Percentage
General Fund	64%
Cash Fund	25%
Federal Fund	7%
Revolving Fund	4%
Total	100%

LB 455 AM 678 is not anticipated to substantially impact DAS – Risk Management and the workers’ compensation benefits paid, but certain cases could have factors that result in potentially higher future payments. However, as this is hypothetical, the fiscal impact is not determinable at this time.

BREAKDOWN BY MAJOR OBJECTS OF EXPENDITURE

Personal Services:

<u>POSITION TITLE</u>	<u>NUMBER OF POSITIONS</u>		<u>2026-27</u>	<u>2027-28</u>
	<u>26-27</u>	<u>27-28</u>	<u>EXPENDITURES</u>	<u>EXPENDITURES</u>
Benefits.....				
Operating.....				
Travel.....				
Capital outlay.....				
Aid.....				
Capital improvements.....				
TOTAL.....				

Please complete ALL (5) blanks in the first three lines.

2026

LB⁽¹⁾ 455/AM648/AM2401

FISCAL NOTE

State Agency OR Political Subdivision Name: ⁽²⁾ Nebraska Workers' Compensation Court

Prepared by: ⁽³⁾ Lorra O'Banion Date Prepared: ⁽⁴⁾ March 3, 2026 Phone: ⁽⁵⁾ 402.471.3602

ESTIMATE PROVIDED BY STATE AGENCY OR POLITICAL SUBDIVISION

	<u>FY 2026-27</u>		<u>FY 2027-28</u>	
	<u>EXPENDITURES</u>	<u>REVENUE</u>	<u>EXPENDITURES</u>	<u>REVENUE</u>
GENERAL FUNDS	_____	_____	_____	_____
CASH FUNDS	_____	_____	_____	_____
FEDERAL FUNDS	_____	_____	_____	_____
OTHER FUNDS	_____	_____	_____	_____
TOTAL FUNDS	=====	=====	=====	=====

Explanation of Estimate:

No fiscal impact.

BREAKDOWN BY MAJOR OBJECTS OF EXPENDITURE

Personal Services:

<u>POSITION TITLE</u>	<u>NUMBER OF POSITIONS</u>		<u>2026-27</u>	<u>2027-28</u>
	<u>26-27</u>	<u>27-28</u>	<u>EXPENDITURES</u>	<u>EXPENDITURES</u>
_____	_____	_____	_____	_____
_____	_____	_____	_____	_____
Benefits.....	_____	_____	_____	_____
Operating.....	_____	_____	_____	_____
Travel.....	_____	_____	_____	_____
Capital outlay.....	_____	_____	_____	_____
Aid.....	_____	_____	_____	_____
Capital improvements.....	_____	_____	_____	_____
TOTAL.....	_____	_____	_____	_____

ADMINISTRATIVE SERVICES STATE BUDGET DIVISION: REVIEW OF AGENCY & POLT. SUB. RESPONSE

LB: 455 AM: 2401 AGENCY/POLT. SUB: Workers' Compensation Court

REVIEWED BY: Ryan Walton DATE: 3/4/2026 PHONE: (402) 471-4174

COMMENTS: The Workers' Compensation Court assessment of no fiscal impact from LB 455, as amended by AM2401, appears reasonable.

ADMINISTRATIVE SERVICES STATE BUDGET DIVISION: REVIEW OF AGENCY & POLT. SUB. RESPONSE

LB: 455 AM: 678 AGENCY/POLT. SUB: Department of Administrative Services (DAS)

REVIEWED BY: Ryan Walton DATE: 3/5/2026 PHONE: (402) 471-4174

COMMENTS: DAS' assessment of indeterminate fiscal impact from LB 455, as amended by AM 678, appears reasonable.