

**FISCAL NOTE**  
LEGISLATIVE FISCAL ANALYST ESTIMATE

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	1,019,960	398,422	111,558	1,657,434	3,187,374
FY2027-2028	1,019,960	398,422	111,558	1,657,434	3,187,374
FY2028-2029	1,019,960	398,422	111,558	1,657,434	3,187,374
REVENUE	GENERAL	CASH	FEDERAL	REVOLVING	TOTAL
FY2025-2026	0	0	0	0	0
FY2026-2027	0	0	0	1,593,687	1,593,687
FY2027-2028	0	0	0	1,593,687	1,593,687
FY2028-2029	0	0	0	1,593,687	1,593,687

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

LB 1011 proposes to extend temporary disability benefits when an injury becomes a permanent disability. Temporary disability benefits would continue until a maximum medical impairment (MMI) rating is determined with no credit against the permanent benefits for the MMI. Temporary disability benefits for body as a whole or mental injury would be extended until a loss of earning capacity is determined.

LB 1011 also requires the employee to receive thirty days' notice prior to stopping temporary disability benefits. The employer would be required to share with the employee evidence used for this determination, and if the employer relied on evidence outside of the treating physician, the employee could request an Independent Medical Evaluation (IME) at the employer's expense.

From July 1, 2024, to June 30, 2025, there were 61 claims of which the injured state public servant reached MMI and took a credit against permanent benefits because of continuing to permanent total disability while waiting for the Loss of Earning (LOE) capacity. The additional cost to the State of Nebraska Workers' Compensation Fund would have been \$338,332.78.

Continuing payments for an additional thirty days per the notice required in LB1011 will cost an additional \$4,664 for Total Temporary Disability (TTD) and \$942.78 for Total Permanent Disability (TPD) for max wage earners, which includes the state's top workers' compensation claims. There were 120 claims with TPD, and 214 TTD payments made in the fiscal year July 2024 – June 2025 with a total paid of \$3,958,367.06. TPD would be an additional \$113,133.60 and TTD an additional \$998,096 = \$1,111,229.60. Salaries also increased 3.25% since last fiscal year at 2.25% COLA and 1% pay for performance.

Lastly, the average cost for an Independent Medical Examiner was \$4,117.85 last fiscal year for 29 claims, totaling \$144,124.70.

These additional costs would result in the need for additional revolving fund appropriation and an increase in the Workers' Compensation Assessment. The biennial FY25-27 Worker's Compensation Assessment has already been published and would need to be adjusted, thus impacting agencies, boards and commissions, the University, and the State Colleges.

The table below summarizes the estimated impact by fund type of the increased enterprise-wide Workers' Compensation Assessment to be paid by agencies. The allocation by fund type is based on a four-year (2022-2025) average of the payment of previous Workers Compensation Assessments. The revenue will be received by DAS Risk Management as an annual assessments.

	FY26-27	FY27-28
	Estimated Expenditures	Estimated Expenditures
General Funds	\$1,019,960	\$1,019,960
Cash Funds	398,422	398,422
Federal Funds	111,558	111,558
Revolving Funds	63,747	63,747
<b>Total Funds</b>	<b>\$1,593,687</b>	<b>\$1,593,687</b>

The Fiscal Analyst has no basis to disagree with these estimates.

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

2026

LB<sup>(1)</sup> 1011

FISCAL NOTE

State Agency OR Political Subdivision Name: <sup>(2)</sup> Dept. of Administrative Services – Risk Management

Prepared by: <sup>(3)</sup> Sarah Skinner Date Prepared: <sup>(4)</sup> 01/15/2026 Phone: <sup>(5)</sup> 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	\$1,019,960		\$1,019,960	
CASH FUNDS	\$398,422		\$398,422	
FEDERAL FUNDS	\$111,558		\$111,558	
REVOLVING FUNDS	\$63,747	\$1,593,687	\$63,747	\$1,593,687
TOTAL FUNDS	<u>\$1,593,687</u>	<u>\$1,593,687</u>	<u>\$1,593,687</u>	<u>\$1,593,687</u>

Explanation of Estimate:

LB 1011 proposes to extend temporary disability benefits when an injury becomes a permanent disability. Temporary disability benefits would continue until a maximum medical impairment (MMI) rating is determined with no credit against the permanent benefits for the MMI. Temporary disability benefits for body as a whole or mental injury would be extended until a loss of earning capacity is determined. LB 1011 also requires the employee to receive thirty days’ notice prior to stopping temporary disability benefits. The employer would be required to share with the employee evidence used for this determination, and if the employer relied on evidence outside of the treating physician, the employee could request an Independent Medical Evaluation (IME) at the employer’s expense.

From July 1, 2024, to June 30, 2025, there were 61 claims of which the injured state public servant reached MMI and took a credit against permanent benefits because of continuing to permanent total disability while waiting for the Loss of Earning (LOE) capacity. The additional cost to the State of Nebraska Workers’ Compensation Fund would have been \$338,332.78.

Continuing payments for an additional thirty days per the notice required in LB1011 will cost an additional \$4,664 for Total Temporary Disability (TTD) and \$942.78 for Total Permanent Disability (TPD) for max wage earners, which includes the state’s top workers’ compensation claims. There were 120 claims with TPD, and 214 TTD payments made in the fiscal year July 2024 – June 2025 with a total paid of \$3,958,367.06. TPD would be an additional \$113,133.60 and TTD an additional \$998,096 = \$1,111,229.60. Salaries also increased 3.25% since last fiscal year at 2.25% COLA and 1% pay for performance.

Lastly, the average cost for an Independent Medical Examiner was \$4,117.85 last fiscal year for 29 claims, totaling \$144,124.70.

These additional costs would result in the need for additional revolving fund appropriation and an increase in the Workers’ Compensation Assessment. The biennial FY25-27 Worker’s Compensation Assessment has already been published and would need to be adjusted, thus impacting agencies, boards and commissions, the University, and the State Colleges.

The total impact for the prior fiscal year described above (\$338,332.78 + \$1,111,229.60 + \$144,124.70 = \$1,593,687.08) is used below, without any adjustments for possible increases in the average hourly rate as a result of salary increases.

The table below summarizes the estimated impact by fund type of the increased enterprise-wide Workers' Compensation Assessment. The allocation by fund type is based on a four-year (2022-2025) average of the payment of previous Workers Compensation Assessments.

	<b>FY26-27</b>	<b>FY27-28</b>
	<b>Estimated Expenditures</b>	<b>Estimated Expenditures</b>
General Funds	\$1,019,960	\$1,019,960
Cash Funds	\$398,422	\$398,422
Federal Funds	\$111,558	\$111,558
Revolving Funds	\$63,747	\$63,747
<b>Total Funds</b>	<b>\$1,593,687</b>	<b>\$1,593,687</b>

**BREAKDOWN BY MAJOR OBJECTS OF EXPENDITURE**

**Personal Services:**

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

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

LB: 1011                      AM:                      AGENCY/POLT. SUB: Department of Administrative Services (DAS)

REVIEWED BY: Ryan Walton                      DATE: 2/19/2026                      PHONE: (402) 471-4174

COMMENTS: DAS' assessment of fiscal impact from LB 1011 appears reasonable.

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

LB: 1011                      AM:                      AGENCY/POLT. SUB: Workers' Compensation Court

REVIEWED BY: Ryan Walton                      DATE: 1/15/2026                      PHONE: (402) 471-4174

COMMENTS: Concur with the Workers' Compensation Court's assessment of no fiscal impact from LB 1011.

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

**2026**

**LB<sup>(1)</sup> 1011**

**FISCAL NOTE**

State Agency OR Political Subdivision Name: <sup>(2)</sup> Nebraska Workers' Compensation Court

Prepared by: <sup>(3)</sup> Lorra O'Banion Date Prepared: <sup>(4)</sup> January 13, 2026 Phone: <sup>(5)</sup> 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.....	_____	_____	_____	_____