



**OFFICE OF LEGISLATIVE AUDITOR
Fiscal Note**

Fiscal Note On: **HB 854** HLS 22RS 1124
 Bill Text Version: **ORIGINAL**
 Opp. Chamb. Action:
 Proposed Amd.:
 Sub. Bill For.: **REVISED**

Date:	Author: STAGNI
Dept./Agy.: Municipal & Parish Fire Departments	
Subject: Post-Employment Cancer Benefits	Analyst: Courtney Stevenson

CIVIL SERVICE/FIRE & POL OR INCREASE LF EX See Note Page 1 of 1
 Provides relative to occupational diseases for members in the classified fire service

Purpose of Bill: This bill increases the period after employment in which a firefighter, who served 10 or more years in classified service, that develops cancer will have that cancer presumed to be connected with the duties of a firefighter from 3 months for each full year of service (maximum of 60 months) to 6 months for each full year of service (maximum of 180 months).

Note: Based on information received from various sources, there appears to be approximately 5,000 to 6,000 active classified firefighters statewide and 1,000 to 2,000 former firefighters who left service between 5 and 15 years ago.

EXPENDITURES	2022-23	2023-24	2024-25	2025-26	2026-27	5 -YEAR TOTAL
State Gen. Fd.	\$0	\$0	\$0	\$0	\$0	\$0
Agy. Self-Gen.	\$0	\$0	\$0	\$0	\$0	\$0
Ded./Other	\$0	\$0	\$0	\$0	\$0	\$0
Federal Funds	\$0	\$0	\$0	\$0	\$0	\$0
Local Funds	INCREASE	INCREASE	INCREASE	INCREASE	INCREASE	
Annual Total						
REVENUES	2022-23	2023-24	2024-25	2025-26	2026-27	5 -YEAR TOTAL
State Gen. Fd.	\$0	\$0	\$0	\$0	\$0	\$0
Agy. Self-Gen.	\$0	\$0	\$0	\$0	\$0	\$0
Ded./Other	\$0	\$0	\$0	\$0	\$0	\$0
Federal Funds	\$0	\$0	\$0	\$0	\$0	\$0
Local Funds	\$0	\$0	\$0	\$0	\$0	\$0
Annual Total	\$0	\$0	\$0	\$0	\$0	\$0

EXPENDITURE EXPLANATION

This bill may increase local governmental expenditures related to workers' compensation claims. However, the exact timing and amount of the increase is currently indeterminable. It appears that this bill will increase the number of former firefighters eligible to have their cancer diagnosis presumed to be an occupational disease resulting from the duties of a firefighter. As a result, expenditures related to workers' compensation (medical costs, indemnity payments, death benefits, and reinsurance premiums) are expected to increase. However, the exact timing and amount of the increase is currently indeterminable due to a lack of information about specific cases and their related timing and costs.

While the exact amount and timing of the increase is indeterminable, we were able to obtain expenditure impact information from various sources as follows:

- 1) **Risk Management, Inc.** reported a total statewide local expenditure increase of \$52 million per year with an additional \$3.6 million in reinsurance cost increases. **However, based on our review of their information and our calculations, it appears that the expenditure increase is likely to be lower.**
- 2) **Louisiana Workers' Compensation Corporation (LWCC)** reported a total local expenditure increase of \$5 million per year for the firefighters that LWCC covers for worker's compensation. They also reported additional costs related to the retrospective nature of the bill (which we cannot confirm at this point).
- 3) **Firefighters Retirement System of Louisiana** indicated that there will be no material impact to the retirement system.

REVENUE EXPLANATION

There is no anticipated direct material effect on governmental revenues as a result of this measure.

Senate Dual Referral Rules
 13.5.1 >= \$100,000 Annual Fiscal Cost {S & H}
 13.5.2 >= \$500,000 Annual Tax or Fee Change {S & H}

House
 6.8(F)(1) >= \$100,000 SGF Fiscal Cost {H & S}
 6.8(G) >= \$500,000 Tax or Fee Increase or a Net Fee Decrease {S}

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