

OFFICE OF LEGISLATIVE AUDITOR Fiscal Note

Fiscal Note On: **SB** 370 SLS 20RS

Bill Text Version: ORIGINAL

Opp. Chamb. Action:

Proposed Amd.: Sub. Bill For.:

Date: March 20, 2020 1:30 PM

Author: CARTER, TROY

Dept./Agy.: Local Governmental Entities

Subject: Firefighters' Loss of Hearing

Analyst: Steven Kraemer

WORKERS' COMPENSATION

OR INCREASE LF EX See Note

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Provides relative to workers' compensation benefits for hearing loss for classified fire service. (gov sig)

Purpose of Bill: This bill provides for indemnity payments for classified fire service employees in the State that suffer loss of hearing above a certain threshold (10% greater than that of the affected employee's comparable age group in the general population) during their employment. Such payments shall not exceed 66.67% of wages for a period not to exceed 100 weeks, and is currently capped at \$688 per week by the Louisiana Workforce Commission.

EXPENDITURES	<u>2020-21</u>	<u> 2021-22</u>	<u>2022-23</u>	<u>2023-24</u>	<u>2024-25</u>	<u>5 -YEAR TOTAL</u>
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	2020-21	2021-22	<u>2022-23</u>	<u>2023-24</u>	2024-25	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
Federal Funds Local Funds	\$0 <u>\$0</u>	\$0 <u>\$0</u>	\$0 <u>\$0</u>	\$0 <u>\$0</u>	\$0 <u>\$0</u>	\$0 <u>\$0</u>

EXPENDITURE EXPLANATION

Local government expenditures may increase as a result of this measure by an indeterminable amount. This measure is not expected to directly impact state general fund expenditures. The exact impact on local government entities is indeterminable as we were unable to identify the proper classification (i.e. self-insured or insured) of all the local government entities that could be affected by this bill. Some of these local governments are self-insured and would directly bear the cost of additional claims; while others are covered by workers' compensation insurance. It should be noted that officials with the Louisiana Department of Insurance and Louisiana Municipal Association Risk Management Insurance Inc. suggested that this bill may indirectly affect local entities as workers' compensation insurance premiums may increase as the bill increases the risk of loss for insurers.

In order to give examples of potential impacts to specific local governments, we contacted the cities of Baton Rouge and New Orleans and discussed this bill with officials from the Professional Fire Fighters Association of Louisiana and the Louisiana Municipal Association. The official with the **City of Baton Rouge** indicated that this bill would increase the City's cost by an indeterminable amount to pay for additional claims. The official with the **City of New Orleans** indicated that this bill would increase City expenditures by \$42,420 per year starting in 2020-2021 and increasing to \$47,100 per year by 2024-2025. An official from the **Professional Fire Fighters Association of Louisiana** estimated that this bill may increase indemnity payments statewide for firefighters employed by local government by approximately \$538,000 in FY 2021 and about \$2.7 million annually thereafter. In addition, an official with the **Louisiana Municipal Association** indicated that this bill would increase local government costs by an indeterminable amount.

Based on Information from the Louisiana Office of State Fire Marshal, Louisiana Division of Administration, and the Louisiana Workforce Commission, it appears this bill will not directly impact state expenditures as the bill changes eligibility for workers' compensation only for fire service employees employed by certain municipalities, parishes, and fire protection districts.

REVENUE EXPLANATION

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

<u>Senate</u>	<u>Dual Referral Rules</u>	<u>House</u>	
13.5.1 >=	\$100,000 Annual Fiscal Cost {S & H}	$6.8(F)(1) >= $100,000 SGF Fiscal Cost {H & S}$	M. G. Battle
13.5.2 >=	\$500,000 Annual Tax or Fee	6.8(G) >= \$500,000 Tax or Fee Increase	Michael G. Battle
	Change {S & H}	or a Not Foo Docrease (S)	Manager, Advisory Services