

COMMITTEE ON LEGISLATIVE RESEARCH
OVERSIGHT DIVISION

FISCAL NOTE

L.R. No.: 5070-01
Bill No.: HB 1940
Subject: Workers Compensation; Boards, Commissions, Committees, and Councils;
General Assembly; Labor and Industrial Relations, Department of
Type: Original
Date: March 9, 2016

Bill Summary: This proposal establishes the Joint Committee on Missouri Division of
Workers' Compensation

FISCAL SUMMARY

ESTIMATED NET EFFECT ON GENERAL REVENUE FUND			
FUND AFFECTED	FY 2017	FY 2018	FY 2019
Total Estimated Net Effect on General Revenue	\$0	\$0	\$0

ESTIMATED NET EFFECT ON OTHER STATE FUNDS			
FUND AFFECTED	FY 2017	FY 2018	FY 2019
Total Estimated Net Effect on <u>Other</u> State Funds	\$0	\$0	\$0

Numbers within parentheses: () indicate costs or losses.

This fiscal note contains 5 pages.

ESTIMATED NET EFFECT ON FEDERAL FUNDS			
FUND AFFECTED	FY 2017	FY 2018	FY 2019
Total Estimated Net Effect on <u>All</u> Federal Funds	\$0	\$0	\$0

ESTIMATED NET EFFECT ON FULL TIME EQUIVALENT (FTE)			
FUND AFFECTED	FY 2017	FY 2018	FY 2019
Total Estimated Net Effect on FTE	0	0	0

☐ Estimated Net Effect (expenditures or reduced revenues) expected to exceed \$100,000 in any Of the three fiscal years after implementation of the act.

ESTIMATED NET EFFECT ON LOCAL FUNDS			
FUND AFFECTED	FY 2017	FY 2018	FY 2019
Local Government	\$0	\$0	\$0

FISCAL ANALYSIS

ASSUMPTION

Officials at the **Department of Labor and Industrial Relations (DOLIR)** assume this proposal will have a negative fiscal impact on their organization.

Because DOLIR cannot anticipate what, if any, information the Joint Committee on Missouri Division of Workers' Compensation (Committee) will request, the fiscal estimate is presented as a range with costs assessed to the Workers' Compensation Administration Fund.

Assuming the Committee requests the division to provide data relating to all injuries that are resolved through settlements for CY2014 and CY2015, the division estimates that it would take the research analyst approximately eight to twenty-five hours to initially conduct a search for the total number of settlements in the system. The data would relate to all injuries that are resolved through settlements *only* for CY2014 and CY2015. DOLIR assumes the costs related to this function can be absorbed.

DOLIR assumes there are approximately 34,800 settlements for two years. If the Committee requests the documents from the division, staff time would be involved to conduct a search in the AICS computer system in order to print the settlements from the imaged case file or to obtain the case file from State Archives, depending upon the age of the case; to redact confidential information; and to copy the records. The maximum costs in the first year are estimated on the division printing, redacting, and copying 34,800 stipulations for two years. It is assumed there are three pages per stipulation and it will take an estimated three minutes to print the stipulation, five minutes per stipulation to redact the confidential information, and thirty minutes per 1,000 pages to copy the redacted pages.

For 34,800 cases, at 8 minutes per case, it would take 4,640 hours to print and redact ($8 \times 34,800 = 278,400$ minutes $\div 60$ minutes = 4,640 hours). For 34,800 cases, at 3 pages each, it would take an estimated 52.20 hours to make copies ($34,800 \times 3 = 104,400$ pages. $104,400$ pages $\times .5$ hours per 1,000 pages = 52.2 hours). Additional tasks would include sorting, labeling, and organizing the information for submission to the committee. DOLIR estimates it would require 2.50 Administrative Office Support Assistants to complete these tasks.

If the request for data is on a continuing basis there may be additional costs involved based upon the complexity of the data request. The division has regulatory oversight over the workers compensation system and administers several programs such as Injury Processing, Second Injury Fund, Fraud and Noncompliance, Workers' Safety, Self-Insurance, Adjudication, Administration and Legal. There are 7 adjudication offices throughout the State of Missouri and docket settings

ASSUMPTION (continued)

are offered for conferences, pre hearings, mediation, hearings (including hardship and §287.203) and issuance of awards. If data is requested on a specific program there would be additional costs based upon the type of data requested.

Oversight assumes that the Department of Labor and Industrial Relations can absorb the duties associated with this proposal with existing resources. Should the information needed by the Joint Committee be more than current staff can handle, additional resources could be sought through the appropriation process.

Officials at the **Missouri House of Representatives** and **Missouri Senate** each assume this proposal will not have a fiscal impact on their respective organizations.

<u>FISCAL IMPACT - State Government</u>	FY 2017 (10 Mo.)	FY 2018	FY 2019
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	<u>\$0</u>	<u>\$0</u>	<u>\$0</u>
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<u>FISCAL IMPACT - Local Government</u>	FY 2017 (10 Mo.)	FY 2018	FY 2019
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	<u>\$0</u>	<u>\$0</u>	<u>\$0</u>
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FISCAL IMPACT - Small Business

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

FISCAL DESCRIPTION

This bill establishes the Joint Committee on Missouri Division of Workers' Compensation composed of seven members from the House of Representatives appointed by the Speaker of the House and Minority Floor Leader of the House of Representatives, with no more than four members from one party, and seven members of the Senate appointed by the President Pro Tem and Minority Floor Leader of the Senate, with no more than four members from one party. Each member's appointment will be for the member's term of office or until a successor is appointed when a member's term has expired. A majority of the committee will constitute a quorum but the concurrence of a majority of the members is required for the determination of any matter within the committee's duties, which are specified in the bill.

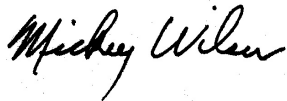
FISCAL DESCRIPTION (continued)

The provisions of this bill will expire on 30 January 2022.

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

Department of Labor and Industrial Relations
Missouri House of Representatives
Missouri Senate



Mickey Wilson, CPA
Director
March 9, 2016

Ross Strobe
Assistant Director
March 9, 2016