

PREPARED BY: Suzanne Houlden  
 DATE PREPARED: January 20, 2022  
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**LB 717**

Revision: 00

**FISCAL NOTE**  
**LEGISLATIVE FISCAL ANALYST ESTIMATE**

<b>ESTIMATE OF FISCAL IMPACT – STATE AGENCIES (See narrative for political subdivision estimates)</b>				
	<b>FY 2022-23</b>		<b>FY 2023-24</b>	
	<b>EXPENDITURES</b>	<b>REVENUE</b>	<b>EXPENDITURES</b>	<b>REVENUE</b>
GENERAL FUNDS				
CASH FUNDS				
FEDERAL FUNDS				
OTHER FUNDS				
TOTAL FUNDS				

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

LB717 increases the Line of Duty compensation amount from fifty thousand dollars (\$50,000) to two hundred fifty thousand dollars (\$250,000) starting in calendar year 2022. The fiscal impact per year is estimated to be \$600,000 or more plus any future increases based on the Consumer Price Index. This estimate is based on calculations performed using assumptions derived from data on the Officer Down Memorial website, however the exact impact is unknown (see attached). Such claims would be paid by General Funds. There is no requested increase by Risk Management for General Funds currently. The current process requires that a claim be made to Risk Management, and if approved by the Claims Board, is presented to the Legislature as part of the annual Claims Bill. Appropriation would be provided in the approved Claims Bill.

<b>ADMINISTRATIVE SERVICES STATE BUDGET DIVISION: REVIEW OF AGENCY &amp; POLT. SUB. RESPONSE</b>		
<b>LB: 717</b>	<b>AM:</b>	<b>AGENCY/POLT. SUB: Department of Administrative Services (65)</b>
REVIEWED BY: Joe Wilcox	DATE: 01/13/2022	PHONE: (402) 471-4178
COMMENTS: Concur with the Department of Administrative Services – Risk Management Division that the potential fiscal impact of LB 717 would not be realized until any new claims were handled through the existing claims process and presented to the Legislature for approval, at which time, appropriations for additional amounts would be established in the annual Claims Bill.		

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

2022

LB<sup>(1)</sup> 717

FISCAL NOTE

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

Prepared by: <sup>(3)</sup> Allen Simpson Date Prepared: <sup>(4)</sup> 1/07/2022 Phone: <sup>(5)</sup> (402) 471-4436

ESTIMATE PROVIDED BY STATE AGENCY OR POLITICAL SUBDIVISION

	FY 2022-23		FY 2023-24	
	EXPENDITURES	REVENUE	EXPENDITURES	REVENUE
GENERAL FUNDS	_____	_____	_____	_____
CASH FUNDS	_____	_____	_____	_____
FEDERAL FUNDS	_____	_____	_____	_____
OTHER FUNDS	_____	_____	_____	_____
TOTAL FUNDS	=====	=====	=====	=====

Explanation of Estimate:

LB 717 increases the Line of Duty compensation amount from fifty thousand dollars (\$50,000) to two hundred fifty thousand dollars (\$250,000) starting in calendar year 2022.

From 2015 to 2021 there has been, on average, according to the Officer Down Memorial website, one law enforcement officer killed in the line of duty each year in the State of Nebraska; and on-average, according to the Fire Fighters Fatalities in the United States website, one firefighter killed in the line of duty each year in the State of Nebraska. For Emergency Medical Services the fatality rate is similar to both police and fire fighters according to the National Library of Medicine website. Based on this historical data three to five deaths per year are estimated.

Assuming a minimum of three deaths per year, the proposed legislation would increase the expenditure by \$600,000 (3 x an additional \$200,000 per claim = \$600,000).

In addition, the Consumer Price Index (CPI) which will be added each year starting in 2023 will be higher. For example, a claim with a CPI increase of 5% at the current compensation rate of \$50,000 would be \$52,500, an increase of \$2,500 (\$50,000 x 5% = \$2,500). The same claim at the proposed compensation rate of \$250,000 would increase by \$12,500 (250,000 x 5% = \$12,500). The estimated increase could be \$30,000 (3 x an additional \$10,000 per claim = \$30,000)

The fiscal impact per year is estimated to be \$600,000 or more plus any future increases based on the Consumer Price Index, however the exact impact is unknown. Such claims would be paid by General Funds. There is no requested increase by Risk Management for General Funds currently. The current process requires that a claim be made to Risk Management, and if approved by the Claims Board is presented to the Legislature as part of the annual Claims Bill. Appropriation would be provided in the approved Claims Bill.

**BREAKDOWN BY MAJOR OBJECTS OF EXPENDITURE**

**Personal Services:**

<b><u>POSITION TITLE</u></b>	<b>NUMBER OF POSITIONS</b>		<b>2022-23</b>	<b>2023-24</b>
	<b><u>22-23</u></b>	<b><u>23-24</u></b>	<b><u>EXPENDITURES</u></b>	<b><u>EXPENDITURES</u></b>
_____	_____	_____	_____	_____
_____	_____	_____	_____	_____
Benefits.....			_____	_____
Operating.....			_____	_____
Travel.....			_____	_____
Capital outlay.....			_____	_____
Aid.....			_____	_____
Capital improvements.....			_____	_____
TOTAL.....			_____	_____