



**LEGISLATIVE FISCAL OFFICE**  
**Fiscal Note**

Fiscal Note On: **SB 366** SLS 24RS 450  
 Bill Text Version: **ORIGINAL**  
 Opp. Chamb. Action:  
 Proposed Amd.:  
 Sub. Bill For.:

<b>Date:</b> March 24, 2024 3:33 PM	<b>Author:</b> STINE
<b>Dept./Agy.:</b> Office of Risk Management & LA Workforce Commission	
<b>Subject:</b> Workers' Compensation Weekly Wage	<b>Analyst:</b> Noah O'Dell

WORKERS' COMPENSATION OR SEE FISC NOTE SG EX Page 1 of 1  
 Provides relative to the workers' compensation weekly wage. (8/1/24)

Current law stipulates the calculation of an average weekly wage (AWW) to determine workers' compensation (WC) benefits, which is primarily average earnings in the four weeks prior to the date of the injury, including paid leave. Current law provides for a calculation of WC benefits for part-time workers that may include loss of earnings from multiple employers based on a 4 week average. Current law provides a calculation of entitled benefits for seasonal employment as an annual weekly average earnings.

Proposed law redefines wages for all employees as AWW paid by the employer during the 52 week period prior to the date of the injury, regardless of full-time, part-time or seasonal status, and includes paid leave and certain other earnings. The AWW of an employee who has worked less than 4 weeks is based on the earnings of an employee in the same grade and employed at the same or similar work in the community.

EXPENDITURES	2024-25	2025-26	2026-27	2027-28	2028-29	5 -YEAR TOTAL
State Gen. Fd.	\$0	\$0	\$0	\$0	\$0	\$0
Agy. Self-Gen.	<b>SEE BELOW</b>	<b>SEE BELOW</b>	<b>SEE BELOW</b>	<b>SEE BELOW</b>	<b>SEE BELOW</b>	
Ded./Other	\$0	\$0	\$0	\$0	\$0	\$0
Federal Funds	\$0	\$0	\$0	\$0	\$0	\$0
Local Funds	\$0	\$0	\$0	\$0	\$0	\$0
<b>Annual Total</b>						
REVENUES	2024-25	2025-26	2026-27	2027-28	2028-29	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
<b>Annual Total</b>	<b>\$0</b>	<b>\$0</b>	<b>\$0</b>	<b>\$0</b>	<b>\$0</b>	<b>\$0</b>

**EXPENDITURE EXPLANATION**

The Office of Risk Management (ORM) reports the bill is anticipated to have two potential impacts on indemnity payments for state employees: one from increasing the look-back period from 4 weeks to 52 weeks in calculating the AAW and one from choosing the highest comparable salary for workers injured within 4 weeks of employment.

According to ORM, the 52 week earnings calculation provided in the bill is anticipated to decrease indemnity payments to eligible state workers by 2% or \$114,000 annually as it captures lower salaries prior to annual market adjustments that are not included in a 4 week look-back period. Paid leave and other earnings are currently considered so the impact from their inclusion is expected to be immaterial.

ORM believes the bill leaves open the possibility of higher AWW for employees working less than 4 weeks who are injured as they now may qualify for the same indemnity payment as existing employees with more experience and potentially higher earnings. ORM reports that the highest identifiable salary would probably be utilized to avoid disputes. LFO cannot corroborate the potential for disputes but ORM places this impact at \$118,000 in additional indemnity payments being paid which effectively eliminates the impact of the 52 week average earnings.

The ORM data is based on the current workforce and does not include part time or seasonal employees, which is expected to have a minimal impact given the size of historical indemnity payments to these employees.

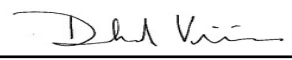
Though agencies transfer funds to ORM from all means of finance to fund the workers' compensation coverage for state employees, when a state worker becomes eligible for workers' compensation benefits, ORM makes indemnity payments to the worker as an SGR expenditure.

The LA Workforce Commission (LWC) is not anticipated to experience an expenditure impact from the bill.

**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>
<input type="checkbox"/> 13.5.1 >= \$100,000 Annual Fiscal Cost {S & H}		<input type="checkbox"/> 6.8(F)(1) >= \$100,000 SGF Fiscal Cost {H & S}
<input type="checkbox"/> 13.5.2 >= \$500,000 Annual Tax or Fee Change {S & H}		<input type="checkbox"/> 6.8(G) >= \$500,000 Tax or Fee Increase or a Net Fee Decrease {S}

  
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