



LEGISLATIVE FISCAL OFFICE
Fiscal Note

Fiscal Note On: **SB 310** SLS 22RS 62
 Bill Text Version: **ENGROSSED**
 Opp. Chamb. Action:
 Proposed Amd.:
 Sub. Bill For.:

Date: April 27, 2022	1:01 PM	Author: LUNEAU
Dept./Agy.: La Workforce Commission		Analyst: Prashant Sastry
Subject: Cost-of-living Adjustment for Workers' Comp		

WORKERS' COMPENSATION EG INCREASE EX See Note Page 1 of 1

Provides a cost-of-living adjustment for any injury producing the temporary, total, or permanent total disability of an employee. (8/1/22)

Proposed law entitles employees with compensable injuries that occur on or after August 1, 2022 to a cost of living adjustment in their weekly compensation rate effective August 1, 2022. Proposed law defines "Consumer Price Index" (CPI), "cost -of-living adjustment", and "inflation". Proposed law requires insurance carriers or self-insured employers to report each compensable injury to the La. Workforce Commission if permanent disability benefits are expected to continue for six months after the date of the injury.

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

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	<u>\$0</u>	<u>\$0</u>	<u>\$0</u>	<u>\$0</u>	<u>\$0</u>	\$0
Annual Total	\$0	\$0	\$0	\$0	\$0	\$0

EXPENDITURE EXPLANATION

Proposed law provides a cost of living adjustment (COLA) to certain workers' compensation claimants receiving permanent total benefits as well as the formula used to calculate the COLA and the commencement of the COLA. Through the Self-Insurance Fund, the Office of Risk Management (ORM) provides self-insured workers' compensation coverage for State of Louisiana employees.

Proposed law would require ORM to provide a COLA for claims occurring on or after August 1, 2022, on the third anniversary of the injury beginning August 1, 2025. Therefore, the proposed law will increase claim costs within ORM in FY 25-26 and subsequent fiscal years. However, the increased cost is indeterminable because the COLA will apply to future claims that have not yet occurred. Further, the COLA is determined by a future State Average Weekly Wage, which is based on the future CPI which fluctuates annually.

Proposed law requires each insurance carrier or self-insured employer to report each compensable injury claim to the Secretary of the Louisiana Workforce Commission if permanent total disability payments continue or are expected to continue for six months after the date of the injury. The proposed law is not expected to have an impact on the expenditures for the Louisiana Workforce Commission/Office of Workers' Compensation Administration.

Local government expenditures may increase as a result of this measure by an indeterminable amount.

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}

Evan Brasseaux

Evan Brasseaux
 Interim Deputy Fiscal Officer