



Legislative Council Staff

Nonpartisan Services for Colorado's Legislature

SB 20-026

FISCAL NOTE

Drafting Number: LLS 20-0256
Prime Sponsors: Sen. Fields; Cooke
Rep. Singer

Date: January 21, 2020
Bill Status: Senate Business
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Bill Topic: WORKERS' COMPENSATION FOR AUDIBLE PSYCHOLOGICAL TRAUMA

- Summary of Fiscal Impact: State Revenue, TABOR Refund, State Expenditure, Local Government, State Transfer, Statutory Public Entity

The bill modifies certain conditions of recovery in a workers' compensation case. This bill increases state and local government costs and workload beginning in FY 2020-21.

Appropriation Summary: No appropriation is required.

Fiscal Note Status: The fiscal note reflects the introduced bill, which was recommended by the Legislative Oversight Committee Concerning the Treatment of Persons with Mental Health Disorders in the Criminal and Juvenile Justice Systems.

Summary of Legislation

Under certain circumstances, current law allows workers who visually witness psychologically traumatic events to qualify for workers' compensation benefits. This bill expands the definition to include audible exposure to a death or serious bodily injury. Qualified claimants must be diagnosed with Post-Traumatic Stress Disorder (PTSD) by a licensed psychiatrist or psychologist.

Background

Workers' compensation for state employees is self-funded, with state agencies paying into the Workers' Compensation Fund based on risk and actuarial analyses. The fund sources for these payments depend on each agency's individual fund split. The Workers' Compensation Fund is managed by the Division of Risk Management in the Department of Personnel and Administration (DPA) as a statewide common policy, and employee claims are processed by a third-party administrator. State institutions of higher education, local governments, special districts, and other public jurisdictions may choose to self-fund their workers' compensation obligations or obtain private workers' compensation.

## **State Expenditures**

Beginning in FY 2020-21, this bill may increase state expenditures for the DPA and any agency that experiences additional workers' compensation claims as a result of the bill.

**Department of Personnel and Administration.** DPA may have increased costs to process and pay for workers' compensation claims for state employees. If a significant number of claims arise within the first year, DPA may need additional appropriations to keep the Workers' Compensation Fund solvent. Information related to actual claims and litigation costs will be used to adjust future appropriations through the annual budget process. Additionally, the bill may increase workload for the Office of Administrative Courts, as it hears Department of Labor and Employment-Division of Workers' Compensation cases.

**Other State Agencies.** Agencies that employ peace officers, such as the Colorado State Patrol within the Department of Public Safety, may experience an increase in workers' compensation claims. The Department of Higher Education may also see a minimal increase in expenditures associated with the Dependent Tuition Assistance Program, which provides tuition and housing benefits for the dependents of public safety officers disabled in the capacity of their position to the extent that the bill increases the pool of eligible students. If an increase in claims drives an increase in the agency's assessment toward the Workers' Compensation Fund, expenditures will increase. The fund source for these expenditures will depend on the specific fund split each agency utilizes. This fiscal note assumes that if assessments increase, the affected agency will request additional appropriations through the annual budget process.

## **Local Government**

The bill may increase expenditures for local governments or special districts that employ covered public safety professionals, as they will be liable for any costs associated with increased workers' compensation claims resulting from the bill's expanded definition of PTSD. The number of additional claims that may be filed or approved as a result of the bill is unknown.

## **Effective Date**

The bill takes effect August 5, 2020, if the General Assembly adjourns on May 6, 2020, as scheduled, and no referendum petition is filed.

## **State and Local Government Contacts**

Corrections	Counties	Higher Education
Information Technology	Judicial	Labor
Law	Local Affairs	Municipalities
Natural Resources	Personnel	Public Safety
Revenue	Sheriffs	Special Districts