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BILL



ANALYSIS

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Senate Bill 802 (Substitute S-1 as reported)
Sponsor: Senator Dave Hildenbrand
Committee: Appropriations

CONTENT

The bill would provide supplemental appropriations for fiscal year (FY) 2015-16 for the First Responder Presumed Coverage Fund administered by the Department of Licensing and Regulatory Affairs (LARA). The bill proposes Gross appropriations of \$1.0 million, all funded from State General Fund/General Purpose (GF/GP) dollars. Public Act 515 of 2014 amended the Worker's Disability Compensation Act to create the First Responder Presumed Coverage Fund and to require certain firefighters to suspend a workers' compensation claim and instead claim benefits from the new Fund for respiratory tract, bladder, skin, brain, kidney, blood, thyroid, testicular, prostate, or lymphatic cancer. The Act specified that LARA may not implement the Fund until the Legislature has appropriated money to it. This bill would provide such an appropriation.

FISCAL IMPACT

The bill would increase FY 2015-16 Gross State appropriations by \$1.0 million, all from GF/GP revenue. To the extent that workers' compensation costs for local units of government were mitigated due to the use of this Fund, there would be potential savings for local units of government.

Medical and workers' compensation data that would be of use in providing a cost estimate for the Fund are not available at this time. It is anticipated that once LARA begins receiving claims against the Fund, future funding needs should be easier to estimate. For some perspective, according to data available from the State Fire Marshal, a total of 983 fire departments and about 27,370 firefighters are active in Michigan. Since the Fund may be used only to cover claims from full-time firefighters, the total potential claims universe for the Fund is 365 departments employing a total of about 7,450 firefighters.

BOILERPLATE LANGUAGE SECTIONS

Sec. 201. General. Records amount of total State spending and payments to local units of government.

Sec. 202. General. Subjects appropriations and expenditures in the bill to the Management and Budget Act.

Sec. 301. Department of Licensing and Regulatory Affairs. Requires that the appropriation for the First Responder Presumed Coverage Fund be used only for the purpose of paying authorized claims and for the costs of administering the Fund, pursuant to law.

Date Completed: 3-16-16

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This analysis was prepared by nonpartisan Senate staff for use by the Senate in its deliberations and does not constitute an official statement of legislative intent.