

Department of Planning and Budget 2020 Fiscal Impact Statement

1. **Bill Number:** HB1558-ER

House of Origin ☐ Introduced ☐ Substitute ☐ Engrossed
Second House ☐ In Committee ☐ Substitute ☒ Enrolled

2. **Patron:** Kilgore

3. **Committee:** Passed Both Houses

4. **Title:** Workers' compensation; Ombudsman program.

5. **Summary:** Authorizes the Virginia Workers' Compensation Commission to create an Ombudsman program and appoint an ombudsman to administer such program. The program's purpose will be to provide neutral educational information and assistance to persons who are not represented by an attorney, including those persons who have claims pending or docketed before the Commission.

6. **Budget Amendment Necessary:** Yes – Item 496.

House budget amendment Item 496 #1h provides \$335,458 nongeneral fund appropriation in fiscal year 2021 and \$294,458 nongeneral fund appropriation in fiscal year 2022 to establish a workers' compensation Ombudsman program within the Virginia Workers' Compensation Commission. The amendment also provides the Commission with two positions in fiscal years 2021 and 2022.

7. **Fiscal Impact Estimates:** Final – see Item 8.

Expenditure Impact:

<i>Fiscal Year</i>	<i>Dollars</i>	<i>Positions</i>	<i>Fund</i>
2020	\$0	0.00	-
2021	\$335,458	2.00	NGF
2022	\$294,458	2.00	NGF
2023	\$294,458	2.00	NGF
2024	\$294,458	2.00	NGF
2025	\$294,458	2.00	NGF
2026	\$294,458	2.00	NGF

8. **Fiscal Implications:** The proposed legislation authorizes the Virginia Workers' Compensation Commission (VWC) to establish an Ombudsman program to provide neutral educational information and assistance to persons who are not represented by an attorney, including those persons who have claims pending or docketed before the VWC. The ombudsman shall be an attorney licensed by the Virginia State Bar, in active status, and in good standing. The ombudsman and any Ombudsman program personnel shall carry out their

duties with impartiality and shall not serve as an advocate for any person or provide legal advice.

The estimated fiscal impact of the proposed legislation is \$335,458 in fiscal year 2021 and \$294,458 in fiscal year 2022 and subsequent fiscal years. The estimated cost of the Ombudsman program in fiscal year 2021 includes the salary and benefits for an ombudsman (\$157,660) and an assistant ombudsman (\$94,458), including \$42,340 in ongoing nonpersonal costs to manage the program. The VWC is expected to incur one-time costs of \$41,000 in fiscal year 2021 to pay for the program's nonpersonal expenses, including furniture, equipment, and office reconfigurations.

9. Specific Agency or Political Subdivisions Affected: Virginia Workers' Compensation Commission

10. Technical Amendment Necessary: No.

11. Other Comments: None.