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WAYS AND MEANS

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To: General Government Subcommittee
From: Kim To, Legislative Fiscal Office
Date: February 23, 2026
Subject: SB 1519 – Relating to total disability
Work Session Recommendations

Senate Bill 1519 changes the formula for calculating workers' compensation benefits for temporary total disability (TTD) and permanent total disability (PTD) claims .

Under current law, injured workers receive a flat rate of 66 2/3% of their wages, capped at 133% of the average weekly wage (AWW), with a minimum of 90% of their weekly wage or \$50 per week, whichever is less.

The measure adopts a two-tiered calculation. With passage of the measure, injured workers would receive 75% of the portion of their wages that is equal to or less than 75% of their average weekly wage in effect on the day of the injury. For the portion of wages that exceed 75% of their average weekly wage, the worker would receive 65% of that amount, subject to a cap of 133% of their weekly wage in effect on the date of the injury. For temporary disability, a minimum benefit floor is preserved. For permanent total disability, minimum and maximum limits tied to the AWW remain in place. These provisions apply to claims with a date of injury on or after January 1, 2027.

The fiscal impact to the state's Insurance Fund and to DAS, the agency that manages the Insurance Fund, is indeterminate. Actual costs will be dependent on the number of claimants. However, SAIF, who administers worker's benefit compensation benefits on behalf of DAS projects that these changes could likely result in approximately a \$1 million increase in claim costs per biennium. This increase would be funded through higher risk assessments paid by state agencies. DAS recovers risk charges as part of a statewide assessment to agencies. Typically, 55.6% of assessments received by DAS originated as General Fund payments from agencies, Lottery Funds 1.1%, Other Funds 33.4%, and Federal Funds 9.9%.

Final Subcommittee Action

LFO recommends that SB 1519 be moved to the Ways and Means Full Committee.

MOTION: I move SB 1519 to the Full Committee with a do pass recommendation.
(vote)

Carriers

Full Committee: _____

House Floor: _____

Senate Floor: _____