

FISCAL ESTIMATE FORM

1999 Session

- ORIGINAL
- CORRECTED

- UPDATED**
- SUPPLEMENTAL

LRB # -1109/2

INTRODUCTION # AB 329

Admin. Rule #

Subject

Payment of health insurance premiums for state employees activated for military duty in the U.S. armed forces.

Fiscal Effect

State: No State Fiscal Effect

Check columns below only if bill makes a direct appropriation or affects a sum sufficient appropriation.

Increase Costs – May be possible to Absorb Within Agency's Budget Yes* No

- Increase Existing Appropriation
- Decrease Existing Appropriation
- Create New Appropriation
- Increase Existing Revenues
- Decrease Existing Revenues

Decrease Costs

Local: No local government costs

- 1. Increase Costs
 - Permissive
 - Mandatory
- 2. Decrease Costs
 - Permissive
 - Mandatory

- 3. Increase Revenues
 - Permissive
 - Mandatory
- 4. Decrease Revenues
 - Permissive
 - Mandatory

5. Types of Local Governmental Units Affected:
- Towns
 - Villages
 - Cities
 - Counties
 - Others _____
 - School Districts
 - WTCS Districts

Fund Sources Affected

- GPR
- FED
- PRO
- PRS
- SEG
- SEG-S

Affected Ch. 20 Appropriations

Assumptions Used in Arriving at Fiscal Estimate:

AB 329 requires the state to pay the same share of health insurance premiums for up to 12 months for any state employee called up for active military service as was applied to the employee prior to the military leave. The maximum period for which the premium will be paid includes the three months of premiums for which employees are eligible under existing law. This will limit eligibility for additional premium to a maximum of nine months.

Since AB 329 is not limited to a particular military service period, exact estimates are not available of the number of state employees who are subject to this legislation. Based on the number of state employees who took military training leave in 1998, we estimate 600 employees could be subject to active duty call-up. Assuming a 1999 average employer share of monthly premium of \$419.64 per employee, this could cost up to \$2.2 million annually.

* Per State Budget Office in DOA, the uncertainty over the duration of military leave for affected individuals results in agencies leaving the positions vacant. Agencies have been budgeted for the cost of health insurance for those called up to active military service, and therefore no new expense is anticipated.

Long-Range Fiscal Implications:

On-going.

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