

Fiscal Estimate - 2001 Session

Original Updated Corrected Supplemental

LRB Number 01-4956/2		Introduction Number AB-876		
Subject Small business health insurance reform				
Fiscal Effect				
State:				
<input type="checkbox"/> No State Fiscal Effect				
<input type="checkbox"/> Indeterminate				
<input checked="" type="checkbox"/> Increase Existing Appropriations		<input type="checkbox"/> Increase Existing Revenues		
<input type="checkbox"/> Decrease Existing Appropriations		<input type="checkbox"/> Decrease Existing Revenues		
<input type="checkbox"/> Create New Appropriations		<input checked="" type="checkbox"/> Increase Costs - May be possible to absorb within agency's budget <input type="checkbox"/> Yes <input checked="" type="checkbox"/> No		
<input type="checkbox"/> Decrease Costs				
Local:				
<input type="checkbox"/> No Local Government Costs				
<input type="checkbox"/> Indeterminate				
1. <input type="checkbox"/> Increase Costs		3. <input type="checkbox"/> Increase Revenue		
<input type="checkbox"/> Permissive <input type="checkbox"/> Mandatory		<input type="checkbox"/> Permissive <input type="checkbox"/> Mandatory		
2. <input type="checkbox"/> Decrease Costs		4. <input type="checkbox"/> Decrease Revenue		
<input type="checkbox"/> Permissive <input type="checkbox"/> Mandatory		<input type="checkbox"/> Permissive <input type="checkbox"/> Mandatory		
5. Types of Local Government Units Affected				
<input type="checkbox"/> Towns		<input type="checkbox"/> Village		
<input type="checkbox"/> Counties		<input type="checkbox"/> Others		
<input type="checkbox"/> School Districts		<input type="checkbox"/> WTCS Districts		
<input type="checkbox"/> Cities				
Fund Sources Affected		Affected Ch. 20 Appropriations		
<input checked="" type="checkbox"/> GPR <input type="checkbox"/> FED <input type="checkbox"/> PRO <input type="checkbox"/> PRS <input type="checkbox"/> SEG <input type="checkbox"/> SEGS s. 20.515 (2) (a) and (g)				
Agency/Prepared By		Authorized Signature		Date
ETF/ Pam Henning (608) 267-2929		Dave Hinrichs (608) 266-3763		3/1/02

Fiscal Estimate Narratives
ETF 3/4/02

LRB Number 01-4956/2	Introduction Number AB-876	Estimate Type Original
Subject Small business health insurance reform		

Assumptions Used in Arriving at Fiscal Estimate

AB 876 appropriates \$850,000 GPR in FY 02 for the operation of the Private Employer Health Care Coverage Program (PEHCCP). The bill also requires that the PEHCCP repay the general fund an amount determined by the Department of Administration Secretary after consulting with the PEHCCP Board. Monies to repay the general fund come from dollars received from employers who elect to participate under the program. The DOA Secretary may allow the repayment in installments.

The \$850,000 GPR will be used to fund the following:

Internal Department Operating Costs - \$116,400 (for 6 months of FY03 assuming premium rates charged to employers will offset remaining Department operating costs)

- * 2.5 FTE salary and fringe benefits
- * Supplies and Services
- * Board Member expenses
- * Rent
- * Toll-free Telephone Charges

Contractual Services - \$733,600

- * Legal consulting \$31,000
- * Actuarial consulting \$350,000
- * Marketing (promotion development, printing, postage, TV/radio ads and Internet development) \$352,600

AB 871 also requires the state to offer to all of its employees a defined contribution plan. The costs of developing such a plan are indeterminate at this time.

Long-Range Fiscal Implications

Fiscal Estimate Worksheet - 2001 Session

Detailed Estimate of Annual Fiscal Effect

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Subject			
Small business health insurance reform			
I. One-time Costs or Revenue Impacts for State and/or Local Government (do not include in annualized fiscal effect):			
II. Annualized Costs:		Annualized Fiscal Impact on funds from:	
		Increased Costs	Decreased Costs
A. State Costs by Category			
State Operations - Salaries and Fringes (FTE Position Changes)	\$81,850		
State Operations - Other Costs	768,150		
Local Assistance			
Aids to Individuals or Organizations			
TOTAL State Costs by Category	\$850,000		\$
B. State Costs by Source of Funds			
GPR	850,000		
FED			
PRO/PRS			
SEG/SEG-S			
III. State Revenues - Complete this only when proposal will increase or decrease state revenues (e.g., tax increase, decrease in license fee, ets.)			
	Increased Rev	Decreased Rev	
GPR Taxes	\$		\$
GPR Earned			
FED			
PRO/PRS			
SEG/SEG-S			
TOTAL State Revenues	\$		\$
NET ANNUALIZED FISCAL IMPACT			
	<u>State</u>	<u>Local</u>	
NET CHANGE IN COSTS	\$850,000		\$
NET CHANGE IN REVENUE	\$		\$
Agency/Prepared By		Authorized Signature	Date
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