

Fiscal Estimate - 2005 Session

Original Updated Corrected Supplemental

LRB Number 05-1721/2		Introduction Number AB-515	
Subject Prohibited subjects of collective bargaining under MERA			
Fiscal Effect			
State:			
<input type="checkbox"/> No State Fiscal Effect			
<input checked="" type="checkbox"/> Indeterminate			
<input 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 type="checkbox"/> Increase Costs - May be possible to absorb within agency's budget <input type="checkbox"/> Yes <input type="checkbox"/> No	
		<input type="checkbox"/> Decrease Costs	
Local:			
<input type="checkbox"/> No Local Government Costs			
<input checked="" type="checkbox"/> Indeterminate			
5. Types of Local Government Units Affected			
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	
		<input type="checkbox"/> Towns <input type="checkbox"/> Village <input type="checkbox"/> Cities	
		<input type="checkbox"/> Counties <input type="checkbox"/> Others	
		<input type="checkbox"/> School Districts <input type="checkbox"/> WTCS Districts	
Fund Sources Affected		Affected Ch. 20 Appropriations	
<input type="checkbox"/> GPR <input type="checkbox"/> FED <input type="checkbox"/> PRO <input type="checkbox"/> PRS <input type="checkbox"/> SEG <input type="checkbox"/> SEGS			
Agency/Prepared By		Authorized Signature	Date
ETF/ Jon Kranz (608) 267-0908		Dave Stella (608) 266-3641	6/27/2005

Fiscal Estimate Narratives

ETF 6/27/2005

LRB Number	05-1721/2	Introduction Number	AB-515	Estimate Type	Original
Subject					
Prohibited subjects of collective bargaining under MERA					

Assumptions Used in Arriving at Fiscal Estimate

AB-518 would make the selection of a health care plan a prohibited subject of collective bargaining if a local government employer either offered a plan provided by the Group Insurance Board (GIB) or offered a plan that was substantially similar to the plan offered by the GIB. This could have the effect of increasing the number of local government employers who participate in the GIB local government health insurance program.

Increasing the number of local government employers participating in the GIB program could affect costs in the following manner: 1) Increasing the number of participants may decrease or increase the program costs (premium per contract) depending on the demographic composition of the new participants. For example, if a large local government employer composed of older than average employees joined, the program costs may increase due to the increased risk associated with this older than average group. 2) If a large number of local government employers joined, administrative costs of the Department of Employee Trust Funds may increase to handle tasks such as enrollment, processing and auditing (additional SEG positions may also be required).

Both cost factors referenced above are a function of the number of local government employers who would join, the demographic composition of the new employees (for health insurance underwriting purposes, and the total number of new participating employees. Since these factors are not known, the fiscal estimate is indeterminate.

Long-Range Fiscal Implications