

Fiscal Estimate Narratives

DOA 6/25/2013

LRB Number	13-1285/2	Introduction Number	SB-203	Estimate Type	Original
Description Requiring the payment of health insurance premiums, and establishing a loan program, for survivors of a law enforcement officer, emergency medical technician, or fire fighter who dies, or has died, in the line of duty and making appropriations					

Assumptions Used in Arriving at Fiscal Estimate

2013 Senate Bill 203 requires a municipality or county that pays health insurance premiums for its employees who are law enforcement officers or emergency medical technicians (EMTs) to pay such premiums for the surviving spouse (until they remarry or reach the age of 65, whichever occurs first) and dependent children (until they reach the age of 18) of a law enforcement officer or EMT who dies or has died, in the line of duty. Premiums for dependent children shall be paid until the individual reaches the age of 26 if they are a full-time student in a secondary school or a full-time or part-time student in an accredited college or university. The bill requires the Department of Administration (DOA) to reimburse the political subdivision for the premiums paid after any sick leave credits that may be used to purchase health insurance have been exhausted.

In addition, the bill requires DOA to establish a loan program for surviving spouses of law enforcement officers and fire fighters who have died in the line of duty. The loan program must provide for the payment of a loan to a surviving spouse in an amount equal to the salary that would have been paid his or her deceased spouse had they not died in the line of duty. The loans must be secured by the proceeds of any life insurance policy that covered the deceased spouse and will come due when the proceeds from the policy are received.

The administration of the program will require 1.0 FTE in the State Controller's Office. This individual will need to create a form and process for the political subdivisions to request reimbursement of the health insurance premiums. The individual will also need to create a form and process for a surviving spouse to apply for to the loan program. They will also need to track when the life insurance proceeds have been paid and the surviving spouse has repaid the loan. Finally, the individual will need to provide the documentation by political subdivision of all payments made from this new appropriation on an annual basis as it will affect the amount of shared revenue distributed to the subdivisions. Estimated annual cost of this position is \$74,200.

The local fiscal effect is indeterminate as it is unknown how many political subdivisions will be affected and for what period of time health insurance payments may need to continue to be made.

Long-Range Fiscal Implications

The annual on-going costs would continue adjusted by any approved salary increases, fringe benefit adjustments, and inflation of supplies and services costs.

Fiscal Estimate Worksheet - 2013 Session

Detailed Estimate of Annual Fiscal Effect

Original
 Updated
 Corrected
 Supplemental

LRB Number 13-1285/2		Introduction Number SB-203	
Description Requiring the payment of health insurance premiums, and establishing a loan program, for survivors of a law enforcement officer, emergency medical technician, or fire fighter who dies, or has died, in the line of duty and making appropriations			
I. One-time Costs or Revenue Impacts for State and/or Local Government (do not include in annualized fiscal effect): None identified.			
II. Annualized Costs:		Annualized Fiscal Impact on funds from:	
		Increased Costs	Decreased Costs
A. State Costs by Category			
State Operations - Salaries and Fringes		\$62,700	\$
(FTE Position Changes)		(1.0 FTE)	
State Operations - Other Costs		11,500	
Local Assistance			
Aids to Individuals or Organizations			
TOTAL State Costs by Category		\$74,200	\$
B. State Costs by Source of Funds			
GPR		74,200	
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, etc.)			
		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		\$74,200	\$
NET CHANGE IN REVENUE		\$	\$
Agency/Prepared By		Authorized Signature	Date
DOA/ Nancy Foss (608) 261-2292		Jana Steinmetz (608) 266-1359	6/25/2013