

Fiscal Estimate - 2017 Session

Original
 Updated
 Corrected
 Supplemental

LRB Number 17-1632/1	Introduction Number SB-097	
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 in the line of duty and making appropriations		
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 checked="" type="checkbox"/> Increase Costs - May be possible to absorb within agency's budget <input type="checkbox"/> Decrease Existing Appropriations <input type="checkbox"/> Decrease Existing Revenues <input checked="" type="checkbox"/> Yes <input type="checkbox"/> No <input type="checkbox"/> Create New Appropriations <input type="checkbox"/> Decrease Costs		
Local: <input type="checkbox"/> No Local Government Costs <input checked="" 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 checked="" type="checkbox"/> Decrease Revenue <input type="checkbox"/> Permissive <input type="checkbox"/> Mandatory <input type="checkbox"/> Permissive <input checked="" type="checkbox"/> Mandatory 5. Types of Local Government Units Affected <input checked="" type="checkbox"/> Towns <input checked="" type="checkbox"/> Village <input checked="" type="checkbox"/> Cities <input checked="" 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 checked="" 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 DOR/ Craig Steinfeldt (608) 266-5705	Authorized Signature Robert Schmidt (608) 266-5773	Date 9/11/2017

Fiscal Estimate Narratives

DOR 9/11/2017

LRB Number	17-1632/1	Introduction Number	SB-097	Estimate Type	Updated
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 in the line of duty and making appropriations					

Assumptions Used in Arriving at Fiscal Estimate

Under current law, a municipality providing health insurance for fire fighters must continue to pay such premiums for the surviving spouse and dependent children of a fire fighter who dies in the line of duty until the surviving spouse remarries or reaches the age of 65. Surviving children are covered until age 18, with the exception of a full-time student who remains covered until the age of 27.

Under the bill, a political subdivision providing health insurance to law enforcement officers, fire fighters, or emergency medical technicians shall continue to pay such premiums for a surviving spouse until the spouse remarries or reaches the age of 65. Surviving children are covered until age 26. Political subdivisions may request a reimbursement for health insurance costs from the Department of Administration, provided the benefit could not be paid under a different employment-related benefit. The health insurance benefit for political subdivisions is funded by a prorated reduction to the county and municipal aid payment to local governments.

The health insurance benefit applies retroactively to when a law enforcement officer, fire fighter, or emergency medical technician died in the line of duty, but only with respect to health insurance premiums that come due on or after the effective date of the bill.

The bill also creates a loan program for surviving spouses administered by the Department of Administration. The loan amount equals the salary that would have been paid to the deceased employee. The loan disbursement coincides with the pay period that applied to the deceased employee. A life insurance policy secures the loan, and the total loan amount becomes due upon receiving the life insurance proceeds. Loan disbursements for political subdivisions are made from the county and municipal aid appropriation. Loan repayments are recorded as GPR earned.

Fiscal Effect

The fiscal effect of the health insurance program is indeterminate. The department does not have information on the number of potential health insurance beneficiaries under the bill. 2017 health insurance plans administered by the Department of Employee Trust Funds for local governments range in cost from \$18,800 to \$42,600 annually. If 10 beneficiaries emerge as qualified under the program, the health insurance costs could range from \$187,800 to \$425,200 annually, while the costs would range from \$469,600 to \$1,063,000 if 25 beneficiaries emerged. If 50 beneficiaries emerge as qualified under the program, the health insurance costs could range from \$939,100 to \$2,125,900 annually. The prorated funding reductions to individual local governments from the \$753.1 million county and municipal aid program would be minimal, but local governments receiving larger aid payments would fund a larger share of the health insurance program costs.

The loan program costs are indeterminate given the variables involved with an individual's application.

The Department of Revenue would absorb minor administrative costs with existing budget authority.

Long-Range Fiscal Implications

Fiscal Estimate Worksheet - 2017 Session

Detailed Estimate of Annual Fiscal Effect

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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 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):			
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)			
State Operations - Other Costs			
Local Assistance			
Aids to Individuals or Organizations			
TOTAL State Costs by Category	\$	\$	
B. State Costs by Source of Funds			
GPR			
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	\$	\$ See fiscal note text	
NET CHANGE IN REVENUE	\$	\$ See fiscal note text	
Agency/Prepared By		Authorized Signature	Date
DOR/ Craig Steinfeldt (608) 266-5705		Robert Schmidt (608) 266-5773	9/11/2017