

### Fiscal Estimate - 2005 Session

Original     
  Updated     
  Corrected     
  Supplemental

<b>LRB Number</b> <b>05-2490/1</b>	<b>Introduction Number</b> <b>SB-242</b>	
<b>Subject</b> Collective bargaining over health care coverage under MERA		
<b>Fiscal Effect</b>		
<b>State:</b> <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 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 type="checkbox"/> Yes <input checked="" type="checkbox"/> No <input type="checkbox"/> Create New Appropriations <input type="checkbox"/> Decrease Costs		
<b>Local:</b> <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 type="checkbox"/> Decrease Revenue <input type="checkbox"/> Permissive <input type="checkbox"/> Mandatory <input type="checkbox"/> Permissive <input type="checkbox"/> Mandatory <div style="margin-left: 400px;"> <b>5. Types of Local Government Units Affected</b>  <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         </div>		
<b>Fund Sources Affected</b> <b>Affected Ch. 20 Appropriations</b> <input type="checkbox"/> GPR <input type="checkbox"/> FED <input checked="" type="checkbox"/> PRO <input type="checkbox"/> PRS <input type="checkbox"/> SEG <input type="checkbox"/> SEGS 20.145		
<b>Agency/Prepared By</b> OCI/ Jim Guidry (608) 264-6239	<b>Authorized Signature</b> Jorge Gomez (608) 266-3585	<b>Date</b> 7/5/2005

## Fiscal Estimate Narratives

OCI 7/6/2005

LRB Number	05-2490/1	Introduction Number	SB-242	Estimate Type	Original
<b>Subject</b>					
Collective bargaining over health care coverage under MERA					

### Assumptions Used in Arriving at Fiscal Estimate

2005 Senate Bill 242 would require OCI to promulgate rules that would set out a standardized benefits under health care coverage plans for use in determining whether a new health care coverage plan offered by a municipal is substantially similar to an existing health care coverage plan offered by the municipal employer or if the new health care coverage plan is substantially similar to a health care coverage plan offered under s. 40.51(7).

In order to determine what set of standardized benefits would meet the definition of "substantially similar", as well as developing the definition of "substantially similar", OCI would require the input of actuarially based information. Presently, OCI does not have an actuary on staff and it would be necessary to consult with an outside actuary on a contract basis. Informal inquiries with actuarial firms have indicated that such consultations could be provided for approximately \$20,000.

Actual promulgation of these rules would increase costs to OCI, however those costs could be absorbed into OCI's existing budget with the exception of the previously identified consultant cost.

The effect on local governments is indeterminate at this point. There may be minimal administrative cost increases associated with Senate Bill 242. Section 2 (Page 3, Line 18-23) however, requires that any moneys saved by a municipal employer shall be used to increase wages, meaning there will be no fiscal savings to the municipality for changing health care coverage plans.

### Long-Range Fiscal Implications

## Fiscal Estimate Worksheet - 2005 Session

Detailed Estimate of Annual Fiscal Effect

Original     
  Updated     
  Corrected     
  Supplemental

LRB Number <b>05-2490/1</b>		Introduction Number <b>SB-242</b>	
<b>Subject</b>			
Collective bargaining over health care coverage under MERA			
<b>I. One-time Costs or Revenue Impacts for State and/or Local Government (do not include in annualized fiscal effect):</b>			
Actuarial services.			
<b>II. Annualized Costs:</b>		<b>Annualized Fiscal Impact on funds from:</b>	
		Increased Costs	Decreased Costs
<b>A. State Costs by Category</b>			
State Operations - Salaries and Fringes		\$	
(FTE Position Changes)			
State Operations - Other Costs	20,000		
Local Assistance			
Aids to Individuals or Organizations			
<b>TOTAL State Costs by Category</b>	<b>\$20,000</b>		<b>\$</b>
<b>B. State Costs by Source of Funds</b>			
GPR			
FED			
PRO/PRS	20,000		
SEG/SEG-S			
<b>III. State Revenues - Complete this only when proposal will increase or decrease state revenues (e.g., tax increase, decrease in license fee, etc.)</b>			
	Increased Rev	Decreased Rev	
GPR Taxes	\$		\$
GPR Earned			
FED			
PRO/PRS			
SEG/SEG-S			
<b>TOTAL State Revenues</b>	<b>\$</b>		<b>\$</b>
<b>NET ANNUALIZED FISCAL IMPACT</b>			
	State	Local	
NET CHANGE IN COSTS	\$20,000		\$
NET CHANGE IN REVENUE	\$		\$
<b>Agency/Prepared By</b>		<b>Authorized Signature</b>	
OCI/ Jim Guidry (608) 264-6239		Jorge Gomez (608) 266-3585	
		<b>Date</b>	
		7/5/2005	