

Fiscal Estimate - 2007 Session

Original

 Updated

 Corrected

 Supplemental

LRB Number 07-0570/2	Introduction Number SB-046	
Description Relating to: collective bargaining over health care coverage for municipal employees, allowing municipal employers to change health care coverage plan providers, and requiring the exercise of rule-making authority		
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 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		
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 5. Types of Local Government Units Affected <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 2. <input type="checkbox"/> Decrease Costs 4. <input type="checkbox"/> Decrease Revenue <input type="checkbox"/> Counties <input type="checkbox"/> Others <input type="checkbox"/> Permissive <input type="checkbox"/> Mandatory <input type="checkbox"/> Permissive <input type="checkbox"/> Mandatory <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 checked="" type="checkbox"/> PRO <input type="checkbox"/> PRS <input type="checkbox"/> SEG <input type="checkbox"/> SEGS 20.145		
Agency/Prepared By OCI/ Jim Guidry (608) 264-6239	Authorized Signature Sean Dilweg (608) 266-3585	Date 3/13/2007

Fiscal Estimate Narratives

OCI 3/14/2007

LRB Number	07-0570/2	Introduction Number	SB-046	Estimate Type	Original
Description Relating to: collective bargaining over health care coverage for municipal employees, allowing municipal employers to change health care coverage plan providers, and requiring the exercise of rule-making authority					

Assumptions Used in Arriving at Fiscal Estimate

Senate Bill 46 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 municipality 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 46. Determination of any cost savings associated with changing a health plan provider would be dependent on the number and types of covered lives in the health plan. OCI does not collect this data.

Long-Range Fiscal Implications

Fiscal Estimate Worksheet - 2007 Session

Detailed Estimate of Annual Fiscal Effect

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LRB Number 07-0570/2		Introduction Number SB-046	
Description Relating to: collective bargaining over health care coverage for municipal employees, allowing municipal employers to change health care coverage plan providers, and requiring the exercise of rule-making authority			
I. One-time Costs or Revenue Impacts for State and/or Local Government (do not include in annualized fiscal effect): Actuarial services.			
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	20,000		
Local Assistance			
Aids to Individuals or Organizations			
TOTAL State Costs by Category	\$20,000		\$
B. State Costs by Source of Funds			
GPR			
FED			
PRO/PRS	20,000		
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			
	State		Local
NET CHANGE IN COSTS	\$20,000		\$
NET CHANGE IN REVENUE	\$		\$
Agency/Prepared By		Authorized Signature	Date
OCI/ Jim Guidry (608) 264-6239		Sean Dilweg (608) 266-3585	3/13/2007