

Fiscal Estimate - 2007 Session

Original Updated Corrected Supplemental

LRB Number **07-2322/1** Introduction Number **SB-154**

Description
Health insurance coverage of a full-time student on medical leave

Fiscal Effect

State:

No State Fiscal Effect
 Indeterminate
 Increase Existing Appropriations Increase Existing Revenues Increase Costs - May be possible to absorb within agency's budget
 Decrease Existing Appropriations Decrease Existing Revenues Yes No
 Create New Appropriations Decrease Costs

Local:

No Local Government Costs
 Indeterminate

1. Increase Costs 3. Increase Revenue
 Permissive Mandatory Permissive Mandatory
2. Decrease Costs 4. Decrease Revenue
 Permissive Mandatory Permissive Mandatory

5. Types of Local Government Units Affected
 Towns Village Cities
 Counties Others
 School Districts WTCS Districts

Fund Sources Affected **Affected Ch. 20 Appropriations**

GPR FED PRO PRS SEG SEGS

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Fiscal Estimate Narratives

WTCS 5/16/2007

LRB Number	07-2322/1	Introduction Number	SB-154	Estimate Type	Original
Description Health insurance coverage of a full-time student on medical leave					

Assumptions Used in Arriving at Fiscal Estimate

SB 154 creates a requirement that affects the health insurance coverage offered by technical college districts to dependents of college employees over age 18 while the dependents remain full-time students. Currently, these students no longer qualify as dependents after age 18 if they cease to be full-time students or when they reach age 25, depending on the particular insurance policies offered to employees at each college. Under the proposed legislation, districts would be required to continue coverage, if requested, for up to one year for full-time dependents if they leave school because of a documented medically-necessary leave of absence.

Wisconsin's 16 technical colleges currently negotiate individual contracts with insurance providers that define authorized coverage and coverage limitations for dependents. In addition, the availability and cost of coverage are mandatory subjects of local collective bargaining and thus coverage of dependents varies based on the bargaining agreements into which each college enters.

Several colleges currently provide coverage to dependents until age 25, regardless of student status, although colleges may specify other requirements as a condition of continuing dependent coverage to age 25. For example, one college specifies that the dependent's monthly earnings not exceed a particular amount. Another college continues to provide health insurance coverage for dependents as long as they remain principally financially dependent on their parents until the month in which a dependent is married or the calendar year in which they turn 25.

Colleges generally do not maintain specific information on the number of dependents or their ages included in family coverage provided to employees. Employees who select family coverage pay a flat rate regardless of the number of dependents covered.

However, based on estimates from seven colleges, it seems likely that less than 250 dependents over age 18 lose their insurance coverage each year and a very small number of these students lose their coverage because of a medically-necessary leave of absence. Therefore, it seems unlikely that the the proposed expansion of coverage under AB 280 would have a significant fiscal effect on WTCS districts.

However, because insurance coverage is a local decision and subject to collective bargaining, it is not possible to determine the actual fiscal effect of AB 280.

Long-Range Fiscal Implications

There do not appear to be long-range fiscal implications associated with SB 154, beyond the potential impact on local collective bargaining agreements.