

Fiscal Estimate Narratives
OCI 2/25/2010

LRB Number	09-0998/1	Introduction Number	SB-430	Estimate Type	Original
Description 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 430 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) Wis. Stat.

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 430. 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 - 2009 Session

Detailed Estimate of Annual Fiscal Effect

Original
 Updated
 Corrected
 Supplemental

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Description 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
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