

Department of Planning and Budget 2010 Fiscal Impact Statement

1. Bill Number: HB1054

House of Origin	<u>X</u>	Introduced	___	Substitute	___	Engrossed
Second House	___	In Committee	___	Substitute	___	Enrolled

2. Patron: Scott

3. Committee: Counties, Cities and Towns

4. Title: Health insurance; coverage funded by localities

5. Summary: Authorizes the governing body of any locality that self-funds a health insurance program for its officers and employees to extend coverage under such program to any other class of persons.

6. Fiscal Impact Estimates: Indeterminate

7. Budget Amendment Necessary: N/A

8. Fiscal Implications: This bill may impact the state general fund to the extent that adding other classes of persons might create an additional cost on the local plans utilized by school divisions. An increase in the employer costs for teachers funded under the state's Standards Of Quality (SOQ) model will result in increase costs to the state general fund in future years.

However, it is difficult to determine; a) how many localities will activate the option to add additional classes of persons as authorized in this bill, and b) for those that do use this authority, whether or not the addition will be accomplished in such as fashion as to create a significant cost increase (for example, all additional costs associated with this new authority could be born by the employee resulting in no added cost to the employer). As a result of these unknowns, it is difficult to determine a fiscal impact for this bills.

9. Specific Agency or Political Subdivisions Affected: All political subdivisions with self-insured health insurance programs.

10. Technical Amendment Necessary: N/A

11. Other Comments: None

Date: 1/18/2010 JDH

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cc: Secretary of Administration
Secretary of Education