

Department of Planning and Budget 2020 Fiscal Impact Statement

1. Bill Number: SB234

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|------------------------|--|-------------------------------------|------------------------------------|
| House of Origin | <input checked="" type="checkbox"/> Introduced | <input type="checkbox"/> Substitute | <input type="checkbox"/> Engrossed |
| Second House | <input type="checkbox"/> In Committee | <input type="checkbox"/> Substitute | <input type="checkbox"/> Enrolled |

2. Patron: Chafin

3. Committee: Commerce and Labor

4. Title: Human Resources Management, Department of; health insurance for local school board employees.

5. Summary: Allows local school boards to elect to have all of their employees and retirees, as well as the dependents of such employees and retirees, be eligible to participate in the state employee health insurance plan in lieu of the current state-administered local health insurance plan. Any participating local school board shall be responsible for whatever portion of the cost of such insurance is not paid by the employee, except any portion that the General Assembly elects to pay.

6. Budget Amendment Necessary: See Item 8.

7. Fiscal Impact Estimates: Preliminary. Indeterminate - see Item 8.

8. Fiscal Implications: The state fiscal impact of this bill is indeterminate and would depend on a number of factors, such as the number of local school boards that elect to participate in the state employee health insurance plan and demographics of the population of participants from participating school districts.

The Department of Human Resource Management may need additional staff and incur additional costs associated with actuarial services and financial reporting requirements for the state health insurance plan; however, the impact is indeterminate because the number of local school boards that would opt to join the plan is unknown.

Any impact on health insurance claims costs is also indeterminate and would depend on the demographics of the population of participants. Premiums for the state employee health plan are based on the experience and population of all participants in the plan and are paid by the employing state agencies and employees. Therefore, the addition of local school board populations in the plan would have an indeterminate impact on plan premiums. Any impact on plan premiums would result in a state impact for the cost of the employer share of premiums paid by state employers on behalf of participating state employees.

9. Specific Agency or Political Subdivisions Affected: Department of Human Resource Management, local school boards, and local governments.

10. Technical Amendment Necessary: No.

11. Other Comments: This bill is a companion to HB107.