



LEGISLATIVE FISCAL OFFICE

Fiscal Note

Fiscal Note On: **HB 103** HLS 051ES 57
Bill Text Version: **ORIGINAL**
Opp. Chamb. Action:

Sub. Bill For.:
Proposed Amd.:

Date: November 14, 2005 12:51 PM	Author: HUTTER
Dept./Agy.: Office of Group Benefits (OGB)	
Subject: Participation in OGB for St. Bernard Parish School Board	Analyst: Brian Crow

INSURANCE/GROUP-STATE OR -\$5,670,000 SG RV See Note Page 1 of 1

Provides for participation in Office of Group Benefits insurance coverage for St. Bernard Parish School Board employees, members, and retirees under certain circumstances (Item #20)

INSURANCE/GROUP-STATE: The bill establishes temporary provisions for participation and coverage of employees, board members, and retirees of St. Bernard Parish School Board in light of the catastrophic revenue losses by such board as a result of natural disasters in 2005. The bill provides that individuals that were either members or employees of the board on August 29, 2005, and have thereafter have resumed full-time employment with the school board, or have been placed on disaster related leave without pay and continue such leave, or have continued their tenure as a member of the school board, shall continue to participate in any insurance programs offered by OGB in which they were active participants on August 29, 2005. The bill provides for the waiver of the employer and employee contribution of premiums for active employees of the school board commencing January 1, 2006 and ending on June 30, 2006. The bill provides for the waiver of the employer contribution of premiums for retired employees of the school board commencing January 1, 2006 and ending on June 30, 2008. The provisions of the bill shall become null and void on July 1, 2008.

EXPENDITURES	2005-06	2006-07	2007-08	2008-09	2009-10	5 -YEAR TOTAL
State Gen. Fd.	\$0	\$0	\$0	\$0	\$0	\$0
Agy. Self-Gen.	\$0	\$0	\$0	\$0	\$0	\$0
Ded./Other	\$0	\$0	\$0	\$0	\$0	\$0
Federal Funds	\$0	\$0	\$0	\$0	\$0	\$0
Local Funds	\$0	\$0	\$0	\$0	\$0	\$0
Annual Total	\$0	\$0	\$0	\$0	\$0	\$0

REVENUES	2005-06	2006-07	2007-08	2008-09	2009-10	5 -YEAR TOTAL
State Gen. Fd.	\$0	\$0	\$0	\$0	\$0	\$0
Agy. Self-Gen.	(\$5,670,000)	(\$4,371,000)	(\$5,136,000)	\$0	\$0	(\$15,177,000)
Ded./Other	\$0	\$0	\$0	\$0	\$0	\$0
Federal Funds	\$0	\$0	\$0	\$0	\$0	\$0
Local Funds	\$0	\$0	\$0	\$0	\$0	\$0
Annual Total	(\$5,670,000)	(\$4,371,000)	(\$5,136,000)	\$0	\$0	(\$15,177,000)

EXPENDITURE EXPLANATION

There is no anticipated direct material effect on the expenditures of OGB as a result of this measure.

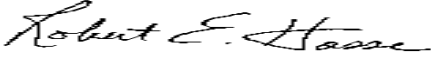
REVENUE EXPLANATION

The revenues of OGB will decrease by the amounts shown above as a result of this measure. The bill provides for the waiver of the employer and employee contribution of premiums for active employees of the school board commencing January 1, 2006 and ending on June 30, 2006. The bill provides for the waiver of the employer contribution of premiums for retired employees of the school board commencing January 1, 2006 and ending on June 30, 2008. The provisions of the bill shall become null and void on July 1, 2008.

The estimates shown are based on the following assumptions:

- 1) \$635,000/month for approximately 953 active members with 738 dependents for 6 months in FY 06=\$3,810,000;
- 2) \$310,000/month for approximately 611 retired members with 243 dependents for 6 months in FY 06=\$1,860,000;
- 3) \$364,250/month for approximately 611 retired members with 243 dependents for 12 months in FY 07=\$4,371,000;
- 4) \$428.000/month for approximately 611 retired members with 243 dependents for 12 months in FY 08=\$5,136,000;
- 5) a 17.5% increase in premiums for FY 07 and FY 08; and
- 6) the actual billed premiums on October 1, 2005 for the St. Bernard Parish School Board.

Note: A portion (approximately 60%) of the funding for the payment of premiums is provided to the St. Bernard School Board through the Minimum Foundation Program (State General Fund). However, due to the closure of schools caused by Hurricane Katrina, it is questionable that the board will have sufficient funding to pay premiums to OGB as the MFP will be readjusted to reflect changes in student population. Additionally, executive order cuts have reduced funding to the MFP by approximately \$27 million. Furthermore, proposed legislation in the 1st Extraordinary Session of 2005 would further reduce funding for the MFP by \$40 million statewide.

<u>Senate</u>	<u>Dual Referral Rules</u>	<u>House</u>	
<input type="checkbox"/> 13.5.1 >= \$500,000 Annual Fiscal Cost		<input type="checkbox"/> 6.8(F) >= \$500,000 Annual Fiscal Cost	 Robert E. Hosse LFO Staff Director
<input type="checkbox"/> 13.5.2 >= \$500,000 Annual Tax or Fee Change		<input type="checkbox"/> 6.8(G) >= \$500,000 Tax or Fee Increase or a Net Fee Decrease	