OFFICE OF LEGISLATIVE AUDITOR
Fiscal Note

Fiscal Note On: **HB 24** HLS 12RS 208
Bill Text Version: **ORIGINAL**
Opp. Chamb. Action:
Proposed Amd.:
Sub. Bill For.:

Date: March 16, 2012 1:56 PM
Author: BURNS, HENRY
Dept./Agy.: Bossier Parish Sheriff's Office
Analyst: Steven Kraemer
Subject: Group insurance for retirees/Retiree Insurance Fund

INSURANCE/GROUP-SHERIFFS OR NO IMPACT LF EX See Note

Relative to the payment of group insurance premiums for retired sheriffs and employees of the Bossier Parish Sheriff's Office

Purpose of Bill: This measure changes group service requirements and premium percentages for retiree insurance benefits paid by the Bossier Parish Sheriff's Office for any retired sheriff or employee hired on or after January 1, 2010 and before September 1, 2010. Current law provides the following premium coverage for these individuals: (1) 100% of premium cost for 30 years of service at any age; or (2) 50% of premium cost for 20 years of service and age 55. This bill changes premium coverage for these individuals to: 100% of premium cost (life insurance premiums limited to first $10,000 of coverage) for individuals who retire with (1) 30 years of service at any age; or (2) 15 years of service and age 55.

In addition, this measure changes the investment options for the Bossier Parish Retired Employees Insurance Fund (BREIF), and allows for the payment of certain legal costs by this fund.

EXPENDITURES	2012-13	2013-14	2014-15	2015-16	2016-17	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	2012-13	2013-14	2014-15	2015-16	2016-17	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	UNKNOWN	UNKNOWN	UNKNOWN	UNKNOWN	UNKNOWN	
Annual Total						

EXPENDITURE EXPLANATION

There is no anticipated direct material effect on governmental expenditures as a result of this measure within the next five years.

Based on our review of information obtained from the Bossier Parish Sheriff's Office, it appears that none of the employees hired on or after January 1, 2010 and before September 1, 2010 will be eligible to receive retiree insurance benefits within the next five years. Therefore, it appears that the provision of the bill relating to retiree group insurance benefits will not impact the expenditures of the sheriff's office within the next five years.

An official with the Bossier Parish Sheriff's Office indicated that the provision of the bill relating to the payment of legal representation costs for the BREIF Board would allow the board to allocate funds to defend itself in lawsuits. Therefore, this provision does not appear to impact the expenditures of the sheriff's office as the legal costs are still paid by funds of the sheriff.

REVENUE EXPLANATION

The anticipated direct material effect on governmental revenues as a result of this measure is unknown.

An official with the Bossier Parish Sheriff's Office indicated that this bill, which changes the investment options, will not impact revenue in the BREIF Fund.

However, the impact on revenue is unknown as the return on fixed income assets in future periods is unknown.

Senate	Dual Referral Rules	House
☐ 13.5.1 >= $100,000 Annual Fiscal Cost {S&H}		☐ 6.8(F)1 >= $500,000 Annual Fiscal Cost {S}
☐ 13.5.2 >= $500,000 Annual Tax or Fee Change {S&H}		☐ 6.8(G) >= $500,000 Tax or Fee Increase or a Net Fee Decrease {S}

Joy Irwin
Director of Advisory Services