

LEGISLATIVE FISCAL OFFICE
Fiscal Note



Fiscal Note On: **HB 533** HLS 18RS 701
 Bill Text Version: **ORIGINAL**
 Opp. Chamb. Action:
 Proposed Amd.:
 Sub. Bill For.:

Date: March 27, 2018 8:11 AM **Author:** JACKSON
Dept./Agy.: Public Defender Board **Analyst:** Willis Brewer
Subject: Authorizes public defender officials to participate in OGB

PUBLIC EMPLOYEES OR SEE FISC NOTE LF EX Page 1 of 1

Authorizes public defenders and full-time employers of public defender officials to participate in programs sponsored by the Office of Group Benefits.

Present law allows for participation in programs sponsored by the Office of Group benefits for active and retired state civil service employees, school board employees, soil and water conservation district employees, parish judges, New Orleans City Park Improvement Association employees, active or retired La. Naval War Memorial Commission employees, active New Orleans district attorney employees, active or retired La. National Guard employees, and West Jefferson Levee District employees.

Proposed law retains present law and adds authorization for the district public defender and full-time employees of the district public defender office to participate in programs sponsored by the Office of Group Benefits.

EXPENDITURES	2018-19	2019-20	2020-21	2021-22	2022-23	5 -YEAR TOTAL
State Gen. Fd.	\$0	\$0	\$0	\$0	\$0	\$0
Agy. Self-Gen.	SEE BELOW	SEE BELOW	SEE BELOW	SEE BELOW	SEE BELOW	
Ded./Other	\$0	\$0	\$0	\$0	\$0	\$0
Federal Funds	\$0	\$0	\$0	\$0	\$0	\$0
Local Funds	SEE BELOW	SEE BELOW	SEE BELOW	SEE BELOW	SEE BELOW	
Annual Total						

REVENUES	2018-19	2019-20	2020-21	2021-22	2022-23	5 -YEAR TOTAL
State Gen. Fd.	\$0	\$0	\$0	\$0	\$0	\$0
Agy. Self-Gen.	SEE BELOW	SEE BELOW	SEE BELOW	SEE BELOW	SEE BELOW	
Ded./Other	\$0	\$0	\$0	\$0	\$0	\$0
Federal Funds	\$0	\$0	\$0	\$0	\$0	\$0
Local Funds	<u>\$0</u>	<u>\$0</u>	<u>\$0</u>	<u>\$0</u>	<u>\$0</u>	\$0
Annual Total						

EXPENDITURE EXPLANATION

Proposed law may increase expenditures of the Office of Group Benefits (OGB) by an indeterminable amount due to the additional enrollees that could enroll in the OGB program. The proposed legislation will allow the 42 district public defender offices to participate in the OGB program. To the extent this measure increases the number of OGB enrollees, it is anticipated there will be an increase in OGB's claim expenditures. These expenditures will be offset with the premiums OGB will charge to these local public defender boards. OGB does not anticipate this will create a significant increase in workload or will require any software modifications to add these districts to its system.

This measure will have an indeterminable impact on district public defender offices expenditures. District offices that choose to participate in OGB programs that currently offer health plans may find savings in the OGB plan, but other district offices may incur additional expenditures. However, this legislation does not mandate the district offices to participate in the OGB program. Of the 42 districts, 22 districts offer a health plan for 441 employees. The remaining 20 districts do not offer a health plan for 109 employees. In the event all the districts chose to participate in the OGB program, there are 550 public defender employees that would be eligible. To the extent a district public defender office chooses to participate in the OGB program, the office will be responsible for any additional costs.

These 42 district public defender offices operate with a mixture of local funds derived primarily from fees assessed from traffic tickets and state funds from the Louisiana Public Defender Board (LPDB). Per RS 15:167 (E), sixty-five percent (65%) of the Louisiana Public Defender Fund (LPD Fund) that is appropriated to the LPDB is disbursed to these local districts. LPDB prorates the LPD Fund to the district offices based on the district's total expenditures. In the event participation in OGB by district office(s) impacts expenditures of the office(s), distribution of the LPD Fund to the other districts could be impacted.

REVENUE EXPLANATION

Proposed law may increase self-generated revenues of the Office of Group Benefits (OGB) by an indeterminable amount. To the extent local districts choose to participate in the OGB program, OGB will see an increase in health plan premiums. It cannot be estimated at this time how many districts would choose to participate in the OGB plan. The monthly Magnolia Open Access family plan total premium is \$1,574 where the state pays \$962 and the employee pays \$611. Assuming all 42 districts participate and all 550 employees enroll in this plan, the total annual premiums for all of the districts is \$6.4 M.

Senate
 13.5.1 >= \$100,000 Annual Fiscal Cost {S&H}
 13.5.2 >= \$500,000 Annual Tax or Fee Change {S&H}

House
 6.8(F)(1) >= \$100,000 SGF Fiscal Cost {H & S}
 6.8(G) >= \$500,000 Tax or Fee Increase or a Net Fee Decrease {S}

Evan Brasseaux
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