



LEGISLATIVE FISCAL OFFICE

Fiscal Note

Fiscal Note On: HB 97 HLS 051ES 302
Bill Text Version: ENGROSSED
Opp. Chamb. Action:
Sub. Bill For.:
Proposed Amd.:

Date: November 15, 2005 3:23 PM
Author: ALARIO
Dept./Agy.: Office of Group Benefits (OGB)
Subject: Benefits offered to employees furloughed by hurricanes
Analyst: Brian Crow

INSURANCE/GROUP-STATE EG SEE FISC NOTE SG RV See Note Page 1 of 1

Provides for certain benefits offered through the Office of Group Benefits programs for employees who were furloughed or terminated as a result of Hurricanes Katrina and Rita (Item #20)

INSURANCE/GROUP-STATE: The bill provides that there shall be no reduction in the minimum state contribution as a result of any lapse in participation from August 30, 2005 through December 31, 2006 for an employee furloughed or terminated as a result of Hurricane Katrina or Rita who is subsequently rehired. The bill provides that an employee who is granted leave without pay for a reason other than a service related injury may continue to participate in the OGB program for a period not to exceed 12 months upon the employee's payment of the full premium or charges due.

Table with columns for EXPENDITURES and REVENUES, and rows for years 2005-06 to 2009-10 and 5-YEAR TOTAL. All values are \$0.

EXPENDITURE EXPLANATION

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

REVENUE EXPLANATION

There is no substantial direct material effect on the revenues of OGB as a result of this measure. The bill provides certain employees an exemption from the vesting requirements established in Act 1178 of the 2001 Regular Session...

OGB indicates that there is no valid estimate at the current time as to how many employees may be furloughed or ultimately terminated as a result of the two hurricanes. Additionally, it is not possible to determine how many of the employees would be rehired by the state prior to December 31, 2006...

Without the exemption provided by the bill, furloughed or terminated employees that are rehired would be subject to a reduction in the state contribution for the employer portion of health care premiums paid to OGB as follows: 1) from 75% to 19% for less than 10 years; 2) from 75% to 38% for 10 to 15 years; 3) from 75% to 56% for 15 to 20 years; and 4) no reduction for over 20 years.

Senate Dual Referral Rules
[] 13.5.1 >= \$500,000 Annual Fiscal Cost

House
[] 6.8(F) >= \$500,000 Annual Fiscal Cost

[] 13.5.2 >= \$500,000 Annual Tax or Fee Change

[] 6.8(G) >= \$500,000 Tax or Fee Increase or a Net Fee Decrease

H. Gordon Monk
Legislative Fiscal Officer