



**LEGISLATIVE FISCAL OFFICE
Fiscal Note**

Fiscal Note On: **SB 202** SLS 22RS 372
 Bill Text Version: **ORIGINAL**
 Opp. Chamb. Action:
 Proposed Amd.:
 Sub. Bill For.:

Date: April 18, 2022 7:08 AM **Author:** JACKSON
Dept./Agy.: Office of Group Benefits **Analyst:** Patrice Thomas
Subject: District Public Defenders, Staff, Contractors into OGB

GROUP BENEFITS PROGRAM OR INCREASE GF EX See Note Page 1 of 1

Allows district public defenders, their employees, and contract attorneys to participate in programs sponsored by the Office of Group Benefits under certain circumstances. (1/1/23)

Proposed law authorizes every district public defender employed by the LA Public Defender Board, district employees, and attorneys employed by the district to participate in life, health, and other programs sponsored by the Office of Group Benefits. Proposed law provides that the public defender, district employees, and attorneys employed by the district pay only the employee portion of the premium charged by OGB. Proposed law effective January 1, 2023.

EXPENDITURES	<u>2022-23</u>	<u>2023-24</u>	<u>2024-25</u>	<u>2025-26</u>	<u>2026-27</u>	<u>5 -YEAR TOTAL</u>
State Gen. Fd.	INCREASE	INCREASE	INCREASE	INCREASE	INCREASE	
Agy. Self-Gen.	INCREASE	INCREASE	INCREASE	INCREASE	INCREASE	
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>	<u>\$0</u>
Annual Total						

REVENUES	<u>2022-23</u>	<u>2023-24</u>	<u>2024-25</u>	<u>2025-26</u>	<u>2026-27</u>	<u>5 -YEAR TOTAL</u>
State Gen. Fd.	\$0	\$0	\$0	\$0	\$0	\$0
Agy. Self-Gen.	INCREASE	INCREASE	INCREASE	INCREASE	INCREASE	
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>	<u>\$0</u>
Annual Total						

EXPENDITURE EXPLANATION

Proposed law will result in an indeterminable increase in expenditures (assumed to SGF) within the LA Public Defender Board (LPDB) as a result of paying premiums and an indeterminable increase in SGR expenditures within the Office of Group Benefits (OGB) as a result of increased claims expenditures and administration. In present law, only direct employees of the LPDB participate in OGB programs. Currently, they are 20 active LPDB employees participating in OGB programs. The proposed law authorizes every district public defender as well as district employees and attorneys employed by the district to participate in OGB programs in the same manner as current LPDB employees. The proposed law further provides that only the employee portion of premiums will be paid by the district public defender, district employees and attorneys. The proposed law is silent as to who will pay the employer portion of the premium. This fiscal note assumes the employer portion of premiums will be paid by LPDB.

According to LDPB, there are 42 public defender districts with 663 employees and 867 contractors. Only 22 districts provide health insurance in some capacity and 2 districts only provide health insurance to the public defender. In those 22 districts, district employees and attorneys must pay both the employee and the employer portion of the health insurance premium. For illustrative purposes, if all 663 employees elected OGB coverage, the maximum expenditure increase under this measure would be \$8,902,764 (663 employees x \$1,119 per month employer premium for Magnolia Open Access - Family x 12 months). However, the exact number of employees that would elect OGB coverage is unknown.

To the extent that public defenders employees elect to participate in OGB programs, claims expenditures within OGB would increase by an indeterminable amount. The increase is dependent upon the number of staff that elect to participate in OGB programs. Also, the proposed law will increase expenditures associated with the collection of premiums from participants.

REVENUE EXPLANATION

Proposed law will result in an indeterminable increase in SGR collected from premiums within OGB as a result of increased participation in OGB programs - health insurance, life insurance, and flexible benefits programs. The amount of the increase is unknown but depends on the number of employees who enroll in OGB programs and the plan selected by the employee. Each health insurance plan offered by OGB has different monthly premium rates dependent upon the benefits each plan provides. Additionally, premiums vary per plan based on the number and type of individuals covered, the Medicare enrollment status, and the geographical region of the state.

Senate Dual Referral Rules

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

Evan Brasseaux
 Interim Deputy Fiscal Officer