

COMMITTEE ON LEGISLATIVE RESEARCH
OVERSIGHT DIVISION

FISCAL NOTE

L.R. No.: 4820-01
Bill No.: SB 1351
Subject: Retirements - Schools; Retirement Systems and Benefits
Type: Original
Date: March 23, 2004

FISCAL SUMMARY

ESTIMATED NET EFFECT ON GENERAL REVENUE FUND			
FUND AFFECTED	FY 2005	FY 2006	FY 2007
General Revenue	(Unknown less than \$100,000)	(Unknown)	(Unknown)
Total Estimated Net Effect on General Revenue Fund	(Unknown less than \$100,000)	(Unknown)	(Unknown)

ESTIMATED NET EFFECT ON STATE FUNDS			
FUND AFFECTED	FY 2005	FY 2006	FY 2007
Total Estimated Net Effect on <u>All</u> State Funds	\$0	\$0	\$0

Numbers within parentheses: () indicate costs or losses.
This fiscal note contains 4 pages.

ESTIMATED NET EFFECT ON FEDERAL FUNDS			
FUND AFFECTED	FY 2005	FY 2006	FY 2007
Total Estimated Net Effect on <u>All</u> Federal Funds	\$0	\$0	\$0

ESTIMATED NET EFFECT ON LOCAL FUNDS			
FUND AFFECTED	FY 2005	FY 2006	FY 2007
Local Government	\$0	\$0	\$0

FISCAL ANALYSIS

ASSUMPTION

Officials from the **Missouri Consolidated Health Care Plan (HCP)** state there would be additional administrative cost associated with this proposal. Ultimately the amount would depend upon how the program was structured, individuals could be included in the current public entity pool, a separate pool could be created, or they could be underwritten individually. Much of the additional cost would be for actuarial services in connection with appropriately developing the contract rates. Initial costs would be incurred by the state, but the costs would be recouped by adding them to the administrative cost included in the rates. At the present time, HCP is unable to project an actual cost associated with this proposal, but anticipates an unknown cost less than \$100,000 for FY 05.

Officials from the **Office of the Secretary of State (SOS)** state this proposal allows the Missouri Consolidated Health Care Plan board of trustees to promulgate rules to include new members in the plan. Based on experience with other divisions, the rules, regulations and forms issued by the Missouri Consolidated Health Care Plan could require as many as 18 pages in the *Code of State Regulations*. For any given rule, roughly one-half again as many pages are published in the *Missouri Register* as are published in the Code because cost statements, fiscal notes and notices are not published in the Code. The estimated cost of a page in the *Missouri Register* is \$23.00. The estimated cost of a page in the *Code of State Regulations* is \$27.00. The actual costs could be more or less than the numbers given. The fiscal impact of this legislation in future years is

ASSUMPTION (continued)

unknown and depends upon the frequency and length of rules filed, amended, rescinded and withdrawn. The SOS estimates the cost of this legislation to be \$1,107 [(18 pp x \$27) + (27 pp x \$23)].

Oversight assumes the SOS could absorb the costs of printing and distributing regulations related to this proposal. If multiple bills pass which require the printing and distribution of regulations at substantial costs, the SOS could request funding through the appropriation process. Any decisions to raise fees to defray costs would likely be made in subsequent fiscal years.

<u>FISCAL IMPACT - State Government</u>	FY 2005 (10 Mo.)	FY 2006	FY 2007
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GENERAL REVENUE

Costs - Missouri Consolidated Health Care Plan

Administrative costs	<u>(Unknown less than \$100,000)</u>	<u>(Unknown)</u>	<u>(Unknown)</u>
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ESTIMATED NET EFFECT ON GENERAL REVENUE	<u>(Unknown less than \$100,000)</u>	<u>(Unknown)</u>	<u>(Unknown)</u>
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<u>FISCAL IMPACT - Local Government</u>	FY 2005 (10 Mo.)	FY 2006	FY 2007
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	<u>\$0</u>	<u>\$0</u>	<u>\$0</u>
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FISCAL IMPACT - Small Business

No direct fiscal impact to small businesses would be expected as a result of this proposal.

DESCRIPTION

This proposal states that the Board of Trustees of the Missouri Consolidated Health Care Plan shall promulgate rules for including in the plan individuals who are employees of eligible agencies which have not elected to join the plan or who are retirees of school districts.

This legislation is not federally mandated, would not duplicate any other program and would not require additional capital improvements or rental space.

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SOURCES OF INFORMATION

Missouri Consolidated Health Care Plan
Office of Secretary of State

A handwritten signature in black ink that reads "Mickey Wilson". The signature is written in a cursive style with a large initial "M".

Mickey Wilson, CPA
Director
March 23, 2004