

FISCAL NOTE
 LEGISLATIVE FISCAL ANALYST ESTIMATE

ESTIMATE OF FISCAL IMPACT – STATE AGENCIES *

	FY 2008-09		FY 2009-10	
	EXPENDITURES	REVENUE	EXPENDITURES	REVENUE
GENERAL FUNDS	See Below		See below	
CASH FUNDS				
FEDERAL FUNDS				
OTHER FUNDS				
TOTAL FUNDS				

*Does not include any impact on political subdivisions. See narrative for political subdivision estimates.

LB884 deals with the state's contribution to employee health insurance. Current law provides that the state's contribution shall not be less than 79% of the total premium cost. LB884 states that the state's contribution shall not be less than 79% of the total premium cost if the employee enrolls and participates as required in a wellness program offered by the state through the Department of Administrative Services (DAS).

LB884 will increase costs to the state and to state employees. DAS estimates the cost to be \$350,000 for FY2008-09 and \$3,619,040 for FY2009-10. Since the design of the wellness program is not known at this time, there is no basis to agree or disagree with the estimates. The DAS fiscal note indicates the cost of the wellness program will be solely funded through premium contribution made to the group health plans. As indicated above the current state contribution is 79%. The allocation of the 79% state contribution by fund source is estimated as follows.

	FY2008-09	FY2009-10
General Funds	\$142,950	1,478,125
Cash Funds	72,996	754,787
Federal Funds	47,282	488,896
Revolving Funds	13,272	137,234
79% State Contribution	276,500	2,859,042

LB884 also allows the Director of Personnel to enter into agreements with public and private entities to provide facilities as are required for the administration of the state employee's health insurance program including a wellness program. This provision will increase costs. The amount of the increase cannot be estimated at this time.

DEPARTMENT OF ADMINISTRATIVE SERVICES

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COMMENTS					
DEPT. OF ADMINISTRATIVE SERVICES – No basis to disagree with agency analysis.					