

FISCAL NOTE
 LEGISLATIVE FISCAL ANALYST ESTIMATE

ESTIMATE OF FISCAL IMPACT – STATE AGENCIES *				
	FY 2009-10		FY 2010-11	
	EXPENDITURES	REVENUE	EXPENDITURES	REVENUE
GENERAL FUNDS	See Below			
CASH FUNDS			See Below	
FEDERAL FUNDS				
OTHER FUNDS				
TOTAL FUNDS				

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

LB116 provides that volunteer emergency responders, firefighters, and rescue squad personnel serving a volunteer department shall be deemed state employees solely for purpose of health insurance coverage. The volunteers are to pay 100% of the total premium cost.

DAS has estimated the administrative cost based on experience administering the COBRA and Retiree Health Insurance Plans and the following assumptions:

1. The administration of the system would be paper based versus electronic
2. Of the approximately 12,000 individuals eligible 4,000 would participate
3. Start up and first year costs would be paid by the General Fund. Subsequent years' costs would be paid from the plan.

Start Up Costs – DAS estimates start up costs to be \$59,400. This would include 4 temporary employees for 20 weeks, operating costs and rent. The temporary employees would be responsible for enrolling eligible volunteers in the program. The estimated start up costs appear reasonable.

Ongoing administrative costs – DAS estimates the ongoing costs to be \$252,900. This would include 6 permanent employees plus operating costs. Six additional employees may be needed but, the number of additional employees required will depend on the number of volunteers that actually enroll.

DAS estimates total first year costs to be \$312,300.

DAS also indicates that until more information on the demographics of the group is available the cost of the plan, premium costs and costs to the plan cannot be determined.