

1 Senate BILL NO. 167
 2 INTRODUCED BY Dunkle Bush

3
 4 A BILL FOR AN ACT ENTITLED: "AN ACT TO AMEND SECTION
 5 11-1024, R.C.M. 1947, INCREASING THE PUBLIC EMPLOYER'S
 6 CONTRIBUTION TO INSURANCE FOR PUBLIC EMPLOYEES TO
 7 ONE-HUNDRED PERCENT OF THE EMPLOYEE ONLY PREMIUM OR AN
 8 AMOUNT NOT TO EXCEED TWENTY-FIVE DOLLARS PER MONTH."

9
 10 BE IT ENACTED BY THE LEGISLATURE OF THE STATE OF MONTANA:

11 Section 1. Section 11-1024, R.C.M. 1947, is amended to
 12 read as follows:

13 "11-1024. Group insurance for all departments,
 14 bureaus, boards, commissions and agencies of the state of
 15 Montana, county, city, and town officers and
 16 employees--authority--approval of employees--limit on
 17 contributions. All departments, bureaus, boards, commissions
 18 and agencies of the state of Montana, and all counties,
 19 cities and towns shall upon approval by two-thirds (2/3)
 20 vote of the officers and employees of each such department,
 21 bureau, board, commission, agency, county, city and town,
 22 enter into group hospitalization, medical, health including
 23 long-term disability, accident and/or group life insurance
 24 contracts or plans for the benefit of their officers,
 25 employees and their dependents, and the respective

1 administrative and governing bodies shall pay for such
 2 insurance ~~ten--dollars--(\$10)--per-month-for-each-officer-and~~
 3 ~~employee,-and-provided-for-employees~~ an amount equal to one
 4 hundred percent (100%) of the employee only premium per
 5 month provided that amount does not exceed twenty-five
 6 dollars (\$25) per month for each officer or employee, unless
 7 otherwise specifically provided for in a collective
 8 bargaining agreement. Employees of educational
 9 institutions whose employment contracts show at a minimum a
 10 full-time academic year of employment such payment for
 11 insurance may be an amount equal to twelve (12) times the
 12 monthly rate, but may not exceed ~~one~~ three hundred ~~twenty~~
 13 ~~dollars~~ (\$300) per year. Provided, however, that for
 14 employees of elementary and high school districts premium
 15 contributions are not subject to the ~~ten~~ twenty-five dollar
 16 ~~(\$10)~~ (\$25) limitation of this section."

-End-

STATE OF MONTANA

REQUEST NO. 227-75

FISCAL NOTE

Form BD-15

In compliance with a written request received February 12, 1975, 19 , there is hereby submitted a Fiscal Note for Senate Bill 167 pursuant to Chapter 53, Laws of Montana, 1965 - Thirty-Ninth Legislative Assembly. Background information used in developing this Fiscal Note is available from the Office of Budget and Program Planning, to members of the Legislature upon request.

DESCRIPTION OF PROPOSED LEGISLATION:

Senate Bill 167 would increase the public employer insurance contribution from the present \$10 per month per employee to 100% of the employee only premium up to a maximum of \$25 per month per employee.

ASSUMPTIONS:

1. Realistically, an employee only insurance plan would be designed to meet whatever limit is set as the employer contribution.
2. The employer contribution under the proposed law would be 2.5 times the contribution under current law.

FISCAL IMPACT:

	FY 76	FY 77
Employer contributions under current law	\$1,681,899	\$1,708,138
Employer contributions under proposed law	<u>4,204,748</u>	<u>4,270,345</u>
Increase in expenditures	<u>\$2,522,849</u>	<u>\$2,562,207</u>

LOCAL IMPACT:

This act would increase the insurance contributions for employees of city and counties. The amount of the increase is not possible to determine within the time limitation.

CONCLUSION:

Enactment of Senate Bill 167 would increase state expenditures by approximately \$5 million under the proposed law during the 1975-77 biennium. Approximately 44% or \$2.2 million of increased expenditures would be from the General Fund.

TECHNICAL NOTE:

There is no realistic way of estimating the increased fiscal impact which might be realized as a result of increased benefits obtained through the collective bargaining process.


BUDGET DIRECTOR

Office of Budget and Program Planning

Date: February 14, 1975