

1 H BILL NO. 183
2 INTRODUCED BY Meloy, Fry, Peterson
3

4 A BILL FOR AN ACT ENTITLED: "AN ACT TO AMEND SECTION
5 11-1024, R.C.M. 1947, RELATING TO PUBLIC EMPLOYER'S
6 CONTRIBUTION TO INSURANCE FOR PUBLIC EMPLOYEES."
7

8 BE IT ENACTED BY THE LEGISLATURE OF THE STATE OF MONTANA:

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

11 "11-1024. Group insurance for all departments,
12 bureaus, boards, commissions, and agencies of the state of
13 Montana, and county, city, and town officers and employees
14 -- authority -- approval of employees -- limit on
15 contributions. (1) All departments, bureaus, boards,
16 commissions and agencies of the state of Montana, and all
17 counties, cities and towns shall upon approval by two-thirds
18 (2/3) vote of the officers and employees of each such
19 department, bureau, board, commission, agency, county, city
20 and town, enter into group hospitalization, medical, health
21 including long-term disability, accident and/or group life
22 insurance contracts or plans for the benefit of their
23 officers, employees and their dependents, and the respective
24 administrative and governing bodies shall pay for such
25 insurance ~~ten-dollars-(\$10)~~ \$40 per month for each officer,

1 employee, and legislator, and provided that for all
2 employees as defined in subsection (2) of this section and
3 for members of the legislature, such payment for insurance
4 may be an amount equal to twelve (12) times the monthly
5 rate, but may not exceed ~~one-hundred-twenty-dollars-(\$120)~~
6 \$480 per year. However, for employees of elementary and high
7 school districts and of local government units, the
8 employer's premium contributions may exceed but shall not be
9 less than the amount specified in this section.

10 (2) In this section, as it applies to a person
11 employed in the executive or legislative branches of state
12 government, "employee" means:

13 (a) a permanent full-time employee as defined in
14 section 59-1007.1;

15 (b) a part-time employee as defined in section
16 59-1007.1 who is scheduled to work at least twenty (20)
17 hours per week;

18 (c) a person employed in a seasonal position as
19 defined in section 59-1007.1 who is employed on a regular
20 basis at least eight (8) months of the fiscal year."

-End-

STATE OF MONTANA

REQUEST NO. 84-77

FISCAL NOTE

Form BD-15

In compliance with a written request received January 17, 19 77, there is hereby submitted a Fiscal Note for House Bill 183 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:

Revising the employer's contribution to group insurance for certain public officers and employees from the current \$10 per month to \$40 per month.

ASSUMPTIONS:

1. Current law estimates for FY 78 based on 9,169 contracts presently included in statewide plan, 3,200 contracts included in the University System plan, and 30 contracts in the Department of Military Affairs plan.
2. Under proposed law, contract estimate is based on employee coverage only - not family coverage for FY 78 and FY 79, using the current Employee Only High Option A rate of \$32.62 per month.
3. All state employees would contract with the state group.
4. Inflation rates of 12% per year were applied to the above rate structure resulting in monthly costs of \$36.53 and \$40.91 for FY 78 and FY 79, respectively.
5. Under proposed law the number of contracts is expected to increase to approximately 16,378. This includes the 16,735* employees currently eligible for the statewide plan plus 150 legislators. Total eligibility of 16,885 has been reduced 3% assuming only 97% of those eligible will contract under the State Plan.
6. No cost catch-up is assumed for FY 77 costs which are predicted to close between 99% and 101% of premiums paid.
7. Employee would receive \$40 per month even if insurance premium is less than \$40 per month.
8. Under current law, assumed 24% inflation rate over biennium would hold contracts in statewide group to approximately 9,200; contracts in University System and Military Affairs groups would remain unchanged.
9. Assumed no increase in number of contracts from FY 78 to FY 79 under proposed law.

*This includes all part-time and seasonal employees of all branches of state government including the University System, Department of Military Affairs and all District Court Judges.

FISCAL IMPACT:

	<u>FY 78</u>	<u>FY 79</u>	<u>TOTAL</u>
Cost under proposed law	\$7,861,440	\$7,861,440	\$15,722,880
Cost under current law	<u>1,487,880</u>	<u>1,491,600</u>	<u>2,979,480</u>
Increased cost of legislation	<u>\$6,373,560</u>	<u>\$6,369,840</u>	<u>\$12,743,400</u>

Approximately 46% of the above increased cost would be paid from the General Fund.

LOCAL IMPACT:

Unable to estimate in the time frame allowed. Costs would increase substantially.

Richard L. Drury for
BUDGET DIRECTOR
Office of Budget and Program Planning
Date: 1-20-77

Approved by
Select Comm. on Employee Comp.

HOUSE BILL NO. 183

INTRODUCED BY MELOY, LORY, ESTENSON

A BILL FOR AN ACT ENTITLED: "AN ACT TO AMEND SECTION
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read as follows:

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bureaus, boards, commissions, and agencies of the state of
Montana, and county, city, and town officers and employees
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contributions. (1) All departments, bureaus, boards,
commissions and agencies of the state of Montana, and all
counties, cities and towns shall upon approval by two-thirds
(2/3) vote of the officers and employees of each such
department, bureau, board, commission, agency, county, city
and town, enter into group hospitalization, medical, health
including long-term disability, accident and/or group life
insurance contracts or plans for the benefit of their
officers, employees and their dependents, and the respective
administrative and governing bodies shall pay for such
insurance ten dollars (\$10) per month for each officer

~~employee and legislative and provided that for, FOR~~ all
employees as defined in subsection (2) of this section and
for members of the legislature, such payment for insurance
~~may be an amount equal to twelve (12) times the monthly~~
~~rate but may not exceed one hundred twenty dollars (\$120)~~
~~\$120 per year. However, for~~ SHALL BE AT LEAST \$240 PER YEAR
FOR THE FISCAL YEAR ENDING JUNE 30, 1978, AND \$360 PER YEAR
FOR EACH FISCAL YEAR THEREAFTER. FOR employees of elementary
and high school districts and of local government units,
the employer's premium contributions may exceed but shall
not be less than ~~the amount specified in this section~~ \$10
PER MONTH.

(2) In this section, as it applies to a person
employed in the executive or legislative branches of state
government, "employee" means:

(a) a permanent full-time employee as defined in
section 59-1007.1;

(b) a part-time employee as defined in section
59-1007.1 who is scheduled to work at least twenty (20)
hours per week;

(c) a person employed in a seasonal position as
defined in section 59-1007.1 who is employed on a regular
basis at least eight (8) months of the fiscal year."

-End-

SECOND READING