COMMISSION ON GOVERNMENT FORECASTING AND ACCOUNTABILITY

PENSION IMPACT NOTE

96TH GENERAL ASSEMBLY

BILL NO: **HB 6162** February 24, 2010

SPONSOR(S): Currie

SYSTEM(S): State Universities Retirement System

FISCAL IMPACT: Since the bill requires the Department of Central Management Services to administer a program of health benefits for certain community college districts not already participating in the Community College Health Insurance Security Fund, there will be a cost associated with HB 6162. However, because it is not clear how many community college districts would participate, or the number of persons that could be covered under this bill, the total cost cannot be determined.

SUBJECT MATTER: HB 6162 amends the State Employees Group Insurance Act of 1971 and the State Pension Funds Continuing Appropriation Act. The bill requires, beginning July 1, 2011, that the Department of Central Management Services administer a program of health benefits for community college districts not participating in the Community College Health Insurance Security Fund. The bill also requires a committee be establish, beginning July 1, 2010, to advise the State on the program and the necessary adjustments in funding sources.

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COMMENT: The main purpose of the Community College Health Insurance Security Fund is to pay the costs of the health benefit program for eligible community college district employees. Under HB 6162, community college employees not currently participating in the College Health Insurance Security Fund would be eligible for benefits under a program administered by the Department of Central Management Services.

HB 6162 further requires employers to contribute an amount equal to 0.75% of the salary paid to its full-time employees who participate in the State Universities Retirement System and are not defined as members covered under the State Employee Group Insurance Act of 1971. In addition, HB 6162 requires employees to 0.75% of salary toward benefits.

HB 6162 amends the State Mandates Act to require implementation without reimbursement.

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