

BILL SUMMARY
1st Session of the 58th Legislature

Bill No.:	SB650
Version:	Floor Substitute (FA1)
Request Number:	8165
Author:	Rep. Echols
Date:	4/15/2021
Impact:	See Analysis Below

Research Analysis

Pending

Prepared By: House Research Staff

Fiscal Analysis

The Floor Substitute for SB 650 modifies the state employee benefit allowance calculations beginning in plan year 2022. State employee benefit allowances are the amounts employers provide employees for the purpose of paying insurance premiums and other benefits. SB 650 establishes the Plan Year 2021 allowances as the minimum amount, increases the allowance by 2% in each of the next two plan years, and provides a calculation methodology for Plan Year 2024 and beyond.

Officials for the Office of Management and Enterprise Services estimate that the provisions of SB 650 are estimated to result in increased costs to state agencies of approximately \$8,390,000 in Plan Year 2022, and an additional increase of approximately \$8,558,000 in Plan Year 2023 or \$16,948,000 above Plan Year 2021 levels.

Plan Year's span January 1st through December 30th; whereas, state fiscal years span July 1st to June 30th. Converting plan year costs provided by OMES to state fiscal year costs result in the following fiscal year impacts:

FY 22 impact = \$4,195,000, (1/2 PY22 Cost)

FY 23 impact compared to FY 21 = \$12,669,000, (½ PY22 + ½ PY23)

Prepared By: John McPhetridge

Other Considerations

None.