

FISCAL NOTE
Requested by Legislative Council
12/20/2012

Bill/Resolution No.: HB 1058

- 1 A. **State fiscal effect:** *Identify the state fiscal effect and the fiscal effect on agency appropriations compared to funding levels and appropriations anticipated under current law.*

	2011-2013 Biennium		2013-2015 Biennium		2015-2017 Biennium	
	General Fund	Other Funds	General Fund	Other Funds	General Fund	Other Funds
Revenues	\$0	\$0	\$0	\$0	\$0	\$0
Expenditures	\$0	\$0	\$0	\$0	\$(230,100)	\$(217,500)
Appropriations	\$0	\$0	\$0	\$0	\$(230,100)	\$(217,500)

- 1 B. **County, city, school district and township fiscal effect:** *Identify the fiscal effect on the appropriate political subdivision.*

	2011-2013 Biennium	2013-2015 Biennium	2015-2017 Biennium
Counties	\$0	\$0	\$(67,000)
Cities	\$0	\$0	\$(48,650)
School Districts	\$0	\$0	\$(37,650)
Townships	\$0	\$0	\$0

- 2 A. **Bill and fiscal impact summary:** *Provide a brief summary of the measure, including description of the provisions having fiscal impact (limited to 300 characters).*

This bill relates to eligible NDPERS retirees, in particular pre-medicare retirees. It does the following: 1. Closes the PERS Health Plan to pre-medicare retirees on July 1, 2015 (Section 1). 2. Makes the PERS Retiree Health Credit portable (Section 2 & 3).

- B. **Fiscal impact sections:** *Identify and provide a brief description of the sections of the measure which have fiscal impact. Include any assumptions and comments relevant to the analysis.*

Section 1 closes the PERS Health Plan to pre-medicare retirees in 2015 and this will eliminate the implicit subsidy for this group by the active group. When all pre-medicare members are phased out of the health plan, the overall savings will be approximately \$2.46 per contract per month. Assuming the number of pre-medicare retirees is 50% less in the 2015-17 biennium, we estimate a savings of \$447,600 in state health premiums.

3. **State fiscal effect detail:** *For information shown under state fiscal effect in 1A, please:*

- A. **Revenues:** *Explain the revenue amounts. Provide detail, when appropriate, for each revenue type and fund affected and any amounts included in the executive budget.*

- B. **Expenditures:** *Explain the expenditure amounts. Provide detail, when appropriate, for each agency, line item, and fund affected and the number of FTE positions affected.*

See 2A

- C. **Appropriations:** *Explain the appropriation amounts. Provide detail, when appropriate, for each agency and fund affected. Explain the relationship between the amounts shown for expenditures and appropriations. Indicate whether the appropriation is also included in the executive budget or relates to a continuing appropriation.*

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