

COMMITTEE ON LEGISLATIVE RESEARCH  
OVERSIGHT DIVISION

**FISCAL NOTE**

L.R. No.: 5828-01  
Bill No.: HB 1922  
Subject: Highway Patrol; Insurance - Medical; Retirement - State; Boards, Commissions, Committees, Councils  
Type: Original  
Date: March 26, 2012

Bill Summary: This proposal creates and modifies provisions relating to health care benefits for members of the Missouri Department of Transportation and Highway Patrol Employees' Retirement System.

**FISCAL SUMMARY**

| <b>ESTIMATED NET EFFECT ON GENERAL REVENUE FUND</b>       |            |            |            |
|---|------------|------------|------------|
| FUND AFFECTED   | FY 2013    | FY 2014    | FY 2015    |
|   |            |            |            |
|   |            |            |            |
| <b>Total Estimated Net Effect on General Revenue Fund</b> | <b>\$0</b> | <b>\$0</b> | <b>\$0</b> |

| <b>ESTIMATED NET EFFECT ON OTHER STATE FUNDS</b>              |            |                         |                         |
|---|------------|-------------------------|-------------------------|
| FUND AFFECTED   | FY 2013    | FY 2014                 | FY 2015                 |
| Road Fund   | \$0        | 0 to (Unknown)          | 0 to (Unknown)          |
|   |            |                         |                         |
| <b>Total Estimated Net Effect on <u>Other</u> State Funds</b> | <b>\$0</b> | <b>\$0 to (Unknown)</b> | <b>\$0 to (Unknown)</b> |

Numbers within parentheses: ( ) indicate costs or losses.  
This fiscal note contains 5 pages.

| <b>ESTIMATED NET EFFECT ON FEDERAL FUNDS</b>                  |                |                |                |
|---|----------------|----------------|----------------|
| <b>FUND AFFECTED</b>  | <b>FY 2013</b> | <b>FY 2014</b> | <b>FY 2015</b> |
|   |                |                |                |
|   |                |                |                |
| <b>Total Estimated Net Effect on <u>All</u> Federal Funds</b> | <b>\$0</b>     | <b>\$0</b>     | <b>\$0</b>     |

| <b>ESTIMATED NET EFFECT ON FULL TIME EQUIVALENT (FTE)</b> |                |                |                |
|---|----------------|----------------|----------------|
| <b>FUND AFFECTED</b>                                      | <b>FY 2013</b> | <b>FY 2014</b> | <b>FY 2015</b> |
|   |                |                |                |
|   |                |                |                |
| <b>Total Estimated Net Effect on FTE</b>                  | <b>0</b>       | <b>0</b>       | <b>0</b>       |

- Estimated Total Net Effect on All funds expected to exceed \$100,000 savings or (cost).
- Estimated Net Effect on General Revenue Fund expected to exceed \$100,000 (cost).

| <b>ESTIMATED NET EFFECT ON LOCAL FUNDS</b> |                |                |                |
|--|----------------|----------------|----------------|
| <b>FUND AFFECTED</b>                       | <b>FY 2013</b> | <b>FY 2014</b> | <b>FY 2015</b> |
| <b>Local Government</b>                    | <b>\$0</b>     | <b>\$0</b>     | <b>\$0</b>     |

## FISCAL ANALYSIS

### ASSUMPTION

Officials from the **Joint Committee on Public Employee Retirement (JCP)** assume their review of the proposal would indicate that such legislation will not affect retirement plan benefits as defined in Section 105.660.

Officials from the **MoDOT & Patrol Employees' Retirement System(MPERS)** assume there will be no fiscal impact to their agency.

Officials from the **Missouri Highway Patrol** assume the Department of Transportation and the Retirement System will be responding on their behalf.

Officials from the **Division of Budget and Planning (BAP)** assume this proposal should not result in additional costs or savings to their division. They defer to MPERS and MoDOT for a fiscal impact.

Officials from the **Missouri Consolidated Health Care Plan (MCHCP)** assume this proposal would not affect their department.

Officials from the **Department of Transportation (MoDOT)** assume an unknown negative impact from this proposal.

The proposal revises the current plan for future retirees. Beginning January 1, 2014, the state contribution to retirees would be either \$12 per year of service up to 35 years with no survivor contribution or \$10 per year of service and includes a survivor contribution. The proposal proposes a retiree would receive 2% per year of service up to 30 years of service, which places the maximum to 60% state contribution which is higher than the plan initiated in 2012 to get current retirees to a 40% state contribution over the next four to seven years. This increases the MoDOT and Missouri Highway Patrol. Contribution levels and would greatly impact MoDOT and Missouri Highway Patrol. The impact is unknown.

The proposal states either the Commission or the Superintendent of the Highway Patrol could transfer the plan into MCHCP. It is not clear whether the Patrol superintendent could move the entire plan or just its medical plan beneficiaries into MCHCP and split off from the plan. If the Patrol members moved to MCHCP, it would impact the Medical Plan by losing approximately 3,600 subscribers and 4,080 dependents out of the 27,324 participants currently enrolled based on the February 2012 enrollment information.

| <u>FISCAL IMPACT - State Government</u>      | FY 2013<br>(10 Mo.) | FY 2014   | FY 2015   |
|--|---------------------|---|---|
| <b>ROAD FUND</b>                             |                     |   |   |
| <u>Loss - Department of Transportation</u>   |                     |   |   |
| Health Insurance Plan Transfer               | <u>\$0</u>          | <u>\$0 to</u><br><u>(Unknown)</u>               | <u>\$0 to</u><br><u>(Unknown)</u>               |
| <b>ESTIMATED NET EFFECT ON<br/>ROAD FUND</b> | <b><u>\$0</u></b>   | <b><u>\$0 to</u></b><br><b><u>(Unknown)</u></b> | <b><u>\$0 to</u></b><br><b><u>(Unknown)</u></b> |

| <u>FISCAL IMPACT - Local Government</u> | FY 2013<br>(10 Mo.) | FY 2014    | FY 2015    |
|---|---------------------|------------|------------|
|   | <u>\$0</u>          | <u>\$0</u> | <u>\$0</u> |

FISCAL IMPACT - Small Business

No direct fiscal impact to small businesses would be expected as a result of this proposal.

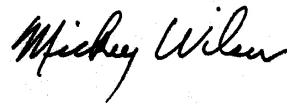
FISCAL DESCRIPTION

The proposed legislation creates and modifies provisions relating to health care benefits for members of the Missouri Department of Transportation and Highway Patrol Employees' Retirement System.

This legislation is not federally mandated, would not duplicate any other program and would not require additional capital improvements or rental space.

SOURCES OF INFORMATION

Joint Committee on Public Employee Retirement  
MoDOT & Patrol Employees' Retirement System  
Missouri Highway Patrol  
Department of Transportation  
Division of Budget & Planning  
Missouri Consolidated Health Care Plan  
Department of Transportation



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March 26, 2012