

Fiscal Note

State of Alaska
2017 Legislative Session

Bill Version:	CSHB 23(FIN)
Fiscal Note Number:	3
(H) Publish Date:	2/17/2017

Identifier: HB023CS(FIN)-GOV-OMB-2-16-17
 Title: INS. FOR DEPENDS. OF DECEASED
 FIRE/POLICE
 Sponsor: JOSEPHSON
 Requester: (H) FIN

Department: Fund Capitalization
 Appropriation: Fund Capitalization (no approps out)
 Allocation: Survivors' Fund
 OMB Component Number:

Expenditures/Revenues

Note: Amounts do not include inflation unless otherwise noted below. (Thousands of Dollars)

	FY2018	Included in	Out-Year Cost Estimates				
	Appropriation Requested	Governor's FY2018 Request	FY 2019	FY 2020	FY 2021	FY 2022	FY 2023
OPERATING EXPENDITURES	FY 2018	FY 2018					
Personal Services							
Travel							
Services							
Commodities							
Capital Outlay							
Grants & Benefits							
Miscellaneous	70.1		70.1	70.1	70.1	70.1	70.1
Total Operating	70.1	0.0	70.1	70.1	70.1	70.1	70.1

Fund Source (Operating Only)

1004 Gen Fund (UGF)	70.1		70.1	70.1	70.1	70.1	70.1
Total	70.1	0.0	70.1	70.1	70.1	70.1	70.1

Positions

Full-time							
Part-time							
Temporary							

Change in Revenues

Total	0.0	0.0	0.0	0.0	0.0	0.0	0.0
--------------	------------	------------	------------	------------	------------	------------	------------

Estimated SUPPLEMENTAL (FY2017) cost: 0.0 (separate supplemental appropriation required)
 (discuss reasons and fund source(s) in analysis section)

Estimated CAPITAL (FY2018) cost: 0.0 (separate capital appropriation required)
 (discuss reasons and fund source(s) in analysis section)

ASSOCIATED REGULATIONS

Does the bill direct, or will the bill result in, regulation changes adopted by your agency? N/A
 If yes, by what date are the regulations to be adopted, amended or repealed?

Why this fiscal note differs from previous version:

This updated fiscal note appropriates funding directly into the Survivors' Fund rather than through the Department of Public Safety and revises cost estimates.

Prepared By: Sylvan Robb
 Division: Office of Management and Budget
 Approved By: Pat Pitney, Director
 Agency: Office of Management and Budget

Phone: (907)465-4676
 Date: 02/16/2017 09:00 PM
 Date: 02/16/17

REPORTED OUT OF
HFC 02/16/2017

FISCAL NOTE ANALYSIS

STATE OF ALASKA
2017 LEGISLATIVE SESSION

Analysis

This bill establishes the Peace Officer and Firefighter Survivors' Fund in the general fund for the purpose of paying medical insurance premiums on behalf of eligible surviving dependents of a peace officer or firefighter who dies in the line of duty. Under this bill, the state will pay 100 percent of the premiums for state peace officers and firefighters and 50 percent of the premiums for peace officers and firefighters employed by small municipalities (population < 10,000).

The FY2018 expected annual cost for the employer and employee portion of medical insurance premiums under the Public Safety Employees' Association (PSEA) Health Trust is approximately \$23,372.00 per eligible survivor family. Currently there are three known eligible state survivor families, generating an amount necessary for the fund of \$70,116.00 in FY2018 and each year thereafter assuming the number of eligible families remains unchanged.

The nature of this fund comes with unknowns; the number of eligible families may increase or decrease over time. There are two pools of potential beneficiaries: those from the past and those in the future. Obviously, we know more about the potential pool of fallen officers from the past. In the last 45 years, 40 peace officers and 11 firefighters have been killed in Alaska in the line of duty. None of the firefighters would be eligible because they were either federal employees, volunteer firefighters or with the Anchorage Fire Department.

Twenty-four of the 40 peace officers are potentially eligible, 15 of whom were state employees and nine were employees of small municipalities. Based on the assumption that spouses tend to be approximately the same age, we do not think it likely that 11 of the families will be eligible because if the surviving spouse is the same age as their deceased spouse, they would be older than 65 and eligible for Medicare. Of the remaining 13 survivor families who are assumed to be younger and more likely to apply for these benefits, six may be eligible under the state plan (including the three shown in the costs on page 1) and seven are employees of small municipalities. Of those 13 families, four of the peace officers would be in their sixties were they living.

We cannot know the size of the pool of future beneficiaries. The future cost of medical insurance is unknown and municipalities have different insurance plans, so those (potential) costs remain unknown. Thus, since the out-years are actually indeterminate, this fiscal note is informational only.

It is intended the amount required to pay the premiums for survivors eligible under this legislation, estimated to be \$70.1 per year, will be appropriated in the language section of the operating bill.