

Fiscal Note

State of Alaska
2023 Legislative Session

Bill Version:	HB 21
Fiscal Note Number:	1
(H) Publish Date:	3/29/2023

Identifier: HB21-UA-SS-3-10-2023
 Title: SCHOOL/UNIVERSITY EMPLOYEE HEALTH
 INSUR
 Sponsor: VANCE
 Requester: (H) Education Committee

Department: University of Alaska
 Appropriation: University of Alaska
 Allocation: Systemwide Services
 OMB Component Number: 730

Expenditures/Revenues

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

	FY2024	Included in	Out-Year Cost Estimates				
	Appropriation Requested	Governor's FY2024 Request	FY 2025	FY 2026	FY 2027	FY 2028	FY 2029
OPERATING EXPENDITURES	FY 2024	FY 2024					
Personal Services							
Travel							
Services							
Commodities							
Capital Outlay							
Grants & Benefits							
Miscellaneous							
Total Operating	0.0	0.0	0.0	0.0	0.0	0.0	0.0

Fund Source (Operating Only)

None							
Total	0.0	0.0	0.0	0.0	0.0	0.0	0.0

Positions

Full-time							
Part-time							
Temporary							

Change in Revenues

None							
Total	0.0	0.0	0.0	0.0	0.0	0.0	0.0

Estimated SUPPLEMENTAL (FY2023) cost: 0.0 *(separate supplemental appropriation required)*

Estimated CAPITAL (FY2024) cost: 0.0 *(separate capital appropriation required)*

Does the bill create or modify a new fund or account? N
(Supplemental/Capital/New Fund - 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
 If yes, by what date are the regulations to be adopted, amended or repealed?

Why this fiscal note differs from previous version/comments:

Initial version

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Division:	UA System Office of Strategy, Planning and Budget	Date:	03/10/2023
Approved By:	Michelle Rizk	Date:	03/10/23
Agency:	University of Alaska		

FISCAL NOTE ANALYSIS

STATE OF ALASKA
2023 LEGISLATIVE SESSION

Analysis

House Bill 21 is titled "An Act relating to group insurance coverage and self-insurance coverage for school district employees, employees of the University of Alaska, and employees of other governmental units in the state".

The legislation would add a new section, AS 14.27.010 University and School District Employee Health Insurance, which states "A school employer **may** elect to participate in a policy of insurance selected by the commissioner of administration that includes health insurance coverage of school employees (AS 14.27.010(a)). The University of Alaska is included in the definition of school employee/employer (AS 14.27.010(f)). Contributions and/or reimbursements are required for participating entities (AS 14.27.010 (b-d)).

The legislation also adds a new number to AS 14.40.170(b) Duties and powers of Board of Regents - the Board of Regents **may**, "(6) establish and maintain participation in an insurance policy that includes health insurance, as authorized under AS 14.27.010, to cover persons employed by the university". The University is not required to participate in the State's health insurance program.

In fall 2021 the University and the State of Alaska Division of Retirement and Benefits worked together to explore if it was financially viable for the university to participate in the State of Alaska's AlaskaCare Employee Health Plan instead of UA's Choice Health Plan. The initial analysis determined that the University's upfront costs to implement a new program and recent AlaskaCare plan performance would not yield substantial savings to the university.

At this time, the University of Alaska does not plan to participate in the State's health insurance program. If passed, there would be no financial cost to the University at this time.