

February 7, 2017

The Honorable Jeff Longbine, Chairperson
Senate Committee on Financial Institutions and Insurance
Statehouse, Room 341-E
Topeka, Kansas 66612

Dear Senator Longbine:

SUBJECT: Fiscal Note for SB 110 by Senate Committee on Financial Institutions and Insurance

In accordance with KSA 75-3715a, the following fiscal note concerning SB 110 is respectfully submitted to your committee.

SB 110 would authorize the State Board of Regents to independently provide, through self-insurance or the purchase of insurance contracts, health care benefits for employees of a state educational institution when the State Health Care Benefits Program is insufficient to satisfy the insurance requirements of the federal Mutual Educational and Cultural Exchange Act of 1961.

Estimated State Fiscal Effect				
	FY 2018 SGF	FY 2018 All Funds	FY 2019 SGF	FY 2019 All Funds
Revenue	--	--	--	--
Expenditure	--	\$108,000	--	\$108,000
FTE Pos.	--	--	--	--

Federal law requires employees who hold J-1 Visas to have health insurance coverage that meets certain minimum requirements, including a deductible that does not exceed \$500 per accident or illness. Since changes to Plan A of the State Employee Health Plan for 2017 increased the individual deductible to \$1,000, the State Board of Regents indicates there are a total of 216 benefits-eligible visiting scholars employed at Wichita State University, Kansas State University and the University of Kansas who no longer have health insurance that meets this federal requirement. The Board indicates the universities have secured a temporary measure

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February 7, 2017

Page 2—SB 110

through July 31, 2017, but the solution provided in SB 110 would increase expenditures for the Board and the universities by \$500 per employee or \$108,000 beginning in FY 2018 and each subsequent year. The Board indicates these expenditures would be paid with university resources. Any fiscal effect associated with SB 110 is not reflected in *The FY 2018 Governor's Budget Report*.

Sincerely,

A handwritten signature in black ink, appearing to read "Shawn Sullivan", with a horizontal line extending to the right.

Shawn Sullivan,
Director of the Budget

cc: Kelly Oliver, Board of Regents
Dan Thimmesch, Health & Environment