



Legislative  
Council Staff

*Nonpartisan Services for Colorado's Legislature*

**SB 18-247**

# FINAL FISCAL NOTE

<b>Drafting Number:</b>	LLS 18-1195	<b>Date:</b>	July 12, 2018
<b>Prime Sponsors:</b>	Sen. Gardner Rep. Landgraf; Kraft-Tharp	<b>Bill Status:</b>	Signed into Law
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**Bill Topic:** LOCAL GOVERNMENT MEDICAL BENEFITS IN WORK-RELATED DEATH

<b>Summary of Fiscal Impact:</b>	<input checked="" type="checkbox"/> State Revenue ( <i>conditional</i> )	<input type="checkbox"/> TABOR Refund
	<input checked="" type="checkbox"/> State Expenditure	<input checked="" type="checkbox"/> Local Government ( <i>conditional</i> )
	<input type="checkbox"/> State Transfer	<input checked="" type="checkbox"/> Statutory Public Entity

This bill creates the Police Officers' and Firefighters' Continuation of Benefits Board to review submissions from participating employers for the continuation of medical and dental benefits for the dependents of any employee who dies in a work-related death and whose duties were directly involved with the provision of police or fire protection services. The bill increases state workload beginning in the current FY 2017-18. Conditional upon local governments entering into agreements with the Department of the Treasury, the bill may increase state and local government revenue and expenditures on an ongoing basis.

**Appropriation  
Summary:** No appropriation is required.

**Fiscal Note  
Status:** The fiscal note reflects the enacted bill.

## Summary of Legislation

This bill creates the Police Officers' and Firefighters' Continuation of Benefits Board (board) in the Department of the Treasury (Treasury). The board, which is to be staffed by the Treasury, is responsible for reviewing submissions from employers for the continuation of medical and dental benefits for the dependents of any employee who dies in a work-related death and whose duties were directly involved with the provision of police or fire protection services (services). The board consists of the State Treasurer or his or her designee, the executive director of the Department of Public Safety or his or her designee, and the executive director of the Fire and Police Pension Association or his or her designee. Board members serve without compensation, but must be reimbursed by the Treasury for any necessary expenses. The board is authorized to set policies and procedures as necessary to implement the program.

**Optional participation and use of funds.** Any county, municipality, special district, or county improvement district that employs one or more persons to provide police or fire services may enter into an agreement with the board to make quarterly contributions to the newly created Police Officers' and Firefighters' Continuation of Benefits Fund (fund) in the Treasury. The board must determine the amount of the contribution and method of payment required by each participating employer.

The fund consists of moneys received by participating employers, any appropriations or transfers of funds made by the General Assembly, and any interest earnings. All expenditures by the board, including payments to employers for dependent medical and dental coverage, must be appropriated by the General Assembly. If at any time there are insufficient moneys in the fund to cover dependent benefit payments, the State Treasurer must advance moneys to the fund in order to cover those costs. Any advanced moneys are to be repaid by the board on a schedule to be set by the board.

**Continuation of benefits.** The dependents of an employee who dies in a work-related death are automatically qualified for the continuation of medical and dental benefits through the employer's benefit plans for 12 months from the end of the month in which the death occurred. To be eligible for payments from the fund, the dependents must have been enrolled in the applicable medical or dental benefit plans at the time of the death, and the employer must have an agreement with the board, although the bill allows employers to independently continue such benefits directly if they choose.

### **State Revenue**

Conditional upon local governments choosing to enter into agreements with the board, state cash fund revenue will increase as early as the current FY 2017-18. This intergovernmental revenue is exempt from the provisions of TABOR. As of this writing, it is unknown how many local governments will choose to participate or what the contribution rates will be.

### **State Expenditures**

This bill increases workload for the executive directors or their designees of the Treasury and Department of Public Safety to serve on the board beginning in the current FY 2017-18. Treasury will also be required to provide staff support to the board and to reimburse the board members for any necessary expenditures. These amounts are assumed to be minimal and not require an increase in appropriations for either state agency.

Conditional upon local governments choosing to enter into agreements with the board, state expenditures will increase. The fiscal note assumes the Treasury will request additional appropriations for expenditures by the board once its costs are known.

### **Local Government**

Conditional upon local governments choosing to enter into agreements with the board, local governments may have an increase in expenditures. The amount of any expenditures depends on several factors including: whether contributions to the fund are made by the employer or from employee payments, the number of employees for which contributions are made, and the contribution rates set by the board. In addition, if a participating employer's eligible employee dies and his or her's dependents choose to continue medical and dental coverage, the employer will receive revenue from the board to make benefits payments for up to 12 months. These impacts cannot be determined as of this writing, but may vary widely depending on the size of each participating local government employer.

**Statutory Public Entity**

The bill increases workload for the executive director of the Fire and Police Pension Association or his or her designee to serve on the board beginning in the current FY 2017-18.

**Effective Date**

The bill was signed into law by the Governor and took effect on May 30, 2018.

**State and Local Government Contacts**

Counties  
Local Affairs  
Sheriffs

Fire Chiefs  
Municipalities  
Special Districts

Information Technology  
Public Safety  
Treasury