

FISCAL NOTE

Nonpartisan Services for Colorado's Legislature

Drafting Number: LLS 18-0437 Date: February 5, 2018

Prime Sponsors: Sen. Martinez Humenik; Bill Status: Senate Health and Human Services Moreno

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Bill Topic: MEDICAL BENEFITS AFTER EMPLOYEE WORK-RELATED DEATH

□ TABOR Refund Summary of □ State Revenue **Fiscal Impact:** State Expenditure (conditional) □ Local Government

□ State Transfer □ Statutory Public Entity

This bill requires state agencies to continue paying certain benefits to dependents of an employee who dies in a work-related death. It may have an ongoing conditional

fiscal impact.

Appropriation Summary:

No appropriation is required.

Fiscal Note Status:

This fiscal note reflects the introduced bill.

Summary of Legislation

This bill requires a state agency to continue paying medical and dental benefits to the dependents of an employee who dies in a work-related death for 12 months from the end of the month in which the work-related death occurs.

Background

There have been six work-related deaths among four state departments in the last five fiscal years.

State Expenditures

The bill has a ongoing conditional fiscal impact. The bill will trigger a state expenditure in the event of a work-related death if the deceased employee has one or more dependents that are already receiving medical and dental benefits from the state. The costs payable by a state agency under the bill are those attributable to the employee share of the benefit cost. The expenditure amount is conditional on the number of employee deaths, dependents, and the cost of the benefit plan.

This fiscal note assumes that if the costs associated with paying medical and dental benefits to the dependents of a deceased employee cannot be paid from existing appropriations, then a state agency will seek a supplemental appropriation through the regular budget process.

SB 18-148

Most agencies — including those agencies that have reported a work-related death in the last five fiscal years — anticipate that costs associated with the bill can be paid from existing appropriations. Some agencies provided estimated costs, based on FY 2017-18 plan rates. These estimates ranged from \$6,000 to \$23,000 per incident, based on the number of dependents and the selected benefits plan.

Effective Date

The bill takes effect upon signature of the Governor, or upon becoming law without his signature.

State and Local Government Contacts

All State Agencies