

**LEGISLATIVE SERVICES AGENCY
OFFICE OF FISCAL AND MANAGEMENT ANALYSIS**

301 State House
(317) 232-9855

FISCAL IMPACT STATEMENT

LS 7002

BILL NUMBER: HB 1252

DATE PREPARED: Jan 27, 1999

BILL AMENDED: Jan 25, 1999

SUBJECT: Ball State contractor benefits.

FISCAL ANALYST: Mark Goodpaster

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FUNDS AFFECTED: **GENERAL**
DEDICATED
FEDERAL

IMPACT: State

Summary of Legislation: (Amended) This bill requires Ball State University to provide the same health insurance benefits to individuals who teach under a contract with the university as the university provides to its employees, provided that the individuals have taught the length of time required for an employee of the university to become eligible for retirement health benefits.

Effective Date: July 1, 1999.

Explanation of State Expenditures: (Revised) The costs due to passage of this bill will depend on how many staff members who have qualified for health insurance coverage while working for the University, but do not qualify for coverage after their contract is completed, would now be eligible for coverage.

Ball State University has a current policy that regular full time employees who have worked for 15 years can retire with health care benefits at age 50. Regular full time employees who have worked for 10 years can retire with health care benefits at age 60. This bill would allow individuals who meet the length of service and age requirements which apply to regular employees of the University to qualify for health care benefits as retired persons in future years.

This bill would affect two groups of individuals: (1) those who are currently adjunct faculty members and met one of the age and service requirements specified in the last paragraph as of Jan. 1, 1999 and (2) those who are no longer on the faculty and met the length of service requirement some time in the past. As of Fall, 1998, Ball State University employed 202 persons as nontenure track full time faculty and 47 part time faculty. Sixteen (16) of these individuals would be eligible for these health benefits because they have met the age and consecutive years in service requirement under Ball State's personnel policies. The number of individuals who are in the second group (those no longer employed at Ball State as contract staff but who met the personnel requirements specified above) were not able to be identified.

Currently, Ball State University's contribution for single coverage is \$2,682 per year while its contributions for family coverage are \$6,961.

Ball State University is self insured for health insurance. Consequently, each individual and family member who is covered is insured for a maximum \$1 million over the lifetime of that individual or family member. Therefore, the cumulative liability of this bill could be significant.

This bill would not increase any additional liabilities on the State General Fund. This is because the health benefits that are granted to Ball State University employees are based on a formula that takes into account past expenditures and inflation but not any new cost items. Additional costs are absorbed by increased fees and could affect other programs or salaries.

Explanation of State Revenues:

Explanation of Local Expenditures:

Explanation of Local Revenues:

State Agencies Affected: Ball State University.

Local Agencies Affected:

Information Sources: Commission on Higher Education, State of Indiana Benefit Programs, Mike Morrison, Ball State University.