

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

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**FISCAL IMPACT STATEMENT**

**LS 6659**  
**BILL NUMBER:** HB 1039

**NOTE PREPARED:** Jan 1, 2013  
**BILL AMENDED:**

**SUBJECT:** State Administration.

**FIRST AUTHOR:** Rep. Brown T  
**FIRST SPONSOR:**

**BILL STATUS:** As Introduced

**FUNDS AFFECTED:**  **GENERAL**  
**DEDICATED**  
**FEDERAL**

**IMPACT:** State

**Summary of Legislation:** This bill abolishes the Select Joint Commission on Medicaid Oversight, and moves its duties to the Health Finance Commission. It abolishes the Health Finance Advisory Committee and the Health Policy Advisory Committee within the Health Finance Commission.

The bill also extends the leave conversion pilot project for legislative and judicial branch state employees until June 30, 2016. (Under current law, the pilot project expires June 30, 2013.)

**Effective Date:** Upon passage.

**Explanation of State Expenditures:** *Repeal of the Select Joint Commission on Medicaid Oversight:* State expenditures will be minimally reduced due to the repeal of the Select Joint Commission on Medicaid Oversight. The specific reduction will depend upon whether the Health Finance Commission has additional meetings in order to incorporate the duties currently assigned to the Select Joint Commission on Medicaid Oversight.

*Repeal of the Healthy Finance Advisory and Health Policy Advisory Committees:* This bill also repeals the Health Finance Advisory and Health Policy Advisory Committees within the Health Finance Commission. Because these committees have not met recently, repealing them should have minimal fiscal impact.

*Leave Conversion Pilot Program:* This bill extends the leave conversion pilot program for legislative and judicial branch state employees through June 30, 2016. The fiscal impact of this provision will depend on legislative and judicial branch actions and appropriations. Annual expenditures since FY 2006 for the current

leave conversion pilot program are reported in the table below.

<b>Fiscal Year</b>	<b>Expenditures</b>
FY 2006	\$426,560
FY 2007	\$376,687
FY 2008	\$389,956
FY 2009	\$381,505
FY 2010	\$257,488
FY 2011	\$287,277
FY 2012	\$223,269

The current leave conversion pilot program allows legislative and judicial branch state employees to annually convert vacation leave hours and sick leave hours to cash that is deposited into a 401(a) retirement savings account. The conversion rate is 60% of an employee's hourly pay rate. The number of vacation leave or sick leave hours an employee can convert each year depends on the employee's balance of vacation leave and sick leave hours.

Background Information - The Select Joint Commission on Medicaid Oversight met twice during the 2012 interim and had expenses of about \$3,800. The membership consisted of 12 legislators. Legislative Council Resolution 12-02 established budgets of \$9,500 for study committees with less than 16 members.

The Health Finance Advisory Committee has not met since the 2003 interim and the Health Policy Advisory Committee has not met since the 2006 interim. In 2003, the Health Finance Advisory Committee had expenses of about \$241. In 2006, the Health Policy Advisory Committee had expenses of \$600.

**Explanation of State Revenues:**

**Explanation of Local Expenditures:**

**Explanation of Local Revenues:**

**State Agencies Affected:**

**Local Agencies Affected:**

**Information Sources:** Legislative Council Resolution 12-02; Auditor's data; Brent Plunkett, Auditor's Office, 317-232-3299.

**Fiscal Analyst:** Jessica Harmon, 317-232-9854.