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**Fiscal Note**  
**Bill Number SB0066**

10-Feb-98

8:50 AM

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Passage of this bill will require a General Fund appropriation of \$34,000 to the Division of Purchasing and General Services for FY 1999 and \$30,000 for FY 2000 for compliance costs associated with the provisions of this bill. Although the provisions of the bill do not require the state to pay the increased costs relative to contractor health care coverage, the state could eventually pay higher contract prices. The higher prices may be the result of diminished competition or higher bids to allow for the added cost of health care coverage. For example, the Department of Human Services has estimated that provider contracts may require General Fund increases up to \$2.9 million along with a need for increased Federal participation of up to \$1.3 million annually. The Office of Education has estimated that school construction costs could increase by as much as \$4.2 million annually and State construction projects could increase as much as \$3,000,000 annually. Human Service agencies may elect to increased contract prices within existing budgets, but the number of service recipients could be decreased. Although not quantifiable at this time, there may be some offset to increased state costs through savings in programs such as Medicaid.

	<u>FY 99 Approp.</u>	<u>FY 00 Approp.</u>	<u>FY 99 Revenue</u>	<u>FY 00 Revenue</u>
General Fund	\$34,000	\$30,000	\$0	\$0
<b>TOTAL</b>	<b>\$34,000</b>	<b>\$30,000</b>	<b>\$0</b>	<b>\$0</b>

**Office of the Legislative Fiscal Analyst**