

AMENDED NOTE

Costs to construction projects are difficult to estimate. National data show that voluntary benefits make up 1.8% of construction costs and that health insurance makes up one-third to two-thirds of voluntary benefits. This creates an impact of 0.2% to 0.78% on construction costs. The five year average for state construction (not including federal funds) is \$255 million. This would create additional costs of at least \$500,000 per year and could reach as high as \$1,989,000 for construction costs alone.

DFCM contracts would see an impact ranging from \$200,000 to \$250,000 for contractors providing maintenance and janitorial services.

Contracts for Human Services may increase by more than \$4 million for services provided by home care providers, DCFS privatized shelters for children, group homes, or a host of other services.

If these costs are not funded, the State may contract for less services and fewer projects as a result of this requirement.

DFCM will require an additional FTE to monitor contracts it manages internally and the Division of Purchasing will require 2 FTE for contracts they monitor. A conservative estimate places those wages and benefits at \$32,000 per FTE per year plus \$4,000 per FTE in the first year for equipment.

	<u>FY 01 Approp.</u>	<u>FY 02 Approp.</u>	<u>FY 01 Revenue</u>	<u>FY 02 Revenue</u>
General Fund	\$108,000	\$96,000	\$0	\$0
TOTAL	<u>\$108,000</u>	<u>\$96,000</u>	<u>\$0</u>	<u>\$0</u>

Individual and Business Impact

Small businesses can expect to pay between \$90 and \$100 per employee per month, even for part time workers. Many employees now without health insurance would benefit from this bill. The bill does not specify if the employer can share the burden with the employee.
