

FISCAL NOTE

H.B. 423

SHORT TITLE: School District Postemployment Health Insurance Benefit Amendments

SPONSOR: Eliason, S.

2014 GENERAL SESSION

STATE GOVERNMENT (UCA 36-12-13(2)(b))

Enactment of this bill likely will not materially impact the state budget.

LOCAL GOVERNMENTS (UCA 36-12-13(2)(c))

Enactment of this bill requires local education agencies to recognize liabilities associated with other postemployment health insurance benefits and implement a plan to fund these liabilities, or discontinue offering the benefit as outlined in the bill. The cost of implementing this bill will vary for each LEA depending on the amount of unfunded liability they have and how they implement a plan to fund current liabilities.

In a recent survey of school districts, twenty school districts had unfunded postemployment benefit liabilities totaling approximately \$205 million, with a range of \$49,000 to over \$104 million. Approximately fourteen school districts have closed their plans to new employees. Of the remaining districts with open plans, approximately thirteen school districts have unfunded liabilities.

DIRECT EXPENDITURES BY UTAH RESIDENTS AND BUSINESSES (UCA 36-12-13(2)(d))

Enactment of this bill likely will not result in direct, measurable expenditures by Utah residents or businesses.

PERFORMANCE NOTE (JR 4-2-404): Not Required