

State Impact

Measureable costs to the state include one FTE (step 31) for the Division of Purchasing to monitor contracts and one FTE (step 41) to DFCM to monitor contracts and work with school districts.

Studies show that a bill of this type will increase contract costs by .2% to .8%. DFCM estimates that the increase will be 1% due to the impact falling mostly on DFCM's smaller contractors. Soft costs to the state beyond personal services reflects the costs of contracts and the cost of legal action that may reach \$30,000 per year.

There may be cost offsets through lowered dependence on government programs such as public health care and food stamps.

	<u>FY 04 Approp.</u>	<u>FY 05 Approp.</u>	<u>FY 04 Revenue</u>	<u>FY 05 Revenue</u>
General Fund	\$69,200	\$69,200	\$0	\$0
TOTAL	<u>\$69,200</u>	<u>\$69,200</u>	<u>\$0</u>	<u>\$0</u>

Individual and Business Impact

This will initially increase costs for employers who do not offer health coverage but do business with the state. These employers may begin to see savings in future years as turnover slows and preventative health saves lost days.

Individuals in low wage jobs will benefit from lower costs for health care coverage.

Hospitals may see lower costs from lower "write-off" expenses since newly covered employees will be able to make regular doctor visits rather than using expensive emergency rooms as primary care facilities.
