

DEPARTMENT OF FINANCE BILL ANALYSIS

AMENDMENT DATE: May 29, 2008
POSITION: Support
SPONSOR: Department of Personnel Administration

BILL NUMBER: SB 1601
AUTHOR: G. Negrete McLeod

BILL SUMMARY: Public Employees

This bill would allow state, legislative, and judicial branch annuitants to participate in the state's group legal plan, sponsored by the Department of Personnel Administration (DPA). This plan is currently only available to active employees.

This bill would provide for the continuous appropriation of the Vision Care Program (VCP) for State Annuitants Fund (VCP fund). Chapter 611, Statutes of 2006 (AB 2242) established the VCP fund, which is available upon appropriation by the Legislature. This bill would also allow a plan provider to directly bill an annuitant if there were insufficient funds in an annuitant's allowance to pay the premium.

FISCAL SUMMARY

This bill would not increase state costs. The state's group legal and VCP programs are fully funded by the programs participants.

SUMMARY OF CHANGES

Amendments to this bill since our analysis of the original version are minor and do not alter our position.

COMMENTS

The Department of Finance supports this Administration sponsored bill to allow annuitants to participate in the state's group legal plan and to provide for the continuous appropriation of the VCP fund.

Group Legal Services Plan

This Plan provides a range of free and low-cost legal assistance for commonly needed services, including will preparation, domestic matters (divorce, separation, and annulment), bankruptcy proceedings, consumer protection, real estate transactions, and defense of criminal misdemeanors, traffic charges, and civil actions. Employees who participate in this program do so at their own expense via monthly premiums deducted from their paychecks. Approximately 33,000 employees are currently enrolled in the plan.

Vision Care Program

Unlike most of the state's benefit programs, which use pass-through accounts or continuous appropriations, this program was created to require an annual appropriation. DPA, as the plans sponsor, runs the risk of not having enough funds to pay the VCP premiums if enrollment numbers exceed expectations or the budget is late. Approximately 40,000 annuitants are currently enrolled in the plan.

Analyst/Principal (0931) K. Martone Date Program Budget Manager Diana Ducay Date

Department Deputy Director Date

Governor's Office: By: Date: Position Approved Position Disapproved

BILL ANALYSIS Form DF-43 (Rev 03/95 Buff)

BILL ANALYSIS/ENROLLED BILL REPORT--(CONTINUED)
AUTHOR **AMENDMENT DATE**

Form DF-43
BILL NUMBER

G. Negrete McLeod

May 29, 2008

SB 1601

Code/Department Agency or Revenue Type	SO	(Fiscal Impact by Fiscal Year)							Fund Code
	LA	(Dollars in Thousands)							
	CO	PROP							
	RV	98	FC	2008-2009	FC	2009-2010	FC	2010-2011	
9901/Var Depts	SO	No		-----	No/Minor Fiscal Impact	-----			0001
9901/Var Depts	SO	No		-----	No/Minor Fiscal Impact	-----			0995
9901/Var Depts	SO	No		-----	No/Minor Fiscal Impact	-----			0494
<u>Fund Code</u>	<u>Title</u>								
0001	General Fund								
0494	Other Unallocated Special Funds								
0995	Reimbursements								