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FISCAL IMPACT REPORT

ORIGINAL DATE 2/03/08

SPONSOR Nava LAST UPDATED _____ HB _____

SHORT TITLE Transfer to Long-term Reserves SB 520

ANALYST Propst

APPROPRIATION (dollars in thousands)

Appropriation		Recurring or Non-Rec	Fund Affected
FY08	FY09		
	\$17,000.0	Non-Recurring	General Fund

(Parenthesis () Indicate Expenditure Decreases)

SOURCES OF INFORMATION

LFC Files

Responses Received From

Retiree Health Care Authority (RHCA)
Health Policy Commission (HPC)

SUMMARY

Synopsis of Bill

Senate Bill 520 makes a transfer from the General Fund to the Long-term Reserves of the Retiree Health Care Authority, appropriates \$17.0 million from the general fund to RHCA's long-term reserve fund.

FISCAL IMPLICATIONS

The appropriation of \$17.0 million contained in this bill is a non-recurring expense to the general fund. Any unexpended or unencumbered balance remaining at the end of FY09 shall revert to the general fund.

SIGNIFICANT ISSUES

Senate Bill 520 appropriates \$17.0 million from the general fund to RHCA's long-term reserves to enhance the fund's solvency. The \$17.0 million will add slightly less than two years to the fund's solvency. The fund is currently expected to become insolvent by June 2014.

RELATIONSHIP

Related to SB 67 and HB 183 which provide for a comprehensive solution to RHCA's solvency problems and would extend solvency to 2027 if fully implemented.

WEP/nt