



[HF 2549](#) – Special Investigations Fund, Department of Public Safety (LSB5964HV)
Staff Contact: Christin Mechler (515.250.0458) christin.mechler@legis.iowa.gov
Fiscal Note Version – New

Description

[House File 2549](#) allows peace officers employed within the Department of Public Safety (DPS) who are currently not covered under a collective bargaining agreement to have the option to participate in the group health insurance plan for peace officers that is negotiated between the State and the State Police Officers Council Labor Union (SPOC). The Bill requires the DPS to calculate the cost savings to the Department for allowing peace officers to participate in the group health insurance plan negotiated by the State and the SPOC.

Additionally, the Bill establishes a Special Investigations Fund and directs the DPS to transfer into the Fund from moneys appropriated to the Department an amount equal to the calculated cost savings. Moneys in the Fund are to be appropriated to the DPS for the purpose of paying Department personnel to investigate unsolved homicides and sexual assaults.

Background

Under current law, certain peace officers are prohibited from participating in the health insurance plan that is negotiated between the State and the SPOC. These peace officers, who are primarily classified as supervisors, are allowed to participate in a nonnegotiated health care plan offered through the State.

Assumptions

- In April of each year, the Department of Management (DOM) runs a current salary projection for the upcoming year that is entered into the 1/3 budget system and used by departments as part of their spending plan when entering budgets for the upcoming fiscal year. This projection is a snapshot in time that considers any step increases, across-the-board cost of living adjustments, and any changes to health or dental insurance costs for the upcoming budget year.
- For the purpose of providing a cost estimate, it is assumed that 100.0% of eligible current peace officer supervisors will choose to exercise the option to participate in the group health insurance plan negotiated by the State and the SPOC.
- The number of participants, number of covered individuals, plan, and coverage are assumed to stay constant in future years.
- The State share of health care insurance premiums is assumed to remain constant in future years.
- According to the Department of Administrative Services, State health care premiums are assumed to increase 6.5% annually.
- Premiums for health insurance policies currently afforded to peace officer supervisors are higher than those afforded to employees covered by SPOC health insurance.
- The DPS will recalculate potential savings resulting from allowing peace officers who are currently not covered under a collective bargaining agreement to exercise the option to participate in a group health insurance plan as negotiated by the State and SPOC on an

annual basis. Potential savings resulting from lower health insurance cost will be transferred in to the Special Investigations Fund from moneys appropriated to the Department.

Fiscal Impact

House File 2549 is estimated to lower the Department of Public Safety's annual costs for health insurance benefits by \$426,000 in FY 2021. For FY 2021, the calculated savings of \$426,000 will be transferred to the new Special Investigations Fund. For subsequent fiscal years, the Department may see potential annual savings that will be transferred in to the Special Investigations Fund from moneys appropriated to the Department but an exact amount cannot be determined at this time.

Sources

Legislative Services Agency
Department of Public Safety
Department of Administrative Services

/s/ Holly M. Lyons

March 10, 2020

Doc ID 1131898

The fiscal note for this Bill was prepared pursuant to [Joint Rule 17](#) and the Iowa Code. Data used in developing this fiscal note is available from the Fiscal Services Division of the Legislative Services Agency upon request.

www.legis.iowa.gov