



# STATE OF ALABAMA STATE EMPLOYEES INSURANCE BOARD

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## Legislative Update

By: Sally Corley

There are only two legislative days left, and the Legislature is expected to adjourn “Sine Die” this coming week, which means they will adjourn without setting a date to return. This week the Governor signed the Education Budget. As a recap, the General Fund budget was enacted earlier this month with an increased rate of \$850 for SEIB, and it reflects an \$85 million shortfall for Medicaid.

The joint legislative committee to review Medicaid held their second meeting this week and focused on hospitals. This committee will continue to meet after the session ends. Late last night, the House passed HB569, which will use most of the BP settlement money to pay down the debt owed to the Alabama Trust Fund. But HB569 also transfers an additional \$20 million to Medicaid for FY17. The Senate will decide next week whether to concur with HB569 or send it to a conference committee.

Below is a brief description of some of the bills we are tracking this session. Please know these weekly legislative updates are meant to keep you informed of legislation that may affect you, and are provided in an effort to demonstrate the SEIB’s commitment to the goal of providing the best health care coverage available at an affordable rate for our members.

### **SB125 - FY17 GENERAL FUND BUDGET:**

The biggest item on our legislative agenda each year is the general fund budget. The Legislature increased SEIB’s rate from \$825 to \$850, and encouraged the Board not to increase out of pocket costs for members. A rate of \$850 is a great improvement, but it does not fully fund SEIB’s request of \$875. While the legislature intends for there to be no increased out of pocket expenses, we cannot guarantee that at a partially-funded rate of \$850. The Board meets in late summer to determine the rates for the upcoming year, and many factors will be considered in that decision.

This is the one perk for state employees in the General Fund Budget. This increase to SEIB’s rate helps all employees equally, and it benefits active and retired employees alike. A rate of \$850 greatly reduces the need for an increase to your out of pocket expenses. Please thank your legislators for the increased rate.

Don’t forget that if you qualify for “other employer health insurance coverage” through a spouse or another job, please contact your [SEIB Advisor](#) today to find out about savings opportunities that are immediately available to you.

**STATUS:** Both chambers overrode the Governor’s veto - Enacted.

## **HOUSE:**

### **HJR17 Greer – Pension Committee Resolution:**

Extended the duration of the Pension Committee to April 1, 2016. The Committee reviewed pensions and retiree health insurance benefits, and made recommendations on legislation to address these policy areas. To date, no legislation has been introduced regarding retiree health insurance benefits.

**STATUS:** Act number 2016-7.

### **HB17 Hill/SB187 Williams– Deferred Compensation Automatic Enrollment:**

This bill gives the State Personnel Board the ability to automatically enroll all new state employees or employees who return to work after a break in service in a deferred compensation plan at a rate of \$10 per pay period with a 90 day opt out provision.

**STATUS:** Both are indefinitely postponed.

### **HB31 Fridy – Mileage Reimbursement:**

This bill reduces mileage for state employees driving their private cars to  $\frac{3}{4}$  of the IRS rate.

**STATUS:** Indefinitely postponed.

### **HB68 Garrett – Lobbyist Ban:**

Prohibits agencies who receive appropriations from the ETF or GF from hiring lobbyists.

**STATUS:** Passed the House, and awaits third reading in the Senate.

### **HB155 Polizos/SB191 Chambliss – State Employees Pay Raise:**

Gives state employees a 2% pay raise.

**STATUS:** Indefinitely postponed.

### **HB346 Greer – Deferred Compensation Automatic Enrollment:**

This bill automatically enrolls all state employees hired by January, 1, 2017 in the RSA-1 deferred compensation plan at a rate of \$10 per pay period with a 90 day opt out provision.

**STATUS:** Indefinitely postponed.

### **HB459 Pettus – Combine SEIB and PEEHIP Boards:**

Combines SEIB and PEEHIP under a new Public Employee Health Insurance Board (PEHIB). It is a 96 page bill, most of which changes any references in the Code to SEIB and PEEHIP to now read as PEHIB.

**STATUS:** Indefinitely postponed.

## **SENATE:**

### **SB69 Brewbaker – Legislative Subpoena Power:**

Gives all standing committees of the Legislature subpoena power.

**STATUS:** Indefinitely postponed.

### **SB81 Orr/HB239 Gaston– Public Contracts:**

Requires that governmental contracts contain a “representation that the business entity is not currently engaged in, and an agreement that the business entity will not engage in, the boycott of a person or an entity based in or doing business with a jurisdiction with which this state can enjoy open trade.”

**STATUS:** SB81 passed the House. HB239 Indefinitely postponed.

### **SB141 Reed/HB53 Ainsworth – Revolving Door:**

This bill extends the application of the revolving door provision. The two year ban will now apply to those who work under consulting agreement, loan, agency transfer, etc. for an agency – not just employees. It also allows for outgoing directors/agency heads to contract with their previous agency under very specific terms for a maximum of three months to provide continuity during the transition.

**STATUS:** Enacted - Act number 2016-128.

### **SB190 Orr – Travel Expenses**

Reduces the amount that state employees are reimbursed for mileage from the full IRS rate to the American Auto Daily Fuel Gauge Report. There has been a lot of discussion on this bill in committee, and they suggested working towards a possible compromise on what standard to apply when calculating employees’ reimbursement rate.

**STATUS:** Indefinitely postponed.

### **SB210 Holtzclaw – Contract Review:**

Establishes that the 45 day review period begins when a complete contract is submitted, and an additional 45 day review period begins if there is a request for more information.

**STATUS:** Awaits third reading in the House.

### **SB279 Dial – AL Code of Ethics:**

This bill further clarifies what is not a thing of value, redefines widely attended event as no more than the number of people in the smallest legislative caucus, extends the revolving door provision for all elected officials, and requires the Ethics Commission must first find a violation of the ethics code before AG or DA can prosecute.

**STATUS:** Indefinitely postponed.