

Committee on Governmental Oversight and Accountability

SB 7022 — Public Employees

by Governmental Oversight and Accountability Committee

The bill is a comprehensive benefits package for state employees. It includes pay raises, modifications to the Florida Retirement System (FRS), and changes to the State Group Insurance Program.

The bill provides most state employees with a \$1,400 increase if their current salary is below \$40,000 a year, or \$1,000 if their salary is above \$40,000 a year. Additionally, most law enforcement officers will receive a 5 percent increase in salary, most correctional officers will receive a \$2,500 increase in salary, judges and elected State Attorneys and Public Defenders will receive a 10 percent increase in salary. Other attorneys working for the guardian ad litem program or the Department of Legal Affairs will receive increases, along with certified nursing assistants working at the Department of Veterans Affairs.

The bill makes several changes to the FRS. The bill permits renewed membership in the investment plan or one of the optional annuity retirement plans for certain former participants of those plans. The bill expands the survivor benefit for investment plan members killed in the line of duty, including Special Risk Class, by making it retroactive to 2002. The bill closes the Senior Management Service Optional Annuity Program to new hires. The bill changes the default from the pension plan to the investment plan for non-Special Risk members of the FRS initially enrolled after January 1, 2018. The bill also extends the initial election period from 6 to 9 months after being hired. Additionally, the bill provides adjustments to the contribution rates that fund the FRS's normal costs and unfunded actuarial liability.

Beginning in plan year 2020, the bill provides employees in the State Group Insurance Program with a choice of health insurance coverage levels of at least a certain actuarial value: Platinum – 90 percent, Gold – 80 percent, Silver – 70 percent, and Bronze – 60 percent. If the state's contribution is more than the premium cost of the health plan selected by the employee, the employee will be permitted to allocate unused state health insurance contributions to other benefits or as salary.

To bill requires competitive procurement of an independent benefits consultant to assist in developing a plan for implementation of the new benefit levels. The implementation plan must be produced by January 1, 2019, and must include recommended contribution policies and employee education strategies regarding the coverage levels and other benefit alternatives.

Beginning with plan year 2018, the bill authorizes offering of new types of health care products and services, including an online cost comparison for health care services and providers and inclusive services for surgery and other medical procedures. Enrollees may access these services and share in any savings to the state.

By October 1, 2017, the bill requires calculation of alternative premium rates that reflect the differences in costs to the Program for each of the health maintenance organizations and the preferred provider organization plan options for the 2018 plan year.

For Plan Year 2019, the bill requires the Department of Management Services to determine and recommend premiums for enrollees that reflect the differences in costs to the Program for each of the health maintenance organizations and the preferred provider organization plan options. The bill provides that the premium rate for the employers used in this report will be the premiums established in the general appropriations act for fiscal year 2018-2019.

If approved by the Governor, these provisions take effect July 1, 2017, except as otherwise provided in the bill.

Vote: Senate 24-13; House 72-37