

SF4708 - 1A - Airport Employee Health and Welfare Benefits

Chief Author: **Jennifer McEwen**
 Committee: **Labor**
 Date Completed: **3/22/2024 3:08:51 PM**
 Agency: **Metropolitan Airports Commission**

State Fiscal Impact	Yes	No
Expenditures		X
Fee/Departmental Earnings		X
Tax Revenue		X
Information Technology		X
Local Fiscal Impact		X

This table shows direct impact to state government only. Local government impact, if any, is discussed in the narrative.
 Reductions shown in the parentheses.

State Cost (Savings)		Biennium			Biennium	
Dollars in Thousands		FY2023	FY2024	FY2025	FY2026	FY2027
Total		-	-	-	-	-
Biennial Total				-		-

Full Time Equivalent Positions (FTE)		Biennium			Biennium	
		FY2023	FY2024	FY2025	FY2026	FY2027
Total		-	-	-	-	-

LBO Analyst's Comment

I have reviewed this fiscal note for reasonableness of content and consistency with the LBO's Uniform Standards and Procedures.

LBO Signature: Laura Cecko **Date:** 3/22/2024 3:08:51 PM
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State Cost (Savings) Calculation Details

This table shows direct impact to state government only. Local government impact, if any, is discussed in the narrative. Reductions are shown in parentheses.

*Transfers In/Out and Absorbed Costs are only displayed when reported.

State Cost (Savings) = 1-2		Biennium			Biennium	
Dollars in Thousands		FY2023	FY2024	FY2025	FY2026	FY2027
	Total	-	-	-	-	-
	Biennial Total			-		-
1 - Expenditures, Absorbed Costs*, Transfers Out*						
	Total	-	-	-	-	-
	Biennial Total			-		-
2 - Revenues, Transfers In*						
	Total	-	-	-	-	-
	Biennial Total			-		-

Bill Description

Metropolitan Airports Commission; health and welfare benefits required, and penalties imposed.

Assumptions

Metropolitan Airports Commission (MAC) is primarily funded from User Rates and Charges and issues General Airport Revenue Bonds as the primary funding source for Capital projects which are repaid from our user rates and charges.

The bill tasks the MAC with enforcement of the benefits. Approximately 20,000 badged employees at the airport spread across over 700 employers, and we don't know how many additional employees work for those employers outside the airport. We are unsure how much compliance and monitoring will be needed and estimate a range of 7-15 MAC FTEs for compliance and monitoring.

We are unable to estimate any potential penalty revenue.

Expenditure and/or Revenue Formula

Annual Costs for MAC compliance and monitoring:

7-15 MAC FTEs x \$135,000 (salary, fringe, support costs) = \$945,000 to \$2,025,000

Long-Term Fiscal Considerations

Many private businesses also operate at the airport and would have additional annual costs for the supplemental payments. Approximately 20,000 employees and over 700 employers.

Local Fiscal Impact

References/Sources

SF4708 & MAC 2024 budget for FTEs.

Agency Contact:

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