

HF1049 - 4A - School District Health Insurance Survey Required

Chief Author: **Liz Reyer**
 Committee: **Taxes**
 Date Completed: **3/16/2026 8:26:19 PM**
 Agency: **Legislature**

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	FY2025	FY2026	FY2027	FY2028	FY2029
General Fund	-	18	73	36	36	36
Total	-	18	73	36	36	36
Biennial Total			91			72

Full Time Equivalent Positions (FTE)	Biennium			Biennium	
	FY2025	FY2026	FY2027	FY2028	FY2029
General Fund	-	.22	.62	.37	.37
Total	-	.22	.62	.37	.37

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: Chloe Burns **Date:** 3/16/2026 8:26:19 PM
Phone: 651-297-1423 **Email:** chloe.burns@lbo.mn.gov

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	FY2025	FY2026	FY2027	FY2028	FY2029	
General Fund	-	18	73	36	36	
Total	-	18	73	36	36	
Biennial Total			91		72	
1 - Expenditures, Absorbed Costs*, Transfers Out*						
General Fund						
Expenditures	-	33	92	55	55	
Absorbed Costs	-	(15)	(19)	(19)	(19)	
Total	-	18	73	36	36	
Biennial Total			91		72	
2 - Revenues, Transfers In*						
General Fund						
Total	-	-	-	-	-	
Biennial Total			-		-	

Bill Description

The DE4 amendment to HF1049 requires the Legislative Budget Office (LBO) to annually survey Minnesota public school districts and charter schools regarding health insurance costs. The bill requires the survey to be sent out to school districts and charter schools by July 1 of each year. School districts and charter schools respond with information from the most recent fiscal year returning information to the LBO by September 1.

School districts and charter schools are required to provide the following information:

- Number of employees
- Number of employees participating in the group health insurance offered by the school district or charter school (by specified categories of salaried, non-salaried, retirees and former employees)
- Number of employees not participating in the health plan
- Number of insured individuals covered by the health plan
- Dollar amount the school district or charter school paid in health insurance premiums (excluding former employees)
- Dollar amount contributed to an individual coverage health reimbursement arrangement
- Dollar amount employees paid in health insurance premiums (excluding former employees)
- An accounting of all forms of compensation paid to a broker or agency paid by the school district or charter school or through the entity offering group health insurance (includes fees, commissions, incentives, or rewards)
- Name of entity providing group health insurance
- Expiration date for each plan
- Name of health plan or health plans
- Actuarial value of health plans

- Amounts for single, family, and two-party plans
- Monthly contribution by the school district or charter school for each employee per plan (including contributions to individual coverage health reimbursement arrangements)
- Monthly premiums paid by employees for each plan
- Plan design for each health care plan (In-network deductibles, In-network out of pocket limits, out-of-network limits, co-payment, employees share of co-payments, and employees share of co-insurance)
- Dollar or percentage cost for all prescription levels (generic, formulary and non-formulary)
- Total amount of annual contributions, per employee, paid by school district or charter school to an individual coverage health reimbursement arrangement or health saving account (excluding amounts solely to health care retirement accounts)
- Dollar amount of administrative fees assessed by the entity providing group health insurance and the rate of the fee assessed

The LBO must compile the information from the survey and provide a report to the chairs and ranking minority members of the committees with jurisdiction over education and health insurance by December 1 of each year. The LBO must post the report, including an executive summary and all underlying data, on its public website.

If a school district or charter school fails to complete the annual survey and provide information required in the bill, the LBO or any other person may bring action to compel compliance under section 13.08, subdivision 4 and section 13.085, against the school district or charter school.

There is a general fund appropriation to the Legislative Coordinating Commission for the LBO as follows:

- \$18,000 in Fiscal Year 2026 (FY26)
- \$74,000 in Fiscal Year 2027 (FY27)
- \$36,000 in Fiscal Year 2028 (FY28) and later

Assumptions

1. The fiscal note assumes the language is effective upon enactment given the existence of an appropriation for FY26.
2. The LBO is responsible for collecting data as described in the bill description in an annual survey that will be distributed to all Minnesota public school districts and charter schools by July 1 of each year starting in 2026 (FY27). The LBO would collect data from July 1 through September 1 each year. The LBO would analyze the data and produce a report which would be released to the chairs and ranking minority members of the committees with jurisdiction over education and health insurance by December 1 annually. The LBO would post the report, an executive summary, and all underlying data on the LBO website.
3. Survey data will be collected through an online survey portal.

Two options are under consideration to develop the online survey portal. The options are: (1) a survey portal built by Legislative Coordinating Commission (LCC) staff; or (2) the LBO purchases an off-the-shelf robust survey data and analytics tool.

For the purposes of this fiscal note, the cost estimates reflect option 1, a build out of the technical infrastructure to support the annual survey tool by LCC staff. The LBO is researching the estimated annual subscription costs for a robust survey and analytics tool as an alternative implementation option. One such program is estimated at \$8,500 in FY27 and \$3,500 annually in FY28 and beyond.

If the online survey portal were built by LCC staff, it is expected to take as estimated 140 to 265 hours for design,

development, testing and deployment of a new survey portal. It is assumed that existing LCC staff could complete this development effort leveraging existing LCC technical tools and infrastructure. This effort would require existing staff to work at least some overtime. Given the level of effort needed to bring on new temporary technical staff for a smaller development effort, we feel it would be more cost effective to leverage existing technical infrastructure, knowledge base, and overtime within the LCC.

The estimated costs of \$12,000 to \$18,000 in the fiscal year 2026 for the LCC include the full range of data architecture and schema design, user authentication/authorization, application build, application auditing/tracking, testing and quality assurance, data storage, reporting and publication, deployment and documentation, and ongoing maintenance of the survey portal and database housing the data in FY26 and beyond. It is assumed ongoing system maintenance would be an estimated 20% of the first-year costs or \$2,400 to \$3,600 and could be managed within current LCC resources.

For purposes of the fiscal note, the upper range of cost estimates is reflected in the table.

4. The LBO would need to hire additional staff to lead the LBO in the survey development, maintaining a contact and distribution list with Minnesota public school districts and charter schools, developing and implementing a communication strategy, drafting the report, responding to questions from the legislature on the report, and process documentation. The LBO estimates that it would require .5 FTE (about 1,000 hours) in FY27. After the initial startup of the program is complete, it is assumed the FTE required for the survey will decrease to .25 FTE (about 500 hours) in FY28 and beyond. We assume the process will become more efficient after the survey tool is developed, schools become more familiar with the survey process, and the LBO develops more expertise with the data collected.

The position is assumed to be an Analyst I, with a starting annualized salary of \$88,000. The fiscal note assumes proportional benefits and fringe costs. The position will require equipment, supplies and employee development. It is assumed the position will start in August 2026.

5. It is assumed .1 FTE (about 200 hours) of LBO current staff time will be used to support the effort of the evaluation and to back up the primary assigned LBO staff person (new hire assumed in Assumption 3) in FY26 and beyond. An existing budget analyst will work collaboratively with the LCC IT staff in developing the survey, responding to questions, and drafting the report. Staff time (from multiple positions) will also be used in the drafting, editing, and posting process for the annual report.

An assumed aggregated rate of current LBO staff (salary and fringe) is \$75 per hour for 200 hours for a total of \$15,000 in absorbed costs in FY26 and beyond. The FY26 estimates will require an existing staff to work exclusively on this effort as soon as the language is enacted.

6. It is assumed that the initial development of the survey will begin as soon as the language is passed. The fiscal note assumes that a survey is required to be distributed to school districts and charter schools by July 1, 2026. The timeline as outlined in these assumptions may be difficult and the development effort may require additional time (1-2 months) to fully deploy. The current redeployed LBO staff will coordinate with LCC IT to lead the development of the survey and serve as the point of contact to communicate and educate the survey participants. Additional existing LBO staff will be made available to respond to questions from public school districts and charter schools as the new position gets up to speed in leading this effort.

The newly hired Analyst 1 position (see Assumption 3) will then lead the compiling of data upon its collection with current LBO staff supporting that work. Data will be analyzed at a high level and be compiled in a report to the legislature by December 1, 2026, along with an executive summary and the underlying data.

7. The LBO may also need external expertise in health plan data analysis to support the collection and reporting of the survey data. Based on experience and discussion with other state agencies, such a consultant could range from \$100,000 to \$250,000 in annual costs and are not included in this fiscal note.

If needed, the consultant would support in training LBO staff on employer health plan data, survey development, data collection and reporting, and process documentation in FY27 and FY28.

It is unknown at this time whether such external expertise will be required. The LBO will review the 2026 survey response and determine if future consultation will be needed to better perform and enhance the survey in 2027 and beyond. If such a consultant were required, the LBO would need additional funds.

8. The LBO assumes that a majority of school districts and charter schools will comply with the request for the health

plan data as part of the annual survey in the time provided in the bill. The LBO will communicate and work with school districts and charter schools who do not respond to the survey by September 1 of each year to determine if the information can be collected. The fiscal note does not make assumptions about bringing action to compel compliance against public schools or charter schools as discussed in subdivision 9(e) in the DE4 amendment. Any such action would incur a cost to the Legislative Budget Office.

Expenditure and/or Revenue Formula

	FY26	FY27	FY28	FY29
Internal Technical Development (FTE)	0.12	0.02	0.02	0.02
LCC IT Staff	18,000	3,600	3,600	3,600
Budget Analyst I (FTE)		0.50	0.25	0.25
Salary		44,000	22,000	22,000
Benefits and Fringe		25,257	12,629	12,629
Peripheral Employee Expenses		4,500	1,500	1,500
Budget Analyst I Total	-	73,757	36,129	36,129
Existing LBO Staff (FTE)	0.10	0.10	0.10	0.10
Salary, Benefits, and Fringe	15,000	15,000	15,000	15,000
Total Costs	33,000	92,357	54,729	54,729
Absorbed FTE				
LCC IT Staff (system maintenance)		3,600	3,600	3,600
Existing LBO Staff	15,000	15,000	15,000	15,000
Total Absorbed Costs	15,000	18,600	18,600	18,600
Total Net Costs (Total Costs less Absorbed)	18,000	73,757	36,129	36,129
FTE Total	0.22	0.62	0.37	0.37

Long-Term Fiscal Considerations

It is likely the workload conducting the survey will be reduced over time as the office becomes more familiar with the survey process and data and as school districts and charter schools become more familiar with the survey.

Local Fiscal Impact

School districts and charter schools would be required to complete the survey. It will take administrative staff time of school districts and charter schools to complete the survey.

References/Sources

The following organizations were consulted in the development of the fiscal note:

- Minnesota Department of Health Health Economics Program
- Minnesota Management and Budget Enterprise Insurance Office
- Minnesota Department of Education
- Education Minnesota
- Minnesota Association of School Business Officials
- Legislative Coordinating Commission, Information Technology (IT) Team

Agency Contact: Christian Larson

Agency Fiscal Note Coordinator Signature: Diane Henry

Phone: 651-296-1121

Date: 3/16/2026 5:54:10 PM

Email: diane.henry@lcc.mn.gov