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BILL ANALYSIS

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Senate Bill 332 (Substitute S-1 as reported)
Senate Bill 333 (as reported without amendment)
Sponsor: Senator Erika Geiss
Committee: Housing and Human Service

CONTENT

Senate Bill 332 (S-1) would enact the "Family Leave Optimal Coverage Act" to do the following:

-- Allow a covered individual to take up to five weeks of paid family leave within the first year of the bill's enactment, up to the 10 weeks in a benefit year two years after the bill's enactment, and up to 12 weeks following the two year period.
-- Prescribe the reasons for which a covered individual could take family leave, including during certain life events and serious health conditions, a declared emergency, and exigency leave, among other reasons.
-- Require employers to provide annually to employees written notice about family leave and Family Leave Optimal Coverage (FLOC) benefits by January 31, and when an employee was hired, requested family leave, or when the employer learned that the employee's request for time off work could qualify for family leave.
-- Require FLOC benefits to be paid within 14 days of the claim being approved, and every other week following that date.
-- Specify that a covered individual could not be paid for fewer than eight hours of leave used in one week.
-- Prescribe the formula that the Department of Labor and Economic Opportunity (LEO) would have to use to calculate FLOC payments.
-- Allow an employer to deduct from an employee up to 50% of the contribution required to be remitted to the FLOC Fund.
-- Require an employer that employed 25 employees or more to remit 100% of the required FLOC contribution and an employer that employed 25 employees or fewer to remit 50% of the required FLOC contribution to the FLOC Fund.
-- Establish the maximum weekly benefit rate payable to a covered individual as 65% of the State average weekly wage.
-- Prescribe payroll contribution requirements for employers, employees, and LEO.
-- Require an individual to certify family leave with LEO and include certain information based on the type of claim.
-- Within a year of the bill's effective date, require LEO to establish procedures and prescribe forms for benefit claims.
-- Require family leave that qualified under the Federal Family Medical Leave Act (FMLA) to run concurrently with benefits under the FMLA.
-- Allow an employer to require FLOC benefits to be coordinated or paid concurrently with payments made or leave taken in accordance with a provision of the employer's collective bargaining agreement or paid family leave policy.
-- Allow a self-employed individual to elect coverage under the Act for at least three years.
-- Allow LEO to recover FLOC benefits paid to an individual under certain circumstances, including if the individual filed a false claim.

-- Prescribe rights for employees, including the right to request a hearing with LEO if FLOC benefits were denied.
-- Prohibit a person from preventing or discouraging an employee from exercising a right guaranteed under the Act.
-- Allow an individual to file a complaint with LEO regarding a violation of the Act within three years of the violation and bring a civil action for civil damages, injunctive relief, or both.
-- Require LEO to order employers who infringed on an employee's rights under the Act to remedy a violation or assess the employer a fine of up to $1,000.
-- Establish the FLOC Fund and prescribe which payments would have to be deposited or spent from the Fund.
-- Allow employers to fulfill the requirements of the Act through a private plan.
-- Require a private plan to inform an individual who filed a claim that benefits would be subject to the Federal Income Tax if the United States Internal Revenue Service (IRS) determined such.
-- Before September 30 of each year, require LEO to submit a report to the Secretary of the Senate and the Clerk of the House of representatives on the amount of FLOC benefits paid and used for each year and specified demographic information of individuals who made claims, among other things.

Senate Bill 333 would amend the Income Tax Act to include FLOC benefit deductions in the definition of "taxable income".

Each bill would take effect January 1, 2024. Senate Bill 333 is tie-barred to Senate Bill 332.

MCL 206.30 (S.B. 333)

BRIEF RATIONALE

Currently, under the FMLA, eligible employees may take up to 12 unpaid work weeks in a calendar year for certain events such as the birth and care of a newborn or for health conditions. According to testimony before the Senate Committee on Housing and Human Services, while many individuals benefit from the option to have time off, it is often not feasible to go 12 weeks without pay, which may require employees to choose between caring for a loved one or supporting their own or their family's livelihoods. Some believe that employers should offer paid long-term leave options to their employees, and so creating the FLOC system has been suggested.

Legislative Analyst: Eleni Lionas

FISCAL IMPACT

Summary of Revenue Implications Under different Assumptions (dollars in millions)			
		Number of Employees Assumption	
Source of Revenue Impact/Assumption	**Fund Affected**	**Current Population Survey**	**Current Employment Statistics**
State Revenue from contributions	FLOC	$17,199.0	$15,968.1
Maximum payable benefits at 20% utilization	---	11,861.4	11,012.5
Administrative costs (10% of maximum payable benefits)	---	1,186.1	1,101.2
Required buffer (35%)	---	4,151.5	3,854.4
Deduction of Employer Contributions			
Employers Pay 50%, All file under CIT	GF	(516.0)	(479.0)
Employers Pay 50%, 50% file under CIT & 50% file as flow-throughs	GF & SAF	(440.7)	(409.2)
Employers Pay 100%, All file under CIT	GF	(1,031.9)	(958.1)
Employers Pay 100%, 50% file under CIT & 50% file as flow-throughs	GF & SAF	(881.4)	(818.4)
If Employee Contributions are Exempted			
Employers Pay 50%, Employees pay 50%	GF & SAF	(365.5)	(339.3)
If Benefits are Taxed (Revenue forgone if benefits are exempt)	GF & SAF	$453.7	$421.2

Senate Bill 332 (S-1)

The bill would have a substantial fiscal impact on LEO, as LEO would have to promulgate rules, administer the Act, regulate employers and employees, and educate the public on the Act. These costs would include staff for the administration of the program, staff to oversee and enforce the Act, costs to educate the public, and information technology costs. Education costs would be capped at 5% of the FLOC Fund balance each year. These costs could be offset to some degree by administrative or other fines that resulted from violations of the Act.

The bill would affect State revenue in two major ways: 1) it would increase State revenue from contributions to the FLOC Fund and 2) it would decrease State revenue because employers would be able to deduct FLOC contributions from their taxable income. The bill appears to intend to exempt employee contributions and insurance benefits from taxation, although the bill's language would not exempt employee contributions and would exempt benefits only under Senate Bill 333. Exempting employee contributions would reduce State revenue, while taxing benefits would increase State revenue. If benefits were exempt, the

exemption would represent revenue forgone but not an actual loss of revenue not already included under other revenue impacts.

The bill's potential revenue changes depend on a wide variety of assumptions, which are detailed below and based on year-to-date available through October 2024. As a result, the analysis presents potential impacts based on select illustrative assumptions. To summarize the range of revenue impacts across all assumptions, the bill would generate approximately $4.3 billion in contributions to the FLOC Fund and reduce tax revenue from employers by between $110.2 million and $258.1 million in the first year of the program, assuming a full calendar year of operation. As the bill's provisions change over time, contributions to the FLOC Fund would rise to $13.6 billion and the revenue reduction from employers would increase to between $348.7 million and $816.4 million. If employee contributions were exempted, it would reduce revenue by between zero and $91.4 million in the first year and would rise to $289.1 million per year by the third year, depending on the share of contributions taken from employee wages. If benefits were taxed, it would generate approximately $149.6 million in the first year, rising to $358.9 million by the third year, under normal utilization and receipt of maximum benefits.

Background and Summary Information Relevant to the Fiscal Impact

The bill would restrict benefits to covered individuals, which would be defined as those who have earned $3,000 or more in wages subject to contributions to the FLOC Fund and specified self-employed individuals. Employers would have to make contributions to the FLOC Fund for every employee. The bill would provide employers the option to take 50% of contributions from an employee's pay. The bill would not indicate how individuals would demonstrate they were a covered individual—regardless of whether the employer remitted contributions. The bill would not require an enrollment process for employees (other than qualified self-employed individuals who elected to obtain coverage), and it is unclear if the bill's requirement in Section 11 that "payroll contributions must be authorized for the exclusive purpose of financing the payment of...the program" would be sufficient to create a link between employees and employer contributions.

The bill would affect all employers and all employees. No exceptions would be provided based on firm size or number of employees. With the exception of certain employers that provide Medicaid home and community based services with funding from the Department of Health and Human services, in which instance the State would have to make the payments on behalf of the employer, and certain employers with approved private plans that provide at least the same benefits as available under the bill, contributions would be required for all employees regardless of their status as temporary employees, limited-term employees, or the number of hours worked. Under the bill, employers with fewer than 25 employees would only be required to make 50% of the required contribution, although as discussed below, the provision would result in employers with fewer than 25 employees receiving an effective 33% reduction in their required contributions (rather than 50%) and other employers paying 33% more than would be required absent the provision.

Covered individuals would be eligible for benefit payments for a maximum of 5 weeks during the first year of the program, 10 weeks during the second year of the program, and 12 weeks per year thereafter. Benefit payments would equal 100% of the employee's wages but could not exceed two-thirds of the State average weekly wage. As a result, if an individual made $1,500/week and the State's average wage was $1,200 per week, then the benefit for that individual's would total $800 (two thirds of $1,200) while an individual that earned $600/week would receive a benefit of $600.

In determining contributions to the program, the required contributions essentially would be what the State deemed was necessary to fund the benefits and administer the program,

subject to certain provisions. In section 11, for the first two calendar years in which the program operated, the Director of LEO could require employers to pay an amount that the Director determined sufficient to fund benefits and administrative costs. After the second year, contributions would be set at a level necessary to fund 135% of the benefits paid in the prior year plus 100% of the prior year's administrative costs, minus any assets in the FLOC Fund as of June 30. As a result, it is difficult to estimate the impact of the bill on employers, employees, and State revenue. The results below depend on the validity of the assumptions used to develop the estimates.

The Act would not exempt benefit payments from the income tax (although Senate Bill 333, which is not tie-barred to the bill, would) or calculation of household resources, although it would require employers to inform individuals filing a claim that the benefits would be taxed at the Federal level if the IRS determined the benefits were subject to Federal income tax. Employers likely would be able to deduct contributions from taxable income under the corporate income tax (CIT) and other business taxes. The bill does not indicate if contributions assessed against employee pay would be exempt from tax and/or would be taken on a pre-tax or post-tax basis.

Data indicate that during a year, approximately 15 to 17% of employees take leave for a FMLA-qualifying reason. Furthermore, one-third of those individuals take intermittent leave under FMLA.

Determining Relevant Population Counts and Total Contributions

The bill would appear to make public employees eligible for benefits (they would not be excluded by the bill unless they were employed by the United States government or covered by the Railroad Unemployment Insurance Act) and to require public employers to make contributions. Presumably, the bill also would require coverage of temporary employees, as well as agricultural and migrant workers. As a result of the bill's ambiguity, it is unclear what total represents the most appropriate estimate of covered individuals, especially given the different surveys and data sources used to collect data on the number of employed individuals.

For example, data from the Current Population Survey (CPS) produces data used to estimate the unemployment rate. The CPS data counts individuals (not jobs), so if an individual has two jobs, the individual would appear as employed, but it would undercount the number of jobs that would be relevant under the bill. Similarly, the CPS data count all self-employed individuals, regardless of whether they would qualify under the bill. The methodology of the CPS data means that migrant workers would not likely to be counted at all, that individuals who are Michigan residents but work out-of-State would be counted, while out-of-State residents who work in Michigan would not be counted.

In contrast, the Current Employment Statistics (CES) data count payroll positions. The CES data resolve certain issues with the CPS data, such as those related to employee residency or multiple jobholders; however, the data exclude self-employed workers and farm and agricultural workers. The Quarterly Census of Employment and Wages (QCEW) generally is regarded as being a more thorough and accurate data source because, instead of relying on samples, it uses data for all workers covered by State unemployment insurance laws and thus covers about 95% of all jobs; however, there are substantial lags in data availability; as of the date of this fiscal note, preliminary October 2024 data were available from the CPS and preliminary October 2024 data were available from the CES, the latest data available from the QCEW was through preliminary June 2024. Furthermore, while agricultural workers are included in the QCEW, the data only include those covered by State unemployment insurance laws and will omit self-employed individuals and some farm workers, especially if they are not covered by unemployment insurance laws.

As a result, the analysis considers the following totals for the number of Michigan employees:

- -- Total employment (including self-employed): 4,827,935 (CPS).
- -- Total nonfarm payroll employment: 4,482,410 (CES).
- -- Total private nonfarm payroll employment: 3,678,100 (CES).
- -- Total agriculture/forestry/fishing/hunting workers: 33,787 (QCEW, based on year-to-date average through January-June 2024) and uses an average of the CES and CPS employee counts, or 4,655,173, for calculating the impact of the bill; no adjustments are made to account for employment growth in future years.

According to data from LEO, the statewide average weekly wage totaled $1,259.91 in 2024. The analysis below is based on the 2024 LEO data for the average wage and uses the estimated year-to-date 2024 employee counts. As with employee counts, no adjustments are made to reflect changes in employment demographics or wages over time. To the extent that employment or wages increase, the revenue impact would be greater in magnitude.

Assuming that the Director of LEO set contributions to cover 20% of employees at the maximum compensation rate for the maximum duration of five weeks in the first year, 10 weeks in the second year, and 12 weeks in subsequent years, the *contributions for benefits* would have to equal $3.9 billion in the first year, $7.8 billion in the second year, and $9.4 billion in subsequent years.

Total contributions after the first would need to exceed these totals because contributions in the second year would have to cover 100% of administrative costs and in subsequent years also would need to cover 135% of benefits (providing a 35% buffer). For the purposes of this analysis, administrative costs are assumed to equal 10% of the benefits estimate. As a result, total contributions would total $8.6 billion in the second year and $13.6 billion subsequent years. As mentioned earlier, the analysis does not adjust for any estimated increase in the average weekly wage for calendar year 2025 or later years, nor any changes in total employment.

Fiscal implications

Fiscal impacts from the bill could come from five paths:

- -- Revenue from contributions.
- -- Employers deducting contributions from their business taxes.
- -- Exempting employee contributions from taxation.
- -- Exempting benefit payments from taxation (Senate Bill 333).
- -- Department administrative costs.

Revenue from contributions: For the first two calendar years of the program, the bill specifies contributions would total an amount deemed by the Director of LEO as sufficient to cover benefits and administrative costs. Thereafter, the bill would require program contributions to total 135% of the benefits paid in the previous fiscal year (not calendar year) plus 100% of the administrative costs paid in the previous fiscal year. The bill indicates that 100% of administrative costs would have to be included in determining the contributions regardless of whether the Legislature appropriated funds to cover administrative expenses. The bill indicates that if any such appropriation failed to cover administrative expenses the contribution rate could be increased to address the shortfall.

Based on the employee counts discussed above, and the assumption that administrative costs equal 10% of the maximum benefit costs, the bill would require contributions of $4.3 billion in the first year, $8.6 billion in the second year, and $13.6 billion per year in subsequent years. Revenue from contributions would be deposited into the FLOC Fund.

Employers deducting contributions from their business taxes*:* For the second path, the fiscal impact would depend on how many employees are employed by a business that files a CIT return compared to the number of employees who are employed by businesses taxed under different taxes, such as the Michigan Business Tax (MBT) or the Flow-Through Entity Tax, or business that are not required to file a tax return. Similarly, to the extent a firm already had zero tax liability under existing law, additional deductions would not have a fiscal impact. It is unknown what percentage of employees work for firms that file under the CIT or the MBT, or firms that file as flow-through entities, or that are not required to file a return, or that exhibit a zero liability under existing law. Each tax applies a different tax rate to items deductible from income.

Based on the aggregate earnings data from the Bureau of Economic Analysis, aggregate contributions would represent approximately 5.4% to 5.8% of total wage and salary income. Given the distribution of wages, and assuming that employers would attempt to assess the full 50% of the required contribution against employees, the majority of workers would experience something in the range of a 2.7-2.9% drop in aggregate wage and salary income.

Although it would not affect the aggregate contributions required by the bill, because the bill would require different contribution rates from employers of different sizes, the impact of contributions on employers would vary depending on the wage characteristics of a firm's employees and whether or not the employer was a firm with 25 or more employees. Labor data from 2023 indicate approximately 23% of employees work for a firm with fewer than 25 employees and that wages paid to these employees represent approximately 20% of total wages. The bill would require employers with fewer than 25 employees to only submit 50% of the contribution required by the Director of LEO. Presumably, the Director of LEO would need to address the differential impact on employers of different sizes when setting contribution rates because the program would otherwise always run a deficit. Using the estimated contribution needs for the first year of the program, if the program needed $4.3 billion in contributions but employers for 20% of the employees were only required to remit 50% of the contribution, the program would receive approximately 10% less in contributions than would be needed to pay benefits and cover administrative costs. As a result, the Director would likely need to require contributions totaling $4.8 billion to account for the reduced contributions from smaller employers. This higher amount would only generate $4.3 billion in revenue to the FLOC Fund and would effectively amount to larger employers paying for a portion of the insurance costs for employees at small employers.

Under the assumption that all employers took 50% of the total contribution from employee pay and thus would not be able to deduct 50% of the contribution, the worst-case revenue reduction under the first path can be estimated. Assuming that all employers file under the CIT, then the applicable tax rate is 6% and the employer share of contributions would reduce General Fund (GF) revenue by approximately $129.0 million in the first year, rising to $408.2 million in later years.

To illustrate the degree of variability possible in the estimate, if 50% of employees work for firms assumed to file as flow-through entities (which are taxed at a 4.25% rate) and 50% of employees work for firms taxed under the CIT rate, the revenue loss would fall to $110.2 million in the first year rising to $348.7 million in later years. Under this set of assumptions, a portion of the loss attributable to flow-through entities also would reduce School Aid Fund (SAF) revenue, with the SAF reduction representing approximately $11.0 million in the first year, rising to $35.4 million in later years (assuming the SAF earmark share for Fiscal Year 2024-25, which increases each year through Fiscal Year 2026-27, in the first year).

These estimates assume contributions are based on all covered individuals receiving benefits at the maximum rate. Although an unknown number of covered individuals would receive

benefits at a lower rate, in the initial years of the program, these estimates likely would be relatively valid; the program would have no actuarial experience with actual claims and likely would seek to avoid a situation in which claims exceeded the available revenue to pay them. Over time, much like with the unemployment insurance system, the program would gain experience with utilization rates and average benefit levels and could lower the total for required contributions. One facet of the bill should be noted; unlike unemployment insurance, through which individual employers may face different contribution rates based on their histories, the bill would not provide for contributions rates to differ by employer, employer group, economic sector, or any other factor. All employers would have to pay at the same rate.

The revenue loss from this path could be considerably larger if employers opted to pay the entire contribution and did not deduct a portion of the contribution from actual wages. One reason employers could choose to pay all the contribution reflects the idea that the bill would not exempt the portion of contributions funded by employees (although as this section discusses, contributions would be deductible from employer taxes). As a result, one potential outcome is that employers could reduce wage rates (as opposed to deducting the employee share of the contribution) by the amount of the contribution (given the estimates above, the magnitude likely would be akin to lowering the cost-of-living increase for existing employees) and then would pay the entire contribution. Employees would favor this shift because it would lower their tax burdens relative to having to pay taxes on their shares of contributions (e.g., if an employee contribution were $100, because it is subject to tax, the employee's net income would be reduced by $104.25), and the shift would allow employers to deduct a greater amount when computing the firm's taxes (e.g., if the employee and employer share were each $100, the employer would now be able to deduct $200 and reduce its liability by $12 instead of $6, and the employer would be indifferent between $100 in lower wages in exchange for $100 in additional contributions because both the wages and the contributions are deductible).

In this scenario, the offset by reducing (as opposed to deducting from) employee wages would effectively allow employers to "make money" from "paying" employee contributions: for every dollar an employer reduced wages to fund the contribution, the employee would be no worse off (actually, slightly better off, as illustrated in the example), but the employer cost would be reduced by the tax rate on the portion of contributions that otherwise would have been borne by the employee. If all employers pursued this option, the revenue loss under this path would rise to $258.1 million in the first year and rising to $816.4 million in later years if all firms were taxed under the CIT and $220.4 million in the first year, rising to $697.4 million (including a SAF reduction of $22.0 million in the first year rising to $70.8 million in later years) in later years, if employees were split equally between firms filing the CIT and as flow-through entities.

The ability for employers to opt to pursue a private leave insurance plan would not affect the potential revenue loss under this path because contributions would be deductible regardless of whether they were paid to the State or to a private plan administrator; however, the variability of the revenue loss due to issues associated with the number of employees, the share of contributions covered by employers, and the relevant business tax under which any deductions would be taken would still exist if a portion of employers used a private plan.

Exempting employee contributions from taxation: For the third path by which the bill could affect State revenue, the language of the bill would need to be changed because it would not exempt from tax the portion of contributions made by employees. Under the bill's current language, employee contributions would be subject to tax regardless of whether an employer chose to use a private plan or the State plan provided under the bill. If the portion of contributions employers took from employees were exempted from tax, the bill would reduce Individual Income Tax (IIT) withholding by approximately $91.4 million in the first

year, rising to $289.1 million in later years, of which approximately $22.0 million in the first year, rising to $70.8 million in later years, would represent a loss to the SAF, and the remainder a loss to the GF. The total revenue loss to the State would combine this revenue loss with the loss from employers under the scenario in which employers paid up to 50% of the contributions.

Exempting benefit payments from taxation: For the fourth path by which revenue could be affected, it should be noted the bill would not explicitly exempt benefits from the IIT, although the benefits would be exempted under Senate Bill 333 (which is not tie-barred to the bill). Furthermore, the bill would require notification to employees only if the Federal government determined that benefits were subject to Federal income taxes, rather than under all circumstances. Presumably the bill assumes if the Federal government did not tax the benefits, the benefits would not be included in Federal adjusted gross income (AGI) and thus would not be included in the Michigan tax base; however, absent adoption of Senate Bill 333, it is unclear if individuals receiving benefits would have to add the contributions to their Federal AGI even if the Federal government determined benefits were not subject to Federal income taxes. For example, Section 30(1)(b) of the IIT requires taxpayers to add taxes on or measured by income to the extent they have been deducted in calculating Federal AGI. While this provision would not specify that individuals would have to add the benefits to the Federal AGI, it appears that it could require individuals to add their employee contributions absent adoption of Senate Bill 333.

Senate Bill 333 would exempt benefits from the IIT; however, it is unknown what portion of contributions would be distributed each year as benefits. Because contributions would have to cover benefits, administrative expenses, and the 35% buffer, contributions always would be structured to exceed distributions. Assuming distributions were exempt from tax and totaled 100% of contributions after subtracting administrative costs and the 35% buffer, the State would forgo receiving approximately $149.6 million in the first year, rising to $358.9 million in later years, in IIT (of which $36.0 million in the first year, rising to $87.8 million in later years, would represent forgone SAF revenue).

If benefits were taxable (a potential outcome if Senate Bill 333 were not adopted), the State would receive approximately $149.6 million in the first year, rising to $358.9 million in later years, in IIT (of which approximately $36.0 million in the first year, rising to $87.8 million in later years, would be directed to the SAF revenue; however, even if benefits were taxable, the program still would result in a net revenue loss to the State because of two factors:

1) Contributions would exceed benefits to cover the administrative costs of the program, and those would be deductible but never subject to tax; similarly, the portion of contributions that provided the 35% buffer also would be deductible but never subject to tax.
2) The portion paid by the employer would reduce revenue at a 6.0% rate (at least for employees who work for firms filing under the CIT), while the maximum rate at which benefits would be taxed would be 4.25%; as a result, even if benefits were taxable, the minimum revenue loss attributable to the program would equal about one-third of the CIT cost (and to reduce the loss to that level would require insurance benefits and employee contributions be subject to tax).

Departmental administrative costs: The bill would add significant administrative costs to LEO for the promulgation of rules and to administer the Act, regulate employers, and educate

the public on the Act. The costs would include staff for administration of the program, staff to oversee and enforce the Act, costs to educate the public, and information technology costs (including costs of setting up the program). The additional costs to LEO would be significant. The size of a new office likely would be comparable to the Unemployment Insurance Agency (the program would likely process nearly one million claims per year) with the amount of potential utilization and amount of funding contributed to a related fund.

Currently, the Unemployment Insurance Agency appropriation is just over $303.1 million; before the pandemic, it was around $150.0 million. The Legislature would have the final determination on the amount of funds appropriated from the FLOC Fund to LEO to cover administrative costs; however, this would be independent of the amount assessed to employers by the Director for those costs. The amount that LEO could use each year to educate employers and employees and to develop and provide educational materials would be capped at 5% of the amount of funds in the FLOC Fund. In the first two years of the program, it is unclear what the computation would allow for educational activities because it is unknown to what extent the Fund would exhibit sustained balances. After the third year of the program, once the contributions would be required to sustain the 35% buffer, a reasonable estimate for a minimum FLOC Fund balance would be the 35% buffer discussed above and would imply a cap of approximately $164.2 million. It is unclear in the bill how the FLOC Fund balance would be calculated given that the balance would vary during the fiscal year. It is unclear how the start-up costs would be supported if the Legislature failed to appropriate funds to support the administration of the program prior to contributions being deposited into the FLOC Fund. Any administrative costs in the long term could be offset by fines collected by LEO and administrative costs accessed on private plans as determined by LEO.

Date Completed: 12-17-24

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