

Fiscal Estimate Narratives
ETF 5/9/2005

LRB Number 05-0664/1	Introduction Number AB-368	Estimate Type Original
Subject Provision of prepaid legal services insurance to state employees		

Assumptions Used in Arriving at Fiscal Estimate

AB-368 would require the Department of Employee Trust Funds to offer a prepaid legal services insurance plan to state employee participants in the Wisconsin Retirement System. The assumptions used for this estimate are as follows:

- Employees who elect coverage will pay the entire premium via payroll deduction as per s. 20.921 of the state statutes
- Agencies will remit premiums directly to the insurer and maintain membership records
- Administrative costs incurred by the Department will be billed to the insurer annually
- The policy offered will be in compliance with all rules and regulations administered by the Office of the Insurance Commissioner
- Enrollment is estimated to be between 5% and 15% of the eligible employees

Implementation costs would include costs associated with reviewing proposals from vendors, executing a contract and marketing agreement, promulgating administrative rules, and creating a web page. A 0.5 SEG FTE position would be required during the implementation year to complete these tasks.

On-going costs would include the costs associated with contract monitoring, communications, handling complaints and inquiries, maintenance of the web page, and the preparation of Board reports. A 0.2 SEG FTE position would be required for these on-going tasks.

Long-Range Fiscal Implications

Fiscal Estimate Worksheet - 2005 Session

Detailed Estimate of Annual Fiscal Effect

Original
 Updated
 Corrected
 Supplemental

LRB Number 05-0664/1		Introduction Number AB-368	
Subject			
Provision of prepaid legal services insurance to state employees			
I. One-time Costs or Revenue Impacts for State and/or Local Government (do not include in annualized fiscal effect):			
\$30,100 including the costs associated with 0.5 FTE			
II. Annualized Costs:		Annualized Fiscal Impact on funds from:	
		Increased Costs	Decreased Costs
A. State Costs by Category			
State Operations - Salaries and Fringes		\$11,500	
(FTE Position Changes)		(0.2 FTE)	
State Operations - Other Costs			
Local Assistance			
Aids to Individuals or Organizations			
TOTAL State Costs by Category		\$11,500	\$
B. State Costs by Source of Funds			
GPR			
FED			
PRO/PRS			
SEG/SEG-S (SEG)		11,500	
III. State Revenues - Complete this only when proposal will increase or decrease state revenues (e.g., tax increase, decrease in license fee, etc.)			
		Increased Rev	Decreased Rev
GPR Taxes		\$	\$
GPR Earned			
FED			
PRO/PRS			
SEG/SEG-S			
TOTAL State Revenues		\$	\$
NET ANNUALIZED FISCAL IMPACT			
		<u>State</u>	<u>Local</u>
NET CHANGE IN COSTS		\$11,500	\$
NET CHANGE IN REVENUE		\$	\$
Agency/Prepared By		Authorized Signature	Date
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