

Fiscal Estimate Narratives

ETF 3/11/2014

LRB Number	13-4269/1	Introduction Number	AB-0838	Estimate Type	Original
Description Creation of a private retirement security plan and making appropriations					

Assumptions Used in Arriving at Fiscal Estimate

This bill creates the Wisconsin private retirement security board and requires the board to establish a private retirement security plan. Once established, the board, with the assistance of the Department of Employee Trust Funds (ETF), must (1) conduct a study to determine the feasibility of establishing a plan; (2) hold at least 5 public hearings throughout the state and receive testimony relating to the feasibility plan and recommended structure; (3) design the plan; and (4) submit a report to the legislature, the governor, and the Joint Committee on Finance (JCF) summarizing the above objectives and provide a plan for implementation and recommended legislation.

Establishing the board and carrying out these requirements will necessitate funding for board support, staff support, and ETF assistance. Carrying out the requirements of the bill will likely require the use of consultants, actuaries, and other financial and legal professionals to assist with the needs analysis and feasibility plan, public hearings, and plan design, as well as providing communication and marketing services during this process.

Expenditure authority for these costs is contingent upon JCF approval of the funding request ETF is required to prepare. Preparing and submitting this funding request is the one cost that is certain to be incurred if the bill becomes law.

The funding request must cover (1) the initial cost of establishing the board; (2) the cost of conducting the feasibility study; (3) the cost of holding the hearings; (4) the cost of designing the plan; and (5) the cost of preparing and submitting the board's report to the legislature, the governor, and JCF. Although the cost of preparing the funding request is anticipated to be minimal, ETF is prohibited from using Public Employee Trust Fund moneys for the cost. ETF has no current appropriation from which these costs may be paid.

Long-Range Fiscal Implications