

TO: Members of the Committee on Government Operations and Consumer Protection

FROM: Senator Robert Cowles

DATE: September 2, 2015

RE: Senate Bill 183

Chairman Stroebel and Members of the Committee,

Thank you for scheduling a public hearing for SB 183, which would prospectively eliminate the accumulation of sick leave by state legislators. Under current law, legislators can accrue unused sick leave, which can then be converted to credits to pay for health insurance premiums upon retirement.

This post-retirement perk was brought to my attention several years ago following a media investigation of this benefit. I sponsored legislation at that time to end the benefit, but unfortunately it failed to pass. According to the Legislative Fiscal Bureau, as of March 31, 2015, the estimated value of sick leave credits for all legislators currently serving was over \$2.4 million. When you consider the unused credits earned by retired legislators that number grows to nearly \$3.4 million.

Legislators rarely use sick leave hours, so the total accrued benefit hours keeps increasing. In 2014, 8,356.87 sick leave hours were earned in the Assembly, only 48 hours were used. In the Senate, 2,749.94 hours were earned and only 16 hours were used. Considering that a legislator's absence for illness cannot effect their compensation, this low usage of sick leave indicates there is an unnecessary and costly benefit.

The accumulation of unused sick leave credits by legislators has created an expensive and unnecessary perk for legislators. Our job as legislators is to be effective and cautious watchdogs for taxpayer dollars. Passing this bill to get rid of this perk for legislators would be a step in the right direction in that effort.

Thank you for having a hearing on SB 183, and I would welcome and questions or comments you have at this time.



DAVID STEFFEN

STATE REPRESENTATIVE • 4TH ASSEMBLY DISTRICT

**Prepared Testimony by Rep. David Steffen before the
Senate Committee on Government Operations and Consumer Protection
Senate Bill 183: Elimination of sick leave for state senators and representatives
September 2, 2015**

Chairman Stroebel and committee members,

Thank you for scheduling a public hearing for Senate Bill 183, which would prospectively eliminate the accumulation of sick leave by Wisconsin state legislators. Currently, state legislators can accrue unused sick leave, which can then be converted to sick leave credits and used to pay for health insurance premiums upon retirement through what is known as the Accumulated Sick Leave Conversion Credit (ASLCC) program. A detailed review of this benefit revealed it to be a costly post-retirement perk and an irresponsible usage of taxpayer dollars. Eliminating the ability to accumulate any **new** unused sick leave would remove this costly post-retirement benefit, and result in significant savings to our taxpayers over the long-term.

According to the Legislative Fiscal Bureau, based on the current rate at which legislators earn sick leave (10.5 days/year), as of March 31, 2015 the estimated value of sick leave credits for all 132 legislators was \$2,411,600, averaging out to \$18,300 per legislator. When examining the credit balance available to retired legislators to put towards their healthcare premiums, the numbers are even greater. At the close of 2014, approximately \$3.5 million remained in the ASLCC account balance. When considering the value this benefit could provide to a single legislator, coupled with the state's (and ultimately the taxpayer's) financial obligation upon utilization of this benefit, the result of the ASLCC program is staggering.

Based on the actual usage of sick leave by legislators in office and protections provided in the Wisconsin Constitution, it is clear that eliminating the accrual of sick leave will not negatively impact one's ability to be absent from his/her duties in cases of illness. In 2014, 8,356.87 sick leave hours were earned in the Assembly, only 48 hours were used. In the Senate, 2,749.94 hours were earned and only 16 hours were used. The primary purpose of sick leave should be to provide relief from one's duties when ill. The incredibly low usage of sick leave by legislators indicates a lack of need for this option to serve its primary purpose. Additionally, because a legislator's absence cannot affect their compensation (under Article IV, s. 26 of Wisconsin Constitution), removing the ability to accrue sick leave would serve only to eliminate its post-retirement purposes, and would in no way discourage a legislator from missing his/her duties due to illness.



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STATE REPRESENTATIVE • 4TH ASSEMBLY DISTRICT

The ASLCC program and the accumulation of unused sick leave by legislators has created a healthcare golden parachute for legislators, a little known post-retirement perk that boasts a big price tag. As those elected to responsibly steward our state's finances, it is vital to hold ourselves to a high-level of financial accountability by removing excessive and ultimately unnecessary benefits.

Thank you for allowing me to testify, and I welcome your questions and input.