

FISCAL ESTIMATE FORM

1999 Session

 ORIGINAL UPDATED**LRB # 99-3297/1** CORRECTED SUPPLEMENTAL**INTRODUCTION # 99 SB 368**

Admin. Rule #

Subject

Classifies state correctional institution employes as protective occupation participants under the WRS.

Fiscal EffectState: No State Fiscal Effect

Check columns below only if bill makes a direct appropriation or affects a sum sufficient appropriation.

 Increase Costs - May be possible to Absorb Within Agency's Budget Yes No Increase Existing Appropriation Increase Existing Revenues Decrease Existing Appropriation Decrease Existing Revenues Create New Appropriation Decrease CostsLocal: No local government costs1. Increase Costs Permissive Mandatory3. Increase Revenues Permissive Mandatory

5. Types of Local Governmental Units Affected:

 Towns Villages Cities2. Decrease Costs Permissive Mandatory4. Decrease Revenues Permissive Mandatory Counties Others _____ School Districts WTCS Districts**Fund Sources Affected** GPR FED PRO PRS SEG SEG-S**Affected Ch. 20 Appropriations**

s. 20.515 (1)(w)

Assumptions Used in Arriving at Fiscal Estimate:

SB 368 reclassifies prospectively all employes of the Department of Corrections (DOC) as protective occupation participants under the Wisconsin Retirement System who are employed at a state correctional facility, including all state prisons and secured correctional facilities. The formula factor used to generate their retirement benefits would change from 1.6% to 2.0%.

There are approximately 2,085 FTE non-protective employes at the DOC. Total one-time administrative costs of changing participants from one employment category to another are estimated at \$5,900 SEG. These costs include developing and revising various ETF forms and brochures, revising the ETF Internet Homepage and responding to increased workload demands for retirement estimates, written and telephone inquiries and counseling sessions with participants.

Additional on-going administrative costs of handling and managing the applications for benefits under the s. 40.65 duty disability and s. 40.63 special disability retirement programs is \$8,700 SEG and .25 FTE trust funds specialist position. It is expected that 15 duty disability and 2 special disability retirement applications from this population in the first year based on previous benefit program experience. The costs associated with these applications are as follows:

9.5 hrs./application for processing new applications: 160.5 hours

4.5 hrs./application for annual benefit management activities: 76.5 hours**Total:** 237.0 hours**.25 FTE Trust Funds Specialist 1:**

Salary \$6,100

Fringe \$2,300

Supplies and Services \$300

One-Time Systems Furniture/Computer: \$8,500**Total: \$8,700 on-going; \$8,500 one-time**

In addition, there will be increased costs to DOC payroll to cover the increased premium for duty disability benefits.

This fiscal estimate addresses only the administrative costs of SB 368. The Joint Survey Committee on Retirement Systems will estimate the fiscal effect on the trust fund.

(ETF) (03/17/00)

Long-Range Fiscal Implications:

Administrative costs will continue to increase as additional benefits are filed and on-going benefit management accumulates.

Prepared By: / Phone # / Agency Name	Authorized Signature / Telephone No.	Date
Pamela Henning 267-2929 Department of Employee Trust Funds	266-3763 <i>David Hinrichs</i> 266-3763	3/17/00

FISCAL ESTIMATE WORKSHEET

Detailed Estimate of Annual Fiscal Effect

1999 Session

- ORIGINAL UPDATED
 CORRECTED SUPPLEMENTAL

LRB # 99-3297/1

Admin. Rule #

INTRODUCTION # 99 SB 368

Subject

Classifies state correctional institution employes as protective occupation participants under the WRS.

I. One-time Costs or Revenue Impacts for State and/or Local Government (do not include in annualized fiscal effect):

\$14,400 SEG one-time costs

II. Annualized Costs:	Annualized Fiscal impact on State funds from:	
	Increased Costs	Decreased Costs
A. State Costs by Category		
State Operations - Salaries and Fringes	\$ 8,400	\$ -
(FTE Position Changes)	(.25 FTE)	(- FTE)
State Operations - Other Costs	300	-
Local Assistance		-
Aids to Individuals or Organizations		-
TOTAL State Costs by Category	\$ 8,700	\$ -
B. State Costs by Source of Funds	Increased Costs	Decreased Costs
GPR	\$	\$ -
FED		-
PRO/PRS		-
SEG/SEG-S	8,700	-
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	\$ 8,700	\$
NET CHANGE IN REVENUES	\$	\$

Prepared By: / Phone # / Agency Name Pamela Henning 267-2929 Department of Employee Trust Funds	Authorized Signature/Telephone No. 266-3763 <i>David Henrichs</i> 266-3763	Date 3/17/00
--	--	------------------------