

FISCAL ESTIMATE FORM

1999 Session

ORIGINAL

UPDATED

CORRECTED

SUPPLEMENTAL

LRB # 99-4262/1

INTRODUCTION # 99 AB 832

Admin. Rule #

Subject

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

Fiscal Effect

State: 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 Costs

Local: No local government costs

1. Increase Costs

Permissive Mandatory

3. Increase Revenues

Permissive Mandatory

5. Types of Local Governmental Units Affected:

Towns Villages Cities

2. Decrease Costs

Permissive Mandatory

4. 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:

AB 832 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 AB 832. The Joint Survey Committee on Retirement Systems will estimate the fiscal effect on the trust fund.

Long-Range Fiscal Implications:

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

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Date

3/17/00

FISCAL ESTIMATE WORKSHEET

Detailed Estimate of Annual Fiscal Effect

1999 Session

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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:

A. State Costs by Category

Increased Costs

Decreased Costs

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

STATE

LOCAL

NET CHANGE IN COSTS

\$ 8,700

\$

NET CHANGE IN REVENUES

\$

\$

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