

FISCAL ESTIMATE FORM

1999 Session

 ORIGINAL UPDATED

LRB # -2573/1

 CORRECTED SUPPLEMENTAL

INTRODUCTION # SB 141

Admin. Rule #

Subject**Social Security Coverage for Students Employed at Public Schools, Colleges and Universities****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 Decrease Costs Create New AppropriationLocal: 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****Assumptions Used in Arriving at Fiscal Estimate:**

SB 141 would create legislation to exclude student employees from social security payments through a window created by congressional action in 1998. Congress enacted PL 105-277, which allows states to modify social security coverage agreements with the federal government. SB 141 would exclude from social security coverage services performed by students employed by the public school, college or university where they are enrolled and regularly attending classes.

Current law, with certain exceptions, requires public employers to provide social security coverage to all employees. One of the exceptions to the social security coverage requirement involves students. Currently, public employers are not required to provide social security coverage to students employed in a position not normally requiring actual performance of duty for at least 600 hours each calendar year.

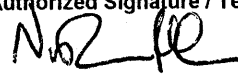
Based on the 1997-98 Academic Year and 1997 Summer Session, the total 1998 UW System FICA payments for Graduate Assistants was \$2,742,200 (GPR-\$1,091,800, PRO/PRS-\$1,213,800, FED - \$436,600). Most undergraduates are generally exempt because they work less than 600 hours. This estimate reflects changes in the second semester of 1997-98 when graduate assistant salaries were reduced by the cost of tuition remissions. On an annualized basis, it has been estimated that the 1998-99 salaries will be 91% of 1997-98. All fringe benefit savings have been reduced to 91% of the actual experience.

The savings from GPR fringe benefits will lapse to the state and reduce the calculated need for fringe benefits in the next biennium. Fringe savings on program revenue funds will reduce expenditures in the current year and the amount budgeted on those funds will be adjusted in future years to reflect the reduced costs.

In the year mentioned above (FY 1998), SB 141 would have decreased costs for the UW System by \$2,742,200. GPR savings of \$1,091,800 would have lapsed to the state and Fee savings of \$460,400.

Long-Range Fiscal Implications:Prepared By: / Phone # / Agency Name
University of Wisconsin System 262-6423

Authorized Signature / Telephone No.

 2-6715

Date

5/20/99

FISCAL ESTIMATE WORKSHEET

Detailed Estimate of Annual Fiscal Effect

1999

Session

- ORIGINAL
- CORRECTED
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INTRODUCTION # SB 141

Subject

Social Security Coverage for Students Employed at Public Schools, Colleges and Universities

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

II. Annualized Costs:	Annualized Fiscal impact on State funds from:	
	Increased Costs	Decreased Costs
A. State Costs by Category		
State Operations - Salaries and Fringes	\$	\$ -
(FTE Position Changes)	(FTE)	(- FTE)
State Operations - Other Costs		-
Local Assistance		-
Aids to Individuals or Organizations		-
TOTAL State Costs by Category	\$	\$ -
B. State Costs by Source of Funds		
GPR	\$	\$ -1,091,800
FED		-436,600
PRO/PRS		-1,213,800
SEG/SEG-S		-
State Revenues Complete this only when proposal will increase or decrease state revenues (e.g., tax increase, decrease in license fee, etc.)		
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	\$ -2,742,200	\$ _____
NET CHANGE IN REVENUES	\$ _____	\$ _____

Prepared By: / Phone # / Agency Name University of Wisconsin System 262-6423	Authorized Signature/Telephone No. <i>NOZ</i> 2-6715	Date 5/20/99
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