

Fiscal Estimate Narratives
UWS 6/18/01

LRB Number 01-1747/1	Introduction Number SB-197	Estimate Type Original
Subject Participation in the Wisconsin retirement system for teaching assistants and project assistants employed by the University of Wisconsin		

Assumptions Used in Arriving at Fiscal Estimate

This legislation will enable TAs/PAs at University of Wisconsin System institutions to enroll in the Wisconsin Retirement System. This will permit these employees to partake of a number of benefit programs for which they are not presently eligible. These include the State life insurance program, the income continuation insurance program and the group health insurance plan. At present, TAs/PAs may enroll in the graduate health plan. Over eighty percent of these employees do.

There are approximately 3188 TAs/PAs within the University System. Eighty one percent are located in Madison and the rest are in Milwaukee. Salaries for this group of employees average approximately \$1300 per month. Most work only nine months per year and are considered less than 50% FTE.

We have no history on which to base assumptions of enrollment in life insurance and income continuation insurance programs. For purposes of this estimate, we will assume similar usage to that of the health insurance program. Since the State share of these programs is based on the employee's income and age, we will use amounts associated with an annual salary of \$13,000 and an age bracket of 30-34. In addition, since the State only assumes payment of a portion of the income continuation premium after one year of employment, we will assume that one third of the TAs/PAs are in their first year of employment at any given time. Thus, the annual University costs associated with enrollment in these programs would equal \$80,000.

TAs/PAs are presently eligible for the graduate health plan. Approximately 80% are enrolled (2005 carry single coverage and 617 carry family coverage). Presently the annual State costs incurred with this coverage equal: \$591,000. If the TAs/PAs were required to enroll in the State group health plan, assuming the same rate of usage, these costs would decrease to \$515,440.

Finally, TAs/PAs, as unclassified staff, are eligible to enroll in the health insurance plan (with State payment of a portion of the premium) from the first day of employment. The University System receives special funding for this graduate health plan. It is unclear from the legislation proposed whether the University System would receive funding for the State portion of the group health plan.

Long-Range Fiscal Implications

Fiscal Estimate Worksheet - 2001 Session

Detailed Estimate of Annual Fiscal Effect

Original
 Updated
 Corrected
 Supplemental

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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 funds from:	
	Increased Costs	Decreased Costs
A. State Costs by Category		
State Operations - Salaries and Fringes	\$4,440	
(FTE Position Changes)		
State Operations - Other Costs		
Local Assistance		
Aids to Individuals or Organizations		
TOTAL State Costs by Category	\$4,440	\$
B. State Costs by Source of Funds		
GPR	4,440	
FED		
PRO/PRS		
SEG/SEG-S		
III. 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	\$1,110	\$
NET CHANGE IN REVENUE	\$	\$
Agency/Prepared By		
Authorized Signature		Date
UWS/ Leslie Perelman (608) 262-5850		6/15/01
Freda Harris (608) 263-5679		