

## Fiscal Estimate - 2003 Session

Original     
  Updated     
  Corrected     
  Supplemental

<b>LRB Number</b> <b>03-2467/7</b>		<b>Introduction Number</b> <b>AB-418</b>	
<b>Subject</b>			
Differential pay supplement for activated military state employees			
<b>Fiscal Effect</b>			
<b>State:</b>			
<input type="checkbox"/> No State Fiscal Effect <input type="checkbox"/> Indeterminate			
<input type="checkbox"/> Increase Existing Appropriations <input type="checkbox"/> Decrease Existing Appropriations <input type="checkbox"/> Create New Appropriations		<input type="checkbox"/> Increase Existing Revenues <input type="checkbox"/> Decrease Existing Revenues	
<input checked="" type="checkbox"/> Increase Costs - May be possible to absorb within agency's budget <input checked="" type="checkbox"/> Yes <input type="checkbox"/> No <input type="checkbox"/> Decrease Costs			
<b>Local:</b>			
<input type="checkbox"/> No Local Government Costs <input type="checkbox"/> Indeterminate			
1. <input type="checkbox"/> Increase Costs <input type="checkbox"/> Permissive <input type="checkbox"/> Mandatory		3. <input type="checkbox"/> Increase Revenue <input type="checkbox"/> Permissive <input type="checkbox"/> Mandatory	
2. <input type="checkbox"/> Decrease Costs <input type="checkbox"/> Permissive <input type="checkbox"/> Mandatory		4. <input type="checkbox"/> Decrease Revenue <input type="checkbox"/> Permissive <input type="checkbox"/> Mandatory	
5. Types of Local Government Units Affected <input type="checkbox"/> Towns <input type="checkbox"/> Village <input type="checkbox"/> Cities <input type="checkbox"/> Counties <input type="checkbox"/> Others <input type="checkbox"/> School Districts <input type="checkbox"/> WTCS Districts			
<b>Fund Sources Affected</b>		<b>Affected Ch. 20 Appropriations</b>	
<input type="checkbox"/> GPR <input type="checkbox"/> FED <input type="checkbox"/> PRO <input type="checkbox"/> PRS <input type="checkbox"/> SEG <input type="checkbox"/> SEGS			
<b>Agency/Prepared By</b>		<b>Authorized Signature</b>	<b>Date</b>
DER/ Bob Van Hoesen (608) 267-1003		Bob Van Hoesen (608) 267-1003	7/1/2003

**Fiscal Estimate Narratives**  
**DER 7/2/2003**

LRB Number <b>03-2467/7</b>	Introduction Number <b>AB-418</b>	Estimate Type <b>Original</b>
<b>Subject</b> Differential pay supplement for activated military state employees		

**Assumptions Used in Arriving at Fiscal Estimate**

AB 418 requires the state to continue paying certain employees their state salary, minus military pay and allowances, if they are activated to serve on military duty. The payment requirement would begin 30 days after the employee is activated and continue for a maximum of 179 days. The Governor could extend the period for an additional six months. Current statutes requires the state to pay employees their salary, minus military pay and allowances, for up to 30 working days.

The department has data that shows that approximately 135 state employees were on military leave as of June 10, 2003, and would be covered by the bill. However, the department does not have data regarding their military pay nor is it possible to determine how long they will serve on active duty and be covered by the bill.

Thus, this estimate uses the average state employee wage and the average military pay, based on six years of service. The average military pay has been weighted to reflect the difference in military pay based on the number of dependents. This estimate calculates the cost to cover the pay differential for 135 employees. The number of state employees who are on military leave and the duration of their leave at any given time varies.

Average monthly state employee wage: \$3,125/employee  
Average monthly military pay: \$2,480/employee  
Average monthly pay differential: \$ 645/employee

The total monthly pay differential amount would be \$87,100 (all funds) for each month the 135 employees are on military duty and subject to the provisions of AB 418. The GPR share would be \$40,100 per month, based on the GPR share (46%) of total state payroll. The actual amount will vary depending on actual state and military salaries and the number and service duration of those on active military duty.

However, the actual impact on state agencies should be minimal because the salary costs for these employees already have been included in state agency budgets.

**Long-Range Fiscal Implications**