

Fiscal Estimate - 2003 Session

Original
 Updated
 Corrected
 Supplemental

LRB Number 03-1477/1		Introduction Number AB-143				
Subject						
Bonus payments to veterans						
Fiscal Effect						
State:						
<input type="checkbox"/> No State Fiscal Effect <input checked="" type="checkbox"/> Indeterminate						
<table style="width: 100%; border: none;"> <tr> <td style="width: 33%; vertical-align: top;"> <input checked="" type="checkbox"/> Increase Existing Appropriations <input type="checkbox"/> Decrease Existing Appropriations <input type="checkbox"/> Create New Appropriations </td> <td style="width: 33%; vertical-align: top;"> <input type="checkbox"/> Increase Existing Revenues <input type="checkbox"/> Decrease Existing Revenues </td> <td style="width: 34%; vertical-align: top;"> <input checked="" type="checkbox"/> Increase Costs - May be possible to absorb within agency's budget <div style="text-align: center;"><input type="checkbox"/> Yes <input checked="" type="checkbox"/> No</div> <input type="checkbox"/> Decrease Costs </td> </tr> </table>				<input checked="" 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 <div style="text-align: center;"><input type="checkbox"/> Yes <input checked="" type="checkbox"/> No</div> <input type="checkbox"/> Decrease Costs
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Local:						
<input type="checkbox"/> No Local Government Costs <input type="checkbox"/> Indeterminate						
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Fund Sources Affected		Affected Ch. 20 Appropriations				
<input checked="" type="checkbox"/> GPR <input type="checkbox"/> FED <input type="checkbox"/> PRO <input type="checkbox"/> PRS <input type="checkbox"/> SEG <input type="checkbox"/> SEGS 20.485 (2) (b) 20.485 (2) (bd)						
Agency/Prepared By		Authorized Signature	Date			
DVA/ Zolonda Eubanks (608) 264-7072		John Scocos (608) 266-2256	2/21/2003			

Fiscal Estimate Narratives

DVA 3/6/2003

LRB Number 03-1477/1	Introduction Number AB-143	Estimate Type Original
Subject		
Bonus payments to veterans		

Assumptions Used in Arriving at Fiscal Estimate

This bill would provide a bonus payment to persons who served on active duty under honorable conditions in the U.S. armed forces before January 1, 2004, and during a war period or a crisis, beginning with WWII veterans. Under the provisions of the bill, to be eligible for payment, the veteran must have been a resident of this state at the time of his or her enlistment or induction into the armed forces. The amount of payment may not exceed \$500 and is determined by multiplying the number of months of service in the contiguous 48 states and District of Columbia by \$10 and the number of months of service outside the contiguous 48 states by \$15. If the war veteran was killed or wounded in combat or disabled in a combat zone, the bill provides the veteran an additional \$5 per month of that service.

It is not possible to provide an accurate estimate of the fiscal effects of this bill because of the following: 1) There is, no readily available data that would provide how much of the total time in service was served in the contiguous 48 states or time served outside of the contiguous 48 states; 2) Data does not exist to determine Wisconsin residency at the time of enlistment. The service record of a veteran (DD Form 214) does not clearly establish that requirement; 3) It is unknown how many heirs of the deceased veterans would file a claim for a bonus; 4) It is unknown how many living veterans would file a claim for a bonus.

Although it is not possible to provide an accurate estimate of the fiscal effects of this bill, it is possible to provide an indication of the magnitude of the bill's fiscal effect. This is accomplished by making a number of assumptions regarding the number of veterans that would apply for the bonus and the administrative cost to process the bonus.

The assumption would be that: 1) the average length of total service being 36 months (24 months of which was served in the contiguous 48 states, 12 months outside the contiguous 48 states); 2) of the total deceased, 30% of the heirs would apply (a total of 101,700 heirs); and 3) on average 80% of the veterans still living would apply (a total of 271,200 veterans).

We also assume that it will be necessary to provide staff members to administer this program. The assumption would be to make adjustments for an FTE position to include: 1) yearly work hours of 2080; 2) vacation time of 80 hours; 3) personal holiday time of 28 hours; 4) legal holidays of 72 hours; and 5) 1 hour and 15 minutes combined of lunch and break time; this would assume 1,602 yearly hours of productive time. The next assumption would include: 1) salaries @ \$12 per hour; 2) fringe benefits @ .4384% of salary costs; 3) supplies and services @ \$1,200 per employee per year and 4) one-time start up costs @ \$6,500 per employee. The processing of the bonus payments, on average would take 20 minutes to process. To determine the number of FTE needed to process the bonus payment the 20 minutes is multiplied by the total claims divided by the total productive hours.

Based on the above assumptions the assumed estimated fiscal effect is provided below:

FY05 \$57,960,000 (Bonus Cost)+ \$1,264,500 (Admin Cost)= \$59,224,500 (Total Cost) 29 (FTE)
FY06 \$29,560,000 (Bonus Cost)+ \$556,500 (Admin Cost)= \$30,116,500 (Total Cost) 15 (FTE)
FY07 \$54,300,000 (Bonus Cost)+ \$1,001,800 (Admin Cost)= \$55,301,800 (Total Cost) 27 (FTE)
FY08 \$14,800,000 (Bonus Cost)+ \$270,800 (Admin Cost) = \$15,070,800 (Total Cost) 7.3(FTE)

Long-Range Fiscal Implications