

corrected

Fiscal Estimate - 2003 Session

Original
 Updated
 Corrected
 Supplemental

| | |
|--|---|
| LRB Number 03-1480/1 | Introduction Number AB-3 |
| Subject State employee cap | |
| Fiscal Effect | |
| State: | |
| <input type="checkbox"/> No State Fiscal Effect <input type="checkbox"/> Indeterminate | |
| <input type="checkbox"/> Increase Existing Appropriations <input checked="" type="checkbox"/> Decrease Existing Appropriations <input type="checkbox"/> Create New Appropriations | <input type="checkbox"/> Increase Existing Revenues <input type="checkbox"/> Decrease Existing Revenues <input type="checkbox"/> Increase Costs - May be possible to absorb within agency's budget <input type="checkbox"/> Yes <input type="checkbox"/> No <input type="checkbox"/> Decrease Costs |
| Local: | |
| <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 2. <input type="checkbox"/> Decrease Costs <input type="checkbox"/> Permissive <input type="checkbox"/> Mandatory | 3. <input type="checkbox"/> Increase Revenue <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 | |
| Fund Sources Affected | |
| <input checked="" type="checkbox"/> GPR <input checked="" type="checkbox"/> FED <input checked="" type="checkbox"/> PRO <input checked="" type="checkbox"/> PRS <input checked="" type="checkbox"/> SEG <input checked="" type="checkbox"/> SEGS Multiple appropriations | |
| Affected Ch. 20 Appropriations | |
| Agency/Prepared By | Authorized Signature |
| LFB/ Terry Rhodes (608) 266-3847 | Bob Lang (608) 266-3847 |
| | Date |
| | 1/29/2003 |

Fiscal Estimate Narratives
LFB 1/29/2003

corrected

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|--------------------|-----------|---------------------|------|---------------|--------------|
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| State employee cap | | | | | |

Assumptions Used in Arriving at Fiscal Estimate

The bill would require the Secretary of DOA to abolish 20% of all positions in each executive branch agency that were vacated during the previous fiscal year and to reduce the appropriations funding these positions by the cost of these positions. Positions become vacant for a variety of reasons (such as retirements, resignations, terminations, transfers and promotions). Therefore, it is difficult to determine the number of positions that would be eliminated annually under this provision. An estimate can be made if one uses as a starting point the number of new hires that occur in a given year. Based on information obtained from the Department of Employment Relations (for classified staff) and the University of Wisconsin System (for UW unclassified staff), an average number of annual new hires was developed. Assuming that 20% of those positions for which there were new hires would be an average for the number of vacated positions to be deleted each year, and using an average salary and fringe benefit cost for state classified positions and for UW unclassified positions, estimated total funding for these vacated positions was developed. Under these assumptions, the resultant annual salary and fringe benefit savings is estimated at \$72.7 million based on a total of approximately 1,300 vacated FTE positions. A split by funding source for the costs of these vacated positions was not available. However, the assumption is made that these vacancies would occur in the same proportions as the total state payroll is funded.

Long-Range Fiscal Implications

Vacancy patterns could vary from year to year and also from agency to agency, depending upon differing program operations and needs and on the average age of employees in an agency. Also, the recent reductions in the number of state positions as a result of reductions in agency operating budgets could have an impact on the number of vacancies that develop. Further, agencies would not be prohibited in future years from obtaining through the budget process or other legislation additional positions. Therefore, it is not known whether this estimated level of position reduction savings could be assumed to occur on regular annual basis.

Fiscal Estimate Worksheet - 2003 Session

Detailed Estimate of Annual Fiscal Effect

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| LRB Number 03-1480/1 | | Introduction Number AB-3 | |
| Subject | | | |
| State employee cap | | | |
| I. One-time Costs or Revenue Impacts for State and/or Local Government (do not include in annualized fiscal effect): | | | |
| Some reduction in appropriations could be required in fiscal year 2002-03 if this bill becomes effective prior to July 1, 2003. | | | |
| II. Annualized Costs: | | Annualized Fiscal Impact on funds from: | |
| | | Increased Costs | Decreased Costs |
| A. State Costs by Category | | | |
| State Operations - Salaries and Fringes | | \$ | -72,700,000 |
| (FTE Position Changes) | | | (-1,300.0 FTE) |
| State Operations - Other Costs | | | |
| Local Assistance | | | |
| Aids to Individuals or Organizations | | | |
| TOTAL State Costs by Category | | \$ | -\$72,700,000 |
| B. State Costs by Source of Funds | | | |
| GPR | | | -33,400,000 |
| FED | | | -9,100,000 |
| PRO/PRS | | | -24,500,000 |
| SEG/SEG-S | | | -5,700,000 |
| 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 | | \$-72,700,000 | \$ |
| NET CHANGE IN REVENUE | | \$ | \$ |
| Agency/Prepared By | | Authorized Signature | Date |
| LFB/ Terry Rhodes (608) 266-3847 | | Bob Lang (608) 266-3847 | 1/29/2003 |