

### Fiscal Estimate - 2023 Session

Original     
  Updated     
  Corrected     
  Supplemental

<b>LRB Number</b> <b>23-5706/1</b>	<b>Introduction Number</b> <b>SB-1035</b>
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**Description**  
 a retirement plan marketplace, granting rule-making authority, and making an appropriation

**Fiscal Effect**

**State:**

<input type="checkbox"/> No State Fiscal Effect	<input type="checkbox"/> Increase Existing Revenues	<input checked="" type="checkbox"/> Increase Costs - May be possible to absorb within agency's budget <input type="checkbox"/> Yes <input checked="" type="checkbox"/> No
<input type="checkbox"/> Indeterminate	<input type="checkbox"/> Decrease Existing Revenues	
<input type="checkbox"/> Increase Existing Appropriations		<input type="checkbox"/> Decrease Costs
<input type="checkbox"/> Decrease Existing Appropriations		
<input type="checkbox"/> Create New Appropriations		

**Local:**

<input type="checkbox"/> No Local Government Costs		
<input type="checkbox"/> Indeterminate	<b>5. Types of Local Government Units Affected</b>	
1. <input type="checkbox"/> Increase Costs	3. <input type="checkbox"/> Increase Revenue	<input type="checkbox"/> Towns <input type="checkbox"/> Village <input type="checkbox"/> Cities
<input type="checkbox"/> Permissive <input type="checkbox"/> Mandatory	<input type="checkbox"/> Permissive <input type="checkbox"/> Mandatory	<input type="checkbox"/> Counties <input type="checkbox"/> Others
2. <input type="checkbox"/> Decrease Costs	4. <input type="checkbox"/> Decrease Revenue	<input type="checkbox"/> School Districts <input type="checkbox"/> WTCS Districts
<input type="checkbox"/> Permissive <input type="checkbox"/> Mandatory	<input type="checkbox"/> Permissive <input type="checkbox"/> Mandatory	

<b>Fund Sources Affected</b>	<b>Affected Ch. 20 Appropriations</b>
<input type="checkbox"/> GPR <input type="checkbox"/> FED <input checked="" type="checkbox"/> PRO <input type="checkbox"/> PRS <input type="checkbox"/> SEG <input type="checkbox"/> SEGS 20.144(1)(g)	

<b>Agency/Prepared By</b>	<b>Authorized Signature</b>	<b>Date</b>
DFI/ Michael Trepanier (608) 572-4914	Michael Trepanier (608) 572-4914	2/21/2024

## Fiscal Estimate Narratives

DFI 2/21/2024

LRB Number	23-5706/1	Introduction Number	SB-1035	Estimate Type	Original
<b>Description</b> a retirement plan marketplace, granting rule-making authority, and making an appropriation					

### Assumptions Used in Arriving at Fiscal Estimate

If enacted, this legislation would require DFI to do the following:

(1) Establish an online retirement plan marketplace. The bill requires DFI to establish and manage an online retirement plan marketplace for eligible employers and individuals, to enter a contract with a vendor to host the marketplace, and to work with other agencies in designing and managing the online marketplace. This will require DFI staff to solicit and oversee the vendor, to design the marketplace, and to develop content that educates employers and individuals on retirement plan options.

(2) Review applications of financial services firms seeking to offer retirement plans on the marketplace. The bill requires DFI to review applications from firms seeking to include their retirement plan offerings on the marketplace. DFI may only approve a plan for inclusion on the marketplace if it determines that the plan is high quality, complies with the Employee Retirement Income Security Act of 1974 (ERISA), charges reasonable fees, and meets other statutory requirements.

(3) Develop a marketing program to publicize and promote the marketplace. The bill requires DFI to educate and encourage both employees and employers regarding retirement savings plans, to develop a marketing program for the marketplace, and to provide outreach to employers and employees. The bill authorizes DFI to contract with a vendor to provide marketing services.

To carry out these responsibilities, DFI anticipates that it would need to add at least five staff members: an administrative manager (estimated salary, fringe, and supply costs of \$118,105), two marketing specialists (estimated salary, fringe, and supply costs of \$78,333 each), and two auditors with relevant subject matter experience (estimated salary, fringe, and supply costs of \$78,333 each), for a total annual staff cost of \$431,437 (rounded up to \$431,500).

While the scale of the marketing program will depend on the resources available, DFI does have experience working with a vendor to market the state's college savings program. That vendor is required to spend a minimum of \$2.5 million annually marketing the state's college savings program. DFI has borrowed that figure as an estimate of annual marketing costs for this proposed retirement savings program.

Depending on which services and features DFI, ETF, and SWIB find to be necessary or desirable when those agencies collaborate to design the marketplace, as required by section 4 of the bill, the external vendor cost to create the online marketplace may vary substantially. For that reason, DFI is unable to fairly estimate the cost to retain a vendor to build the online marketplace.

### Long-Range Fiscal Implications

## Fiscal Estimate Worksheet - 2023 Session

Detailed Estimate of Annual Fiscal Effect

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<b>I. One-time Costs or Revenue Impacts for State and/or Local Government (do not include in annualized fiscal effect):</b>		
<b>II. Annualized Costs:</b>		<b>Annualized Fiscal Impact on funds from:</b>
		Increased Costs      Decreased Costs
<b>A. State Costs by Category</b>		
State Operations - Salaries and Fringes	\$331,500	\$
(FTE Position Changes)	(5.0 FTE)	
State Operations - Other Costs	2,600,000	
Local Assistance		
Aids to Individuals or Organizations		
<b>TOTAL State Costs by Category</b>	<b>\$2,931,500</b>	<b>\$</b>
<b>B. State Costs by Source of Funds</b>		
GPR		
FED		
PRO/PRS (20.144(1)(g))	2,931,500	
SEG/SEG-S		
<b>III. State Revenues - Complete this only when proposal will increase or decrease state revenues (e.g., tax increase, decrease in license fee, etc.)</b>		
	Increased Rev	Decreased Rev
GPR Taxes	\$	\$
GPR Earned		
FED		
PRO/PRS		
SEG/SEG-S		
<b>TOTAL State Revenues</b>	<b>\$</b>	<b>\$</b>
<b>NET ANNUALIZED FISCAL IMPACT</b>		
	<u>State</u>	<u>Local</u>
NET CHANGE IN COSTS	\$2,931,500	\$
NET CHANGE IN REVENUE	\$	\$
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