



Legislative Fiscal Bureau

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Joint Committee on Finance

Paper #232

Increase Employee Contributions for Pensions and Health Insurance (Commerce and DSPS)

[LFB 2011-13 Budget Summary: Page 114, #4 and Page 383, #5]

GOVERNOR

Delete \$174,900 PR annually to reflect Department of Commerce fringe benefit cost reductions associated with increased state employee contributions for WRS benefits and health insurance coverage for certain program revenue staff. The calculation of retirement savings is based on employee WRS contributions equal to 5.8% of salary. Health insurance cost reductions are based on employees paying an average of approximately 12.6% of total premiums. Commerce reductions were only applied to staff funded from selected PR sources prior to their transfer to the Department of Safety and Professional Services (DSPS).

MODIFICATION

Delete an additional \$80,900 FED, \$726,700 PR, and \$276,700 SEG annually to reflect fringe benefit cost reductions for Commerce Safety and Buildings Division, Environmental Regulatory Services Division, and administrative staff who are transferred to DSPS.

Explanation: The DOA State Budget Office indicated in an errata memo that several Commerce appropriations transferred to DSPS under the bill were not reduced to reflect fringe benefit cost reductions that were applied to administrative appropriations throughout state agencies. DOA requested the correction to reflect reductions in a manner consistent with other state appropriations. The modification would correct the error.

DSPS Funding	
FED	- \$161,800
PR	- 1,453,400
SEG	- 553,400
Total	- \$2,168,600

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