

FISCAL ESTIMATE FORM

2001 Session

- ORIGINAL UPDATED
 CORRECTED SUPPLEMENTAL

LRB # 01 - 0822/1

INTRODUCTION # 01 - AB 69

Admin. Rule #

Subject

Using accumulated unused sick leave credits and certain health insurance premium credits for payment of long-term care insurance for participants under the WRS

Fiscal Effect

State: No State Fiscal Effect

Check columns below only if bill makes a direct appropriation or affects a sum sufficient appropriation.

Increase Costs - May be possible to Absorb Within Agency's Budget Yes No

- Increase Existing Appropriation Increase Existing Revenues
 Decrease Existing Appropriation Decrease Existing Revenues
 Create New Appropriation

Decrease Costs

Local: No local government costs

1. Increase Costs
 Permissive Mandatory
 2. Decrease Costs
 Permissive Mandatory

3. Increase Revenues
 Permissive Mandatory
 4. Decrease Revenues
 Permissive Mandatory

5. Types of Local Governmental Units Affected:
 Towns Villages Cities
 Counties Others _____
 School Districts WTCS Districts

Fund Sources Affected

- GPR FED PRO PRS SEG SEG-S

Affected Ch. 20 Appropriations

Assumptions Used in Arriving at Fiscal Estimate:

AB 69 allows state employees who are eligible to use accumulated sick leave conversion credits (ASLCC) and supplemental health insurance conversion credits (SHICC) to pay for state group health insurance to also use their sick leave credits to pay for long-term care insurance premiums under Chapter 40. Current law does not provide for the use of sick leave credits for this purpose.

AB 69 is estimated to have start-up programming costs of \$204,200, one-time costs of \$22,000 and on-going administrative costs of \$8,500 annually (testing system, processing, forms development, mailings, inquiries, image/scan documents, etc.). The sick leave conversion programs may not provide cash benefits directly to employees if it is to maintain its tax-free status. Administrative costs will be incurred in order to reprogram the Department's sick leave credit computer system and to administer monthly premium remittance to long-term care insurers for participants who elect to use their sick leave balance to pay their long-term care premiums.

The bill will have a fiscal effect to the extent it leads to a more rapid depletion of sick leave credit balances and a corresponding increase in the percentage of state payroll used to fund the programs. This amount may be needed to offset the fund's lost earnings due to the increase rate of sick leave credits being withdrawn. The ETF Board's actuary estimates 0.1 percent to 0.4 percent (\$2.52 million to \$10.08 million all funds annually) of state payroll (1999). The actual amount will depend upon the amount of premium and the number of individuals who choose to pay for long-term care insurance premiums.

Long-Range Fiscal Implications:

On-going

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2/20/01

FISCAL ESTIMATE WORKSHEET

Detailed Estimate of Annual Fiscal Effect

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Using accumulated unused sick leave credits and certain health insurance premium credits for payment of long-term care insurance premiums

I. One-time Costs or Revenue Impacts for State and/or Local Government (do not include in annualized fiscal effect):
 \$22,000 administrative and \$204,200 programming costs

II. Annualized Costs:		Annualized Fiscal Impact on State funds from:	
		Increased Costs	Decreased Costs
A. State Costs by Category			
State Operations - Salaries and Fringes		\$ 8,500	\$ -
(FTE Position Changes)		(FTE)	(- FTE)
State Operations - Other Costs		\$2.52 - \$10.08 million	-
Local Assistance			-
Aids to Individuals or Organizations			-
TOTAL State Costs by Category		\$ 8,500 admin \$2.52-\$10.08 million	\$ -
B. State Costs by Source of Funds		Increased Costs	Decreased Costs
GPR		\$1.13-4.54 million	\$ -
FED			-
PRO/PRS		\$1.39-5.54 million (all other funds)	-
SEG/SEG-S		\$8,500 SEG admin	-
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	\$8,500 administrative \$2.52 - \$10.08 million	\$ _____
NET CHANGE IN REVENUES	\$ _____	\$ _____

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