Wisconsin Department of Administration Division of Executive Budget and Finance DOA-2048 (R07/2000)

## Fiscal Estimate - 2001 Session

☑ Orig	nal		Updated		Corrected			Supple	mental		
LRB Num	ber <b>01-17</b>	48/3		Intro	duction N	umber	SE	3-239			
Subject  Valuation of sick leave credits for the payment of health insurance for state employees											
Fiscal Effect			<del>"</del>	**		-					
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Fund Sources Affected  Affected Ch. 20 Appropriations  GPR FED PRO PRS SEG SEGS											
Agency/Prep	ared By		Auth	orized S	Signature				Date		
ETF/ Pam Henning (608) 267-2929 Dave				re Hinrichs (608) 266-3763					09/20/2001		

## Fiscal Estimate Narratives ETF 09/20/2001

LRB Number <b>01-1748/3</b>	Introduction Number	SB-239	Estimate Type	Original					
Subject									
Valuation of sick leave credits for the payment of health insurance for state employees									

## **Assumptions Used in Arriving at Fiscal Estimate**

SB 239 provides that certain supplementary compensation paid to any state employee is converted at retirement to sick leave conversion credits for the payment of health insurance premiums. Under current law for most employees, unused sick leave is converted to sick leave credits on the basis of the employee's current basic pay rate. However, teachers, teacher supervisors, and education directors in the state service are eligible to have wages for the completion of educational courses, approved by the employer, converted to sick leave credits.

SB 239 provides that all supplementary compensation except for compensation relating to shift differentials or stand-by pay is considered part of the employee's basic pay for the purpose of calculating sick leave conversion credits.

This bill will have a fiscal effect to the extent that it requires additional employer contribution to the sick leave conversion credit funds. It is estimated that 1,300 or approximately three percent, of state employees are paid an average of \$1.59 per hour in supplementary compensation that will be eligible to be converted under this bill. According to the ETF Board's actuary, while this will have some cost, it is not expected to have a material effect on the employer contribution rates.

**Long-Range Fiscal Implications**