

Fiscal Estimate Narratives

ETF 09/20/2001

LRB Number	01-1748/3	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