Fiscal Estimate - 2005 Session

	Original		Updated		Corrected] Supple	emental
LRB N	lumber (05-0664/1		Intro	duction N	lumber	AB-368	3
Subject Provision	n of prepaid le	egal services	insurance to sta	te employ	ees			
Fiscal E	ffect							
	State Fiscal determinate Increase Exical Appropriation Decrease Example Appropriation Create New	sting ns kisting	Revenu Decreas Revenu	e Existing	to	ncrease Co o absorb wi Yes Decrease C	thin agency	
Local: No Local Government Costs Indeterminate 1. Increase Costs Permissive Mandatory 2. Decrease Costs Permissive Mandatory Permissive Mandatory Permissive Mandatory Permissive Mandatory Permissive Mandatory Permissive Mandatory Districts 5. Types of Local Government Units Affected Towns Village Counties Counties Others School WTCS Districts								
Fund Sources Affected Affected Ch. 20 Appropriations GPR FED PRO PRS SEG SEGS 20.515 (1)(w)								
Agency/	Prepared By		Au	thorized S	Signature			Date
ETF/ Jon Kranz (608) 267-0908 Da				ve Stella (608) 266-3641			5/6/2005	

Fiscal Estimate Narratives ETF 5/9/2005

LRB Number	05-0664/1	Introduction Number	AB-368	Estimate Type	Original			
Subject				·				
Provision of prepaid legal services insurance to state employees								

Assumptions Used in Arriving at Fiscal Estimate

AB-368 would require the Department of Employee Trust Funds to offer a prepaid legal services insurance plan to state employee participants in the Wisconsin Retirement System. The assumptions used for this estimate are as follows:

- Employees who elect coverage will pay the entire premium via payroll deduction as per s. 20.921 of the state statutes
- Agencies will remit premiums directly to the insurer and maintain membership records
- Administrative costs incurred by the Department will be billed to the insurer annually
- The policy offered will be in compliance with all rules and regulations administered by the Office of the Insurance Commissioner
- Enrollment is estimated to be between 5% and 15% of the eligible employees

Implementation costs would include costs associated with reviewing proposals from vendors, executing a contract and marketing agreement, promulgating administrative rules, and creating a web page. A 0.5 SEG FTE position would be required during the implementation year to complete these tasks.

On-going costs would include the costs associated with contract monitoring, communications, handling complaints and inquiries, maintenance of the web page, and the preparation of Board reports. A 0.2 SEG FTE position would be required for these on-going tasks.

Long-Range Fiscal Implications

Fiscal Estimate Worksheet - 2005 Session

Detailed Estimate of Annual Fiscal Effect

Original Dpda	ted Corrected	Supplemental				
LRB Number 05-0664/1	Introduction Numb	per AB-368				
Subject						
Provision of prepaid legal services insu	rance to state employees					
I. One-time Costs or Revenue Impact	s for State and/or Local Governme	ent (do not include in				
annualized fiscal effect):		\$3 #				
\$30,100 including the costs associated	with 0.5 FTE					
II. Annualized Costs:		Annualized Fiscal Impact on funds from:				
	Increased Costs	Decreased Costs				
A. State Costs by Category						
State Operations - Salaries and Fring	jes \$11,500					
(FTE Position Changes)	(0.2 FTE)					
State Operations - Other Costs						
Local Assistance	V 19 1 4 4 1 1 1 1 1 1 1 1 1 1 1 1 1 1 1	anne de la comercia d				
Aids to Individuals or Organizations						
TOTAL State Costs by Category	\$11,500	\$				
B. State Costs by Source of Funds		- 4				
GPR						
FED	からは accomplession	· · · · · · · · · · · · · · · · · · ·				
PRO/PRS						
SEG/SEG-S (SEG)	11,500					
III. State Revenues - Complete this or revenues (e.g., tax increase, decrease		decrease state				
	Increased Rev	Decreased Rev				
GPR Taxes	\$	\$				
GPR Earned						
FED						
PRO/PRS						
SEG/SEG-S						
TOTAL State Revenues	\$	\$				
NET AN	NUALIZED FISCAL IMPACT					
	<u>State</u>	<u>Local</u>				
NET CHANGE IN COSTS	\$11,500	\$				
NET CHANGE IN REVENUE	\$	\$				
Agency/Prepared By	Authorized Signature	Date				
ETF/ Jon Kranz (608) 267-0908	Dave Stella (608) 266-3641	5/6/2005				