

Fiscal Estimate - 2011 Session

Original
 Updated
 Corrected
 Supplemental

LRB Number 11-0968/1	Introduction Number AB-0027	
Description Requiring political subdivisions to pay health insurance premiums for survivors of a law enforcement officer who dies, or has died, in the line of duty		
Fiscal Effect State: <input checked="" type="checkbox"/> No State Fiscal Effect <input type="checkbox"/> Indeterminate <input type="checkbox"/> Increase Existing Appropriations <input type="checkbox"/> Increase Existing Revenues <input type="checkbox"/> Increase Costs - May be possible to absorb within agency's budget <input type="checkbox"/> Decrease Existing Appropriations <input type="checkbox"/> Decrease Existing Revenues <input type="checkbox"/> Yes <input type="checkbox"/> No <input type="checkbox"/> Create New Appropriations <input type="checkbox"/> Decrease Costs		
Local: <input type="checkbox"/> No Local Government Costs <input type="checkbox"/> Indeterminate 1. <input checked="" type="checkbox"/> Increase Costs 3. <input type="checkbox"/> Increase Revenue 5. Types of Local Government Units Affected <input type="checkbox"/> Permissive <input checked="" type="checkbox"/> Mandatory <input type="checkbox"/> Permissive <input type="checkbox"/> Mandatory <input checked="" type="checkbox"/> Towns <input checked="" type="checkbox"/> Village <input checked="" type="checkbox"/> Cities 2. <input type="checkbox"/> Decrease Costs 4. <input type="checkbox"/> Decrease Revenue <input checked="" type="checkbox"/> Counties <input type="checkbox"/> Others <input type="checkbox"/> Permissive <input type="checkbox"/> Mandatory <input type="checkbox"/> Permissive <input type="checkbox"/> Mandatory <input type="checkbox"/> School Districts <input type="checkbox"/> WTCS Districts		
Fund Sources Affected Affected Ch. 20 Appropriations <input type="checkbox"/> GPR <input type="checkbox"/> FED <input type="checkbox"/> PRO <input type="checkbox"/> PRS <input type="checkbox"/> SEG <input type="checkbox"/> SEGS		
Agency/Prepared By DOR/ Daniel Huegel (608) 266-5705	Authorized Signature Paul Ziegler (608) 266-5773	Date 9/12/2011

Fiscal Estimate Narratives

DOR 9/12/2011

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Description Requiring political subdivisions to pay health insurance premiums for survivors of a law enforcement officer who dies, or has died, in the line of duty					

Assumptions Used in Arriving at Fiscal Estimate

CURRENT LAW

Under current law, if a town, village, or city pays health insurance premiums for its employees who are fire fighters, and if the fire fighter dies in the line of duty, the town, village, or city is required to provide and pay for health care benefits for the fireman's surviving spouse and dependent children. Benefits for surviving spouses continue until the earlier of the spouse remarrying or reaching the age of 65. Benefits for dependents generally continue until the dependent reached the age of 18. However, benefits for dependents over the age of 18 continue as long as the dependent is a full-time student in high school, or (until the dependent reaches the age of 27) is a part-time or full-time student at an accredited college or university. These provisions apply to all past and future fire fighters who die or have died in the line of duty.

PROPOSED LAW

Under the bill, the benefits described above for the surviving spouse and dependent children of fire fighters would apply to the surviving spouse and dependent children of town, village, city, and county law enforcement officers who die or have died in the line of duty.

FISCAL EFFECT

For purposes of this estimate, it is assumed that towns, villages, cities, and counties provide health care benefits for all of their law enforcement officers. For those local governments that participate in the Wisconsin Public Employers Group health insurance program administered by the Wisconsin Department of Employee Trust Funds, the annual health insurance premium (equal to the monthly premium times 12 and dependent on which of the available plans is chosen) in 2011 for families range from \$15,300 to \$34,700. Costs for local governments that do not participate in this program are not available, but are assumed to be comparable.

Information from the Wisconsin Law Enforcement Memorial website indicates that 40 law enforcement officers have died in the line of duty since 1990, for an average of about 2 law enforcement officers per year.

The number of surviving spouses and dependent children that would qualify for benefits under the bill is not available. Assuming that 15 such surviving spouses and their families exist, the initial cost for all affected local governments for benefits under the bill would range from \$229,500 (\$15,300 X 15) to \$520,500 (\$34,700 X 15). Over time, as the beneficiaries attain the age of 65, die, or remarry, the cost of providing these benefits will decline.

Based on an average of 2 law enforcement officers dying in the line of duty per year, the anticipated average annual cost for future deaths for all affected local governments for benefits under the bill would range from \$30,600 (\$15,300 X 2) to \$69,400 (\$34,700 x 2) per year. Assuming an average life expectancy for the surviving spouse of 15 years, the total cost by 2026 (based on 2011 prices) for future deaths would range from \$459,000 (\$30,600 X 15) to \$1,041,000 (\$69,400 X 15).

Over time, it is expected that decreases in benefits regarding law enforcement officers who previously died in the line of duty will largely be offset by increases in benefits regarding law enforcement officers who will die in the line of duty in future years. Thus, total costs – at 2011 prices – for all affected local governments under the bill ranges from \$459,000 to \$1,041,000.

Long-Range Fiscal Implications

Fiscal Estimate Worksheet - 2011 Session

Detailed Estimate of Annual Fiscal Effect

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Description Requiring political subdivisions to pay health insurance premiums for survivors of a law enforcement officer who dies, or has died, in the line of duty			
I. One-time Costs or Revenue Impacts for State and/or Local Government (do not include in annualized fiscal effect):			
II. Annualized Costs:		Annualized Fiscal Impact on funds from:	
		Increased Costs	Decreased Costs
A. State Costs by Category			
State Operations - Salaries and Fringes	\$		\$
(FTE Position Changes)			
State Operations - Other Costs			
Local Assistance			
Aids to Individuals or Organizations			
TOTAL State Costs by Category	\$		\$
B. State Costs by Source of Funds			
GPR			
FED			
PRO/PRS			
SEG/SEG-S			
III. 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			
		<u>State</u>	<u>Local</u>
NET CHANGE IN COSTS	\$		\$459,000 to \$1,041,000
NET CHANGE IN REVENUE	\$		\$
Agency/Prepared By		Authorized Signature	Date
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