

FISCAL NOTE

This bill contains appropriations of \$2,455,000 from the GENERAL FUND to the State Auditor's Office.

This bill contains an appropriation of \$6,238,000 from the SCHOOL FOUNDATION FUND to the State Auditor's Office.

DETAIL OF APPROPRIATION

Agency #: 003 Agency Name: State Auditor's Office
Unit: 0501 (Employee and Employer Retirement Contributions)

EXPENDITURE BY SERIES AND YEAR	FY 2018	FY 2019	FY 2020
0100 Personnel/Benefit Costs	\$0	\$433,000	\$1,040,000
0600 Grant & Aid Payments	\$0	\$2,123,000	\$5,097,000
 Total Expenditure Per Year:	 \$0	 \$2,556,000	 \$6,137,000
 Grand Total Expenditure:	 \$8,693,000		
Total Appropriated to Agency:	\$8,693,000		
Total Appropriated by Fund:			
GENERAL FUND	\$2,455,000		
SCHOOL FOUNDATION FUND	\$6,238,000		

Description of appropriations:

The appropriations, up to the amounts provided, are to be used by state agencies in the Judicial, Executive and Legislative branches (through 0100 Personnel/Benefit Costs), the University of Wyoming, community colleges and school districts (through 0600 Grant and Aid Payments) to pay for phased in employer retirement contribution increases for the Public Employee Plan (pension plan). The bill does not provide appropriations for FY 2021 or FY 2022, which are included in the bill as part of the contribution increase phase-in period. The required contribution amounts for FY 2021 and FY 2022 would be included in the FY2021-2022 biennial standard personnel budget request of the impacted state agencies.

Assumptions:

The appropriations will be used to pay for a 0.25% employer share of retirement contribution increase for FY 2019 (beginning September 1, 2018) and for a 0.50% employer share of retirement contribution increase for FY 2020 (beginning July 1, 2019). For each fiscal year, there is also required an equal share employee contribution increase to be paid by a reduction in cash salary from the plan's employee members' paychecks. The bill also authorizes agencies funded with other funds (e.g. federal funds, etc.) to use those funds to pay proportionate shares of the contribution increase commensurate with the appropriate funding ratios for program served by these employees (Section 2(c) of the bill).

	FY 2019	FY 2020	FY 2021
NON-ADMINISTRATIVE IMPACT			
Anticipated Revenue increase			
RETIREMENT FUND	\$7,454,689	\$17,891,254	\$26,836,881

Source of revenue increase:

The Public Employee Plan will receive additional employer and employee contributions as phased in 0.50% (paid 0.25% from employees and 0.25% from employers) per fiscal year through FY 2022. The total increase results are 2.00% (paid 1.00% from employees and 1.00% from employers) by FY 2022.

Assumptions:

The WRS states that the amounts shown represent the estimated additional revenue generated by a 0.50% contribution increase per fiscal year from all applicable employers, and from all funding sources, to the Public Employee Plan. The amounts assume flat payroll growth during the phase-in period.

	FY 2019	FY 2020	FY 2021
NON-ADMINISTRATIVE IMPACT			
Anticipated Expenditure increase			
GENERAL FUND			\$2,598,000
SCHOOL FOUNDATION FUND			\$6,604,000

Source of expenditure increase:

There will be expenditure increases among all government employers, as specified under proposed W.S. 9-3-412(c)(v). The anticipated expenditure increase estimated here is the result of increased retirement contributions that are the responsibility of state and school districts employers, which would be paid by the appropriations provided in the bill. Increased expenditures from federal and other funds, as necessary to pay for some employees' personnel costs, are indeterminable.

Assumptions:

The amounts indicate the total employer cost for Executive branch state agencies, higher education institutions, and school districts that would be required to pay for one-half of the required contribution increases for the fiscal years shown. The expenditure increase for FY 2019 and FY 2020 are shown in the appropriations table. Additional costs for other employers that participate in the Public Employee Plan are not provided, but these employers include municipalities, counties, and special districts. Other employers that participate in the plan include non-profit community organizations such as senior centers and associations. These non-governmental employers are excluded from the employee paycheck deduction requirement and may choose other methods to accommodate the contribution increase for their employees.

The Wyoming Retirement System (WRS) states that there will be some administrative costs to accommodate computer programming changes, but these costs should be covered by its FY 2019-2020 budget request, if approved by the Legislature.

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