



**WISCONSIN DEPARTMENT OF
ADMINISTRATION**

SCOTT WALKER
GOVERNOR

MIKE HUEBSCH
SECRETARY

Division of Executive Budget and Finance
Post Office Box 7864
Madison, WI 53707-7864
Voice (608) 266-1736
Fax (608) 267-0372
TTY (608) 267-9629

Date: February 9, 2011
To: Interested Parties
From: State Budget Office
Subject: State, Local Government and School District Employee Compensation Information

Employee Costs as Share of State Operations

Adjusted Base

	State Operations*	Employee Costs*	Percentage	FTE
GPR	\$3,670,912,800	\$2,210,604,700	60%	35,761.66
PR	3,945,603,300	2,237,921,300	57%	19,843.38
SEG	1,722,856,300	416,461,200	24%	5,173.48
FED	1,965,033,600	765,068,200	39%	10,330.09
	\$11,304,406,000	\$5,630,055,400	50%	71,108.61

*Includes LTEs

Source: State Budget Office

Employee Costs as Share of State Operations by Agency

Agency	State Operations	Employee Costs	Percentage	FTE
UW	\$1,130,132,300	\$875,293,900	77%	18,483.93
Corrections	1,007,690,000	700,483,000	70%	9,679.57
Health Services	252,095,900	159,844,800	63%	2,229.72
Justice	38,678,900	31,722,600	82%	367.08
District Attorneys	42,289,100	42,041,100	99%	380.90
Public Defender	76,775,100	50,029,200	65%	575.85
Revenue	95,648,700	71,072,800	74%	892.73
Courts	96,117,300	89,650,800	93%	718.00
Legislature	72,689,600	58,928,900	81%	758.17
Subtotal	2,812,116,900	2,079,067,100	74%	34,085.95
Other	858,795,900	131,537,600	15%	1,675.71
Total	\$3,670,912,800	\$2,210,604,700	60%	35,761.66

Adjusted Base – GPR Only

Source: State Budget Office

Retirement Plans, Other States

<u>State</u>	<u>Employee Contribution Rate</u>	<u>Employer-covered share of Employee Contribution Rate</u>	<u>Employer Contribution Rate</u>	<u>Vesting Period</u>	<u>Normal; Early Retirement Qualifications</u>
Illinois	4.00%	4.00%	16.56%	8 years	60/8 or rule of 85; 55/25
Indiana	3.00%	3.00%	6.26%	10 years	65/10 or 60/15 or 55/rule of 85; 50/15
Iowa	4.5%	none	6.05%	4 years	65 or 62/20 or rule of 88; 55/4
Michigan*	Non-contributory	none	8.30%	10 years	60/10 or 55/30; 55/15
Minnesota	6.00%	none	6.50%	3 years	65/1 or 30 years svc or rule of 90; 55/3
Ohio	10.00%	none	14.00%	5 years	60/5 or any/30; 55/25
Wisconsin	5.00%	5.00%	4.80%	Immediate	65/any or 57/30; 55

Source: Wisconsin Legislative Council – study of retirement systems

Source: Schmidt, Daniel, 2008 Comparative Study of Major Public Employee Retirement Systems, Wisconsin Legislative Council, December 2009 (revised May 2010)

Illustration of Health Plan Modification

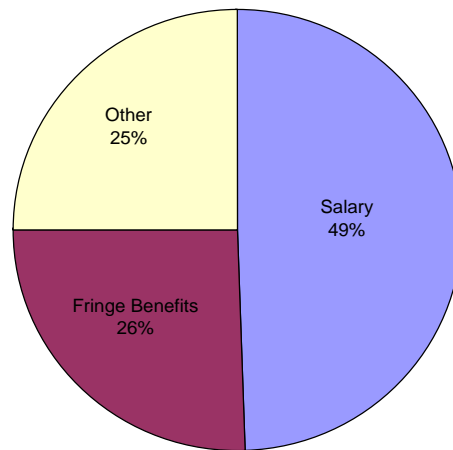
- According to survey data, private employer HMO plans for large employers in WI typically require the following co-pays:
 - \$18 office visit/\$45 specialist
 - \$75 ER visit
 - \$175 for in-patient co-pay.
- Instituting these plan design changes would reduce premium contributions by about 5 percent, or about \$23 million GPR.
- Premium Contributions for the plans surveyed averaged \$108/month for single and \$261/month for family coverage

Source: State Budget Office analysis.

State of Wisconsin
Personal Services and Fringe Benefit Cost Summary
Fiscal Year 2010

	<u>GPR</u>	<u>PR</u>	<u>SEG</u>	<u>Total</u>
Personal Services Costs	1,487,637,214	1,961,313,119	342,511,692	3,791,462,025
% of Total Personal Services	39.24%	51.73%	9.03%	100.00%
Fringe Benefit Costs				
1910 Unemployment Compensation	1,621,779	2,809,737	520,700	4,952,216
1911 Unemployment Comp - LTE	497,717	1,145,986	1,275,807	2,919,510
1918 Workers Comp - 3rd Party Claims	3,266,369	5,657,463	604,213	9,528,045
1919 Workers Comp - 1099 Reportable	678,191	1,138,228	121,562	1,937,981
1920 Workers Comp - Wage Non-1099 Reportable	1,938,078	3,252,826	1,753,062	6,943,966
1921 Wage Continuation Insurance	2,244,932	2,682,572	646,631	5,574,135
1925 Workers Compensation for Inmates	99,635	209	0	99,844
1929 Employer Contribution - Academic Retire	0	231,409	0	231,409
1930 Social Security - State Share	88,403,240	103,278,337	20,943,476	212,625,053
1931 Medicare Coverage - Govt Empl	21,164,656	25,014,353	4,912,337	51,091,346
1940 Health Insurance	356,030,913	380,687,901	86,495,608	823,214,422
1941 ERA Administrative Fees	1,860,704	3,524,943	41,921	5,427,568
1942 Health Insurance - Graduate Assistants	8,370,604	38,897,454	377,028	47,645,086
1950 Life Insurance	1,991,141	2,059,184	495,576	4,545,901
1961 Teacher Retirement (UW and State)	56,182,419	93,911,441	506,444	150,600,304
1969 Other Retirement - Total	140,786,035	96,959,382	43,583,625	281,329,042
1970 Pension Obligation Bond Pmts	52,252,295	46,923,526	11,559,304	110,735,125
1980 Nonsalary Related Legal Settlements	0	112,633	0	112,633
1999 Unallocated Transfers	(3,661,224)	8,053,413	(2,205,135)	2,187,054
Total Fringe Benefits	733,727,484	816,340,997	171,632,159	1,721,700,640
% of Total Fringe Benefits	42.62%	47.41%	9.97%	100.00%
Fringe Benefits % of Personal Services	49.32%	41.62%	50.11%	45.41%
Total Personal Services and Fringes	\$2,221,364,698	\$2,777,654,116	\$514,143,851	\$5,513,162,665

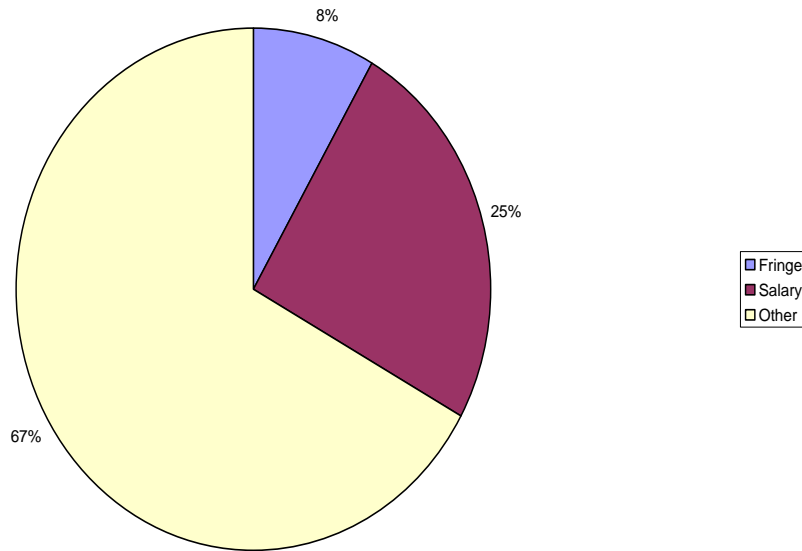
**Salary and fringe benefit costs comprise 75% of school district expenditures
(2008-09 data)**



School District Expenditures 2008-09		
Salary	5,243,908,881	49.4%
Fringe Benefits	2,718,937,862	25.6%
Other	2,660,482,918	25.0%
Total	10,623,329,660	100.0%

Source – State Budget Office analysis using Department of Public Instruction school financial data reports

Salary and Fringe as a Percentage of County and Municipal Expenditures



Source: Calculations based on Department of Revenue County and Municipal Revenues and Expenditure Report (2009), 2009 Census Data on Local Government Employment, and 2009 Bureau of Economic Analysis data on composition of employee compensation by industry. Assumes fringe benefits equal to 33.4% of salary.

County and Municipal Expenditure Categories (in \$millions)		
Expenditure Category	Expenditures	% of Total
Salary	\$3,975	24.7%
Fringe	\$1,328	8.3%
Other*	\$10,763	67.0%
Total	\$16,065	100.0%

*Includes proprietary fund operating expenditures.

Source – State Budget Office analysis of Department of Revenue County and Municipal Revenues Expenditure Report (2009), 2009 Census Data on Local Government Employment, and 2009 Bureau of Economic Analysis data on composition by industry.