

MILWAUKEE COUNTY FISCAL NOTE FORM

DATE: August 18, 2023

Original Fiscal Note

Substitute Fiscal Note

SUBJECT: A resolution from the Milwaukee County Select Committee on Deferred Compensation, requesting authorization to implement automatic enrollment and automatic escalation into the County's 457(b) Deferred Compensation Plan for most employees beginning in 2024

FISCAL EFFECT:

- | | |
|---|--|
| <input checked="" type="checkbox"/> No Direct County Fiscal Impact
<input type="checkbox"/> Existing Staff Time Required
<input type="checkbox"/> Increase Operating Expenditures
(If checked, check one of two boxes below)
<input type="checkbox"/> Absorbed Within Agency's Budget
<input type="checkbox"/> Not Absorbed Within Agency's Budget
<input type="checkbox"/> Decrease Operating Expenditures
<input type="checkbox"/> Increase Operating Revenues
<input type="checkbox"/> Decrease Operating Revenues | <input type="checkbox"/> Increase Capital Expenditures
<input type="checkbox"/> Decrease Capital Expenditures
<input type="checkbox"/> Increase Capital Revenues
<input type="checkbox"/> Decrease Capital Revenues
<input type="checkbox"/> Use of contingent funds |
|---|--|

Indicate below the dollar change from budget for any submission that is projected to result in increased/decreased expenditures or revenues in the current year.

	Expenditure or Revenue Category	Current Year	Subsequent Year
Operating Budget	Expenditure	\$0	\$0
	Revenue	\$0	\$0
	Net Cost	\$0	\$0
Capital Improvement Budget	Expenditure	\$0	\$0
	Revenue	\$0	\$0
	Net Cost	\$0	\$0

DESCRIPTION OF FISCAL EFFECT

In the space below, you must provide the following information. Attach additional pages if necessary.

- A. Briefly describe the nature of the action that is being requested or proposed, and the new or changed conditions that would occur if the request or proposal were adopted.
- B. State the direct costs, savings or anticipated revenues associated with the requested or proposed action in the current budget year and how those were calculated.¹ If annualized or subsequent year fiscal impacts are substantially different from current year impacts, then those shall be stated as well. In addition, cite any one-time costs associated with the action, the source of any new or additional revenues (e.g. State, Federal, user fee or private donation), the use of contingent funds, and/or the use of budgeted appropriations due to surpluses or change in purpose required to fund the requested action.
- C. Discuss the budgetary impacts associated with the proposed action in the current year. A statement that sufficient funds are budgeted should be justified with information regarding the amount of budgeted appropriations in the relevant account and whether that amount is sufficient to offset the cost of the requested action. If relevant, discussion of budgetary impacts in subsequent years also shall be discussed. Subsequent year fiscal impacts shall be noted for the entire period in which the requested or proposed action would be implemented when it is reasonable to do so (i.e. a five-year lease agreement shall specify the costs/savings for each of the five years in question). Otherwise, impacts associated with the existing and subsequent budget years should be cited.
- D. Describe any assumptions or interpretations that were utilized to provide the information on this form.

- A. Approval of this resolution will authorize the Select Committee on Deferred Compensation to implement automatic enrollment and automatic escalation into the County's 457(b) Deferred Compensation Plan for most employees beginning in 2024. It will also authorize and direct the Office of the Comptroller and County Treasurer to establish an interest-bearing trust account to hold a maximum of \$20,000 of administrative funds generated by the Plan (no tax funds) to pay Plan expenses approved by the Select Committee in accordance with IRS guidelines.
- B. The Deferred Compensation Plan is entirely funded through fees charged to participants in the plan. No tax levy is used to operate the program other than some minor staff time to administer the plan. The proposal to implement automatic enrollment and automatic escalation into the County's 457(b) Deferred Compensation Plan for most employees beginning in 2024 will not result in an expenditure of public monies. The Select Committee will expend some administrative funds to communicate the initiative to affected employees. The establishment of an interest-bearing trust fund will allow the Select Committee additional flexibility to pay vendors and reimburse County departments for any Plan eligible expenses.
- C. There are no budgetary impacts. There are no public funds used to operate the Plan.
- D. No assumptions were used.

¹ If it is assumed that there is no fiscal impact associated with the requested action, then an explanatory statement that justifies that conclusion shall be provided. If precise impacts cannot be calculated, then an estimate or range should be provided.

² Community Business Development Partners' review is required on all professional service and public work construction contracts.

Department/Prepared By Steve Cady, Policy and Research Director, Office of the Comptroller

Authorized Signature *Stephen J. Cady*

Did DAS-Fiscal Staff Review? Yes No

Did CBDP Review?² Yes No Not Required