

## State Comptroller - Fringe Benefits

### OSC15200

#### Budget Summary

Account	Actual FY 14	Actual FY 15	Governor Estimated FY 16	Original Appropriation FY 17	Governor Revised FY 17	Final FY 17	Difference Fin-Gov FY 17
<b>Other Current Expenses</b>							
Unemployment Compensation	5,814,719	5,127,929	7,330,139	6,427,401	6,348,001	6,348,001	-
State Employees Retirement Contributions	916,024,145	970,863,047	1,096,800,201	1,124,661,963	674,210,447	1,124,661,963	450,451,516
Higher Education Alternative Retirement System	8,739,312	941,763	7,159,234	7,924,234	-	4,924,234	4,924,234
Pensions and Retirements - Other Statutory	1,611,284	1,638,996	1,709,519	1,760,804	1,760,804	1,760,804	-
Judges and Compensation Commissioners Retirement	16,298,488	17,731,131	18,258,707	19,163,487	19,163,487	19,163,487	-
Insurance - Group Life	8,042,132	7,554,075	8,492,914	8,637,871	7,226,772	7,867,871	641,099
Employers Social Security Tax	217,432,088	225,966,607	238,994,871	250,674,466	1,813,050	227,723,020	225,909,970
State Employees Health Service Cost	614,328,850	635,096,886	674,388,450	722,588,803	32,677,105	693,865,044	661,187,939
Retired State Employees Health Service Cost	548,693,300	598,635,039	681,397,000	746,109,000	731,109,000	731,109,000	-
Tuition Reimbursement - Training and Travel	3,302,948	3,302,800	3,127,500	-	-	-	-
<b>Nonfunctional - Change to Accruals</b>	<b>13,550,385</b>	<b>13,941,239</b>	-	-	-	-	-
<b>Agency Total - General Fund</b>	<b>2,353,837,651</b>	<b>2,480,799,512</b>	<b>2,737,658,535</b>	<b>2,887,948,029</b>	<b>1,474,308,666</b>	<b>2,817,423,424</b>	<b>1,343,114,758</b>
<b>Additional Funds Available</b>							
Unemployment Compensation	251,011	255,946	509,232	305,000	305,000	305,000	-
State Employees Retirement Contributions	108,347,033	130,144,053	122,166,623	129,227,978	110,538,527	129,227,978	18,689,451
Insurance - Group Life	261,750	264,721	276,987	285,063	285,063	285,063	-
Employers Social Security Tax	14,516,601	15,647,684	17,656,269	18,178,987	307,199	18,178,987	17,871,788
State Employees Health Service Cost	39,610,781	44,606,243	51,843,476	56,825,438	5,920,045	56,549,838	50,629,793
<b>Nonfunctional - Change to Accruals</b>	<b>857,495</b>	<b>1,182,574</b>	-	-	-	-	-
<b>Agency Total - Special Transportation Fund</b>	<b>163,844,671</b>	<b>192,101,221</b>	<b>192,452,587</b>	<b>204,822,466</b>	<b>117,355,834</b>	<b>204,546,866</b>	<b>87,191,032</b>
<b>Total - Appropriated Funds</b>	<b>2,517,682,322</b>	<b>2,672,900,733</b>	<b>2,930,111,122</b>	<b>3,092,770,495</b>	<b>1,591,664,500</b>	<b>3,021,970,290</b>	<b>1,430,305,790</b>
<b>Additional Funds Available</b>							
Carry Forward Funding	-	-	-	-	-	4,808,085	4,808,085
<b>Agency Grand Total</b>	<b>2,517,682,322</b>	<b>2,672,900,733</b>	<b>2,930,111,122</b>	<b>3,092,770,495</b>	<b>1,591,664,500</b>	<b>3,026,778,375</b>	<b>1,435,113,875</b>

Account	Governor Revised FY 17	Final FY 17	Difference from Governor
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### *Policy Revisions*

#### Reduce Fringe Benefits for Personal Services Reductions

Employers Social Security Tax	-	(12,812,556)	(12,812,556)
State Employees Health Service Cost	-	(22,901,059)	(22,901,059)
<b>Total - General Fund</b>	-	<b>(35,713,615)</b>	<b>(35,713,615)</b>

**Final**

Reduce the Employers Social Security Tax account by \$12,812,556 and the State Employees Health Service Cost account by \$22,901,059 to reflect reductions to the Personal Services account across various state agencies.

**Increase Non-Union Health Insurance Contributions**

State Employees Health Service Cost	-	(5,158,000)	(5,158,000)
<b>Total - General Fund</b>	-	<b>(5,158,000)</b>	<b>(5,158,000)</b>
State Employees Health Service Cost	-	(275,600)	(275,600)
<b>Total - Special Transportation Fund</b>	-	<b>(275,600)</b>	<b>(275,600)</b>

**Final**

Reduce the Active State Employee Health account by \$5,158,000 in the General Fund and \$275,600 in the Special Transportation Fund to reflect up to an 18% increase in non-union employee contributions for health insurance premiums, section 115 of PA 16-3 MSS, the budget implementer, is related to this change.

**Transfer Funding to Agencies for Fringe Benefits**

State Employees Retirement Contributions	(203,233,690)	-	203,233,690
Employers Social Security Tax	(194,342,219)	-	194,342,219
State Employees Health Service Cost	(553,557,771)	-	553,557,771
<b>Total - General Fund</b>	<b>(951,133,680)</b>	-	<b>951,133,680</b>
State Employees Retirement Contributions	(18,689,451)	-	18,689,451
Employers Social Security Tax	(17,871,788)	-	17,871,788
State Employees Health Service Cost	(50,905,393)	-	50,905,393
<b>Total - Special Transportation Fund</b>	<b>(87,466,632)</b>	-	<b>87,466,632</b>

**Background**

Funding for fringe benefits for General Fund and Special Transportation Fund supported employees are budgeted centrally in the State Comptroller-Fringe Benefit accounts.

**Governor**

Transfer funding of \$951,133,680 from the General Fund and \$87,466,632 from the Special Transportation Fund within in the Office of the State Comptroller to the Agency Operations account within various state agencies to support fringe benefit costs for employers' social security and Medicare taxes, active employee health, and the normal retirement costs for employees whose earnings are supported by the General Fund and the Special Transportation Fund.

**Final**

Maintain funding for fringe benefits within the Office of the State Comptroller.

**Transfer Fringe Benefit Funding to Higher Education**

State Employees Retirement Contributions	(247,217,826)	-	247,217,826
Higher Education Alternative Retirement System	(4,924,234)	-	4,924,234
Insurance - Group Life	(641,099)	-	641,099
Employers Social Security Tax	(44,380,307)	-	44,380,307
State Employees Health Service Cost	(135,689,227)	-	135,689,227
<b>Total - General Fund</b>	<b>(432,852,693)</b>	-	<b>432,852,693</b>

**Background**

Funding for fringe benefits for General Fund and Special Transportation Fund supported employees are budgeted centrally in the State Comptroller-Fringe Benefit accounts.

**Governor**

Transfer funding of \$432,852,693 from the Office of the State Comptroller to the institutions of higher education. Funding of \$230,875,279 is transferred to the Agency Operations accounts within higher education to support fringe benefit costs for employers' social security and Medicare taxes, active employee health, the normal cost of employee retirement, group life insurance, and the state's contribution for the Alternate Retirement Program for higher education employees whose earnings are supported by the General Fund. Funding of \$201,976,946 is transferred to the Accrued Pension Liabilities account within higher education to fund the portion of the unfunded pension liability for both General Fund and tuition supported employees.

**Final**

Maintain funding for fringe benefits within the Office of the State Comptroller.

**Transfer Funding for Hospital Roundtable**

Employers Social Security Tax	25,210	25,210	-
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Account	Governor Revised FY 17	Final FY 17	Difference from Governor
State Employees Health Service Cost	66,400	66,400	-
<b>Total - General Fund</b>	<b>91,610</b>	<b>91,610</b>	<b>-</b>

**Background**

The hospital roundtable was created by PA 15-146 to increase transparency of hospital costs, including executive pay, and increase consumer access to information on health care costs and coverage. In addition, the roundtable is charged with decreasing consumer costs related to "surprise billing" and facility fees, and improving monitoring of the health care marketplace. In FY 16, \$500,000 was transferred from the Department of Social Services, via interagency agreements, to various agencies to implement these provisions in support of the roundtable.

**Governor**

Transfer funding of \$91,610 to support the hospital roundtable.

**Final**

Same as Governor

**Adjust Fringe Benefits to Reflect Reduction of Positions**

Unemployment Compensation	920,600	920,600	-
Employers Social Security Tax	(182,600)	(182,600)	-
State Employees Health Service Cost	(799,200)	(799,200)	-
<b>Total - General Fund</b>	<b>(61,200)</b>	<b>(61,200)</b>	<b>-</b>

**Governor**

Reduce funding by \$61,200 to reflect the reduction of personnel in state agencies.

**Final**

Same as Governor

**Current Services****Adjust Operating Expenses to Reflect Current Requirements**

Unemployment Compensation	(1,000,000)	(1,000,000)	-
Higher Education Alternative Retirement System	(3,000,000)	(3,000,000)	-
Insurance - Group Life	(770,000)	(770,000)	-
Employers Social Security Tax	(10,000,000)	(10,000,000)	-
Retired State Employees Health Service Cost	(15,000,000)	(15,000,000)	-
<b>Total - General Fund</b>	<b>(29,770,000)</b>	<b>(29,770,000)</b>	<b>-</b>

**Governor**

Reduce funding by \$29,770,000 in various accounts to reflect anticipated expenditure requirements.

**Final**

Same as Governor

**Adjust Funding to Reflect Net Position Technical Changes**

Employers Social Security Tax	18,500	18,500	-
State Employees Health Service Cost	68,100	68,100	-
<b>Total - General Fund</b>	<b>86,600</b>	<b>86,600</b>	<b>-</b>

**Governor**

Provide funding of \$86,600 to reflect technical changes impacting fringe benefit accounts.

**Final**

Same as Governor

## Carry Forward

### Carry Forward Tuition and Training Funds

Tuition Reimbursement - Training and Travel	-	4,808,085	4,808,085
<b>Total - Carry Forward Funding</b>	-	<b>4,808,085</b>	<b>4,808,085</b>

#### Final

Pursuant to individual collective bargaining unit contracts \$4,808,085 is carried forward in the Tuition Reimbursement - Training and Travel account.

### Totals

Budget Components	Governor Revised FY 17	Final FY 17	Difference from Governor
Original Appropriation - GF	2,887,948,029	2,887,948,029	-
Policy Revisions	(1,383,955,963)	(40,841,205)	1,343,114,758
Current Services	(29,683,400)	(29,683,400)	-
<b>Total Recommended - GF</b>	<b>1,474,308,666</b>	<b>2,817,423,424</b>	<b>1,343,114,758</b>
Original Appropriation - TF	204,822,466	204,822,466	-
Policy Revisions	(87,466,632)	(275,600)	87,191,032
<b>Total Recommended - TF</b>	<b>117,355,834</b>	<b>204,546,866</b>	<b>87,191,032</b>