



## Fiscal Estimate Narratives

DWD 5/13/2009

|  |                  |                     |               |               |                 |
|--|------------------|---------------------|---------------|---------------|-----------------|
| LRB Number   | <b>09-2492/1</b> | Introduction Number | <b>SB-196</b> | Estimate Type | <b>Original</b> |
| <b>Description</b><br>The time within which a complaint may be filed or a civil action may be brought alleging a violation of the family and medical leave law and the procedures governing an appeal of a determination of the Department of Workforce Development under that law |                  |                     |               |               |                 |

### Assumptions Used in Arriving at Fiscal Estimate

This bill extends the amount of time individuals have to file complaints with the department from 30 days to two years and, in some instances, the ability to file retaliation cases to three years. The department anticipates the additional time to file complaints will result in a 50% increase in the number of complaints filed per year from 200 per year to 300 per year. Family and Medical Leave investigations are required by law to be completed within 30 days of receipt. Given that time restraint and an investigator's capacity to investigate about 132 discrimination cases per year, the department estimates it will need one additional Equal Rights Officer-Senior to investigate these cases at an annual cost of \$78,036.

The department further estimates that an additional 45 cases will require a hearing. Based upon the capacity of an administrative law judge and the time restraints in processing Family and Medical Leave cases, the department estimates an additional 1/2 administrative law judge position will be necessary to process the increased workload at an annual cost of \$69,290.

This bill gives parties the option of appealing hearing decisions to the Labor and Industry Review Commission. The department estimates that parties will annually appeal about 12 Family and Medical Leave Law hearing decisions to the commission. The commission charges the department \$3,790 to process discrimination appeals. Given this charge per case, the department estimates the commission will charge the department \$45,480 annually to process appeals.

The department estimates it will incur one time costs of \$2,000 to modify its existing publications and rules to reflect the changes contained in this bill.

Local Cost Estimates: Municipal, public school and state government employers potentially may receive about a 50% increase in the number of Family and Medical Leave Law complaints filed against them based upon the proposed changes to the law contained in this bill. These government entities will need to defend themselves in these actions. The department is not in a position to estimate the amount of funds government entities currently spend on defending themselves in Family and Medical Leave Law complaints and therefore, can not accurately estimate the financial impact upon local government entities passage of this bill might have.

### Long-Range Fiscal Implications

The increased annual costs will be on-going for the foreseeable future.

## Fiscal Estimate Worksheet - 2009 Session

Detailed Estimate of Annual Fiscal Effect

Original     
  Updated     
  Corrected     
  Supplemental

|   |                  |  |                 |
|---|------------------|--|-----------------|
| <b>LRB Number</b> <b>09-2492/1</b>  |                  | <b>Introduction Number</b> <b>SB-196</b>       |                 |
| <b>Description</b><br>The time within which a complaint may be filed or a civil action may be brought alleging a violation of the family and medical leave law and the procedures governing an appeal of a determination of the Department of Workforce Development under that law  |                  |  |                 |
| <b>I. One-time Costs or Revenue Impacts for State and/or Local Government (do not include in annualized fiscal effect):</b><br><br>The department will incur one time costs of \$2,000 to modify its existing publications and rules to reflect the changes contained in this bill. |                  |  |                 |
| <b>ii. Annualized Costs:</b>  |                  | <b>Annualized Fiscal Impact on funds from:</b> |                 |
|   |                  | Increased Costs                                | Decreased Costs |
| <b>A. State Costs by Category</b>   |                  |  |                 |
| State Operations - Salaries and Fringes   | \$118,600        |  | \$              |
| (FTE Position Changes)  | (1.5 FTE)        |  |                 |
| State Operations - Other Costs  | 74,200           |  |                 |
| Local Assistance  |                  |  |                 |
| Aids to Individuals or Organizations  |                  |  |                 |
| <b>TOTAL State Costs by Category</b>  | <b>\$192,800</b> |  | <b>\$</b>       |
| <b>B. State Costs by Source of Funds</b>  |                  |  |                 |
| GPR   | 192,800          |  |                 |
| FED   |                  |  |                 |
| PRO/PRS   |                  |  |                 |
| SEG/SEG-S   |                  |  |                 |
| <b>III. State Revenues - Complete this only when proposal will increase or decrease state revenues (e.g., tax increase, decrease in license fee, etc.)</b>  |                  |  |                 |
|   | Increased Rev    |  | Decreased Rev   |
| GPR Taxes   | \$               |  | \$              |
| GPR Earned  |                  |  |                 |
| FED   |                  |  |                 |
| PRO/PRS   |                  |  |                 |
| SEG/SEG-S   |                  |  |                 |
| <b>TOTAL State Revenues</b>   | <b>\$</b>        |  | <b>\$</b>       |
| <b>NET ANNUALIZED FISCAL IMPACT</b>   |                  |  |                 |
|   | State            |  | Local           |
| NET CHANGE IN COSTS   | \$192,800        |  | \$              |
| NET CHANGE IN REVENUE   | \$               |  | \$              |
| <b>Agency/Prepared By</b>   |                  | <b>Authorized Signature</b>                    | <b>Date</b>     |
| DWD/ Robert Anderson (608) 266-3345   |                  | Jessica Erickson (608) 266-2284                | 5/13/2009       |