

Fiscal Estimate - 2015 Session

Original
 Updated
 Corrected
 Supplemental

LRB Number 15-2604/1	Introduction Number AB-0516	
Description Establishment of a family and medical leave insurance program; family leave to care for a grandparent, grandchild, or sibling and for the active duty of a family member; the employers that are required to permit an employee to take family or medical leave; granting rule-making authority; making an appropriation; and providing a penalty		
Fiscal Effect State: <input type="checkbox"/> No State Fiscal Effect <input type="checkbox"/> Indeterminate <input type="checkbox"/> Increase Existing Appropriations <input type="checkbox"/> Increase Existing Revenues <input checked="" type="checkbox"/> Increase Costs - May be possible to absorb within agency's budget <input type="checkbox"/> Decrease Existing Appropriations <input type="checkbox"/> Decrease Existing Revenues <input type="checkbox"/> Yes <input checked="" type="checkbox"/> No <input checked="" type="checkbox"/> Create New Appropriations <input type="checkbox"/> Decrease Costs		
Local: <input checked="" type="checkbox"/> No Local Government Costs <input type="checkbox"/> Indeterminate 1. <input type="checkbox"/> Increase Costs 3. <input type="checkbox"/> Increase Revenue <input type="checkbox"/> Permissive <input type="checkbox"/> Mandatory <input type="checkbox"/> Permissive <input type="checkbox"/> Mandatory 2. <input type="checkbox"/> Decrease Costs 4. <input type="checkbox"/> Decrease Revenue <input type="checkbox"/> Permissive <input type="checkbox"/> Mandatory <input type="checkbox"/> Permissive <input type="checkbox"/> Mandatory 5. Types of Local Government Units Affected <input type="checkbox"/> Towns <input type="checkbox"/> Village <input type="checkbox"/> Cities <input type="checkbox"/> Counties <input type="checkbox"/> Others <input type="checkbox"/> School Districts <input type="checkbox"/> WTCS Districts		
Fund Sources Affected Affected Ch. 20 Appropriations <input type="checkbox"/> GPR <input type="checkbox"/> FED <input checked="" type="checkbox"/> PRO <input type="checkbox"/> PRS <input type="checkbox"/> SEG <input type="checkbox"/> SEGS 20.445 (1) (w)		
Agency/Prepared By	Authorized Signature	Date
DWD/ Matt Aslesen (608) 267-9058	Georgia Maxwell (608) 266-2284	2/8/2016

Fiscal Estimate Narratives

DWD 2/8/2016

LRB Number	15-2604/1	Introduction Number	AB-0516	Estimate Type	Original
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Assumptions Used in Arriving at Fiscal Estimate

This bill expands the criteria that an employee of a company of at least 25 employees can use to qualify for Family and Medical Leave Act (FMLA) benefits. The bill creates a Family and Medical Leave Insurance Trust fund at s.25.52 and creates appropriation 20.445(1)(w) to fund up to 12 weeks of paid leave benefits at a percentage of the qualifying worker's wages starting January 1 of 2020. Starting January 1, 2019 the Department of Workforce Development will collect a percentage from FMLA eligible workers' wages to fund the benefits and administration cost of the FMLA trust fund and program. DWD is directed to consult with the commissioner of insurance in setting the percentage contribution from workers' wages that would be required for funding the program. The bill requires DWD, in addition to current FMLA safeguards used in validating claims, to provide recourse through repayment and through the judicial system for denial of claims and of collecting overpayments from individuals in the same manner DWD uses in erroneous unemployment insurance benefit payments.

This fiscal estimate uses participation usage rates of similar state paid FMLA insurance trust funds to predict the usage of the FMLA insurance trust by the State of Wisconsin workforce. The estimate adjusts for the specific provisions of the bill. It is estimated that the total FMLA Insurance Trust Fund claimant benefit outlay would be \$182,000,000 annually.

DWD envisions the creation of a new division to administer the FMLA Trust Fund and assumes that the new division would require 85.0 FTE located in three Bureaus: Collections, Claims, and Adjudication. The total annual cost including personnel, direct costs, indirect costs, and rent is \$14,000,000.

Long-Range Fiscal Implications

85.0 FTE and an annual cost to administer the FMLA insurance trust fund of \$14,000,000. Estimated annual FMLA Insurance Trust Benefit outlays are \$182,000,000. The Total Annual Cost for the Family and Medical Leave Insurance Trust Fund program is \$196,000,000.

Fiscal Estimate Worksheet - 2015 Session

Detailed Estimate of Annual Fiscal Effect

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I. One-time Costs or Revenue Impacts for State and/or Local Government (do not include in annualized fiscal effect):		
II. Annualized Costs:		
Annualized Fiscal Impact on funds from:		
	Increased Costs	Decreased Costs
A. State Costs by Category		
State Operations - Salaries and Fringes	\$7,000,000	\$
(FTE Position Changes)	(85.0 FTE)	
State Operations - Other Costs	7,000,000	
Local Assistance		
Aids to Individuals or Organizations	182,000,000	
TOTAL State Costs by Category	\$196,000,000	\$
B. State Costs by Source of Funds		
GPR		
FED		
PRO/PRS (20.445 (1)(w))	196,000,000	
SEG/SEG-S		
III. State Revenues - Complete this only when proposal will increase or decrease state revenues (e.g., tax increase, decrease in license fee, ets.)		
	Increased Rev	Decreased Rev
GPR Taxes	\$	\$
GPR Earned		
FED		
PRO/PRS (20.445)	196,000,000	
SEG/SEG-S		
TOTAL State Revenues	\$196,000,000	\$
NET ANNUALIZED FISCAL IMPACT		
	<u>State</u>	<u>Local</u>
NET CHANGE IN COSTS	\$196,000,000	\$
NET CHANGE IN REVENUE	\$196,000,000	\$
Agency/Prepared By		
Authorized Signature		
Date		
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