

Original     Updated  
 Corrected     Supplemental

**1999 Session**

LRB or Bill No. -- Adm. Rule No.  
**AB-19 --0389/1**

Amendment No. if Applicable

**FISCAL ESTIMATE**

DOA-2048 N(R10/94)

**Subject**

ADMIN SERVICES, Y2K

**Fiscal Effect**

**State:**  No State Fiscal Effect

Check columns below only if bill makes a direct appropriation or affects a sum sufficient appropriation

- Increase Existing Appropriation     Increase Existing Revenues  
 Decrease Existing Appropriation     Decrease Existing Revenues  
 Create New Appropriation

- Increase Costs - May be possible to Absorb Within Agency's Budget  Yes  No  
 Decrease Costs

Local:  No local government costs

1.  Increase Costs  
 Permissive  Mandatory  
2.  Decrease Costs  
 Permissive  Mandatory

3.  Increase Revenues  
 Permissive  Mandatory  
4.  Decrease Revenues  
 Permissive  Mandatory

5. Types of Local Government Units Affected  
 Towns     Villages     Cities  
 Counties     Others  
 School Districts     WTCS Districts

**Fund Sources Affected:**

- GPR     FED     PRO     PRS     SEG     SEG-S

**Affected Ch. 20 Appropriations:**

**Assumptions Used in Arriving at Fiscal Estimate**

The bill provides that state/local government and their employees could not be sued for any act or omission caused by Y2K computer failure. It also provides that if any contract contains a statement to the contrary, after the bill became law, that statement would be void. And it provides that state/local government would not have to pay late payment interest on late payments caused by Y2K computer failure.

The bill would save the department money only if there are Y2K related failures for which the department is responsible.

It is extremely difficult to assign any probability to any Y2K failure, and even more difficult to make any prediction of which programs, divisions, or appropriations would be affected if there are any failures. The department fully expects that there will be no failures of critical systems. If failures do occur, the department will implement manual processes to continue critical program delivery. If there were a critical Y2K systems failure and the department were sued over it, any law suit would probably be a large one, likely in the six figure range, possibly between \$200,000 and \$500,00 if there is a large class action law suit.

The department is making an enormous effort to prevent any Y2K failures. The department has, and has been working to implement, a comprehensive plan to: (1) identify the problems, (2) remedy the problems ahead of time, and (3) if necessary, ensure continuation of critical program delivery using manual or semi-automated processes, in case of any failures. For example, there are contingency plans to reassign large numbers of DWD employees to manually take UI claims in case of Telephone Initial Claims (TIC) system failure, and to hand-write and mail UI checks in case of FirStar Bank failure to write and send UI benefits checks.

It is very unlikely that there would be Y2K failures that would substantially increase the department's late payment interest costs. Late payment interest must only be paid if there is at least a 30 day delay in payment of an invoice. The department's new financial system and RAPIDS, including their Y2K compliance, are of the very highest priority. Their Y2K compliance is being extensively tested. The department has a high degree of confidence that there will be no Y2K failures of these system. Even if there were a Y2K failure affecting these systems, it would be very unlikely that the systems' functioning would be affected for long enough to have a significant effect on the number of 30 day old (or older) invoices.

(Continued on next page...)

**Long-Range Fiscal Implications**

Agency/Prepared by:(Name & Phone No.)

DWD / Don Akamatsu 266-1104

Authorized Signature/Telephone No.

*[Signature]*

Date

1-25-99

**Assumptions Used in Arriving at Fiscal Estimate (Continued)**

The conclusion is that the bill probably would have no fiscal impact, but does have the potential for a positive fiscal impact. Any attempt at a detailed fiscal estimate of an uncertain, unpredictable, but unlikely event, such as Y2K failure, would be sheer guesswork. There is no experience in dealing with this potential problem, and no way to obtain the information necessary to make such predictions.

**FISCAL ESTIMATE  
WORKSHEET**

**1999 Session**

Detailed Estimate of Annual Fiscal Effect DOA-2047(R10/94)	<input checked="" type="checkbox"/> Original <input type="checkbox"/> Updated <input type="checkbox"/> Corrected <input type="checkbox"/> Supplemental	LRB or Bill No./Adm Rule No. AB-19 / 0389/1	Amendment No.
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Subject  
ADMIN SERVICES, Y2K

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 State funds from:	
	Increased Costs	Decreased Costs
<b>A. State Costs by Category</b>		
State Operations - Salaries and Fringes	\$0	- \$0
(FTE Position Changes)	(FTE)	(- FTE)
State Operations - Other Costs	\$0	- \$0
Local Assistance	\$0	- \$0
Aids to Individuals or Organizations	\$0	- \$0
<b>TOTAL State Costs by Category</b>	<b>\$0</b>	<b>- \$0</b>
<b>B. State Costs by Source of Funds</b>	<b>Increased Costs</b>	<b>Decreased Costs</b>
GPR	\$0	- \$0
FED	\$0	- \$0
PRO/PRS	\$0	- \$0
SEG/SEG-S	\$0	- \$0
<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>	<b>Increased Rev.</b>	<b>Decreased Rev.</b>
GPR Taxes	\$0	- \$0
GPR Earned	\$0	- \$0
FED	\$0	- \$0
PRO/PRS	\$0	- \$0
SEG/SEG-S	\$0	- \$0
<b>TOTAL State Revenues:</b>	<b>\$0</b>	<b>- \$0</b>

**NET ANNUALIZED FISCAL IMPACT**

	<u>STATE</u>	<u>LOCAL</u>
Net Change in Costs:	\$0	\$0
Net Change in Revenues:	\$0	\$0

Agency/Prepared by:(Name & Phone No.) DWD / DDN AKAMATSU 266-1104	Authorized Signature/Telephone No. 	Date 1-25-99
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