

Original Updated
 Corrected Supplemental

1999 Session

LRB or Bill No. -- Adm. Rule No.
SB-250 --LRB-1991/2

Amendment No. if Applicable

FISCAL ESTIMATE

DOA-2048 NR10/94)

Subject

LABOR/WORKFORCE STATISTICS

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

State Costs:

This bill would require larger Wisconsin employers (those employers that have a labor force of 100 employees or more) to furnish the Department of Workforce Development (DWD), information on the salaries, gender, and race of their senior managers. The bill would require DWD to compile the data and publish an annual report that would analyze the level of racial ethnic and gender diversity that exists in senior management in this state both on an overall basis and on an employer-by-employer basis.

Wisconsin currently has over 4,257 employers that employ 100 employees or more. This is 2.97% of all of the employers in the state but almost 50% of the total covered employment. Covered employment is the number of full time and part time employees who perform work for those employers who fall under the criteria for coverage by the Wisconsin Unemployment Insurance act. DWD currently collects wage information for all employees under a mandatory quarterly collection procedure, regardless of the size of the employer. DWD also collects voluntary occupation and wage data via the Department of Labor, Bureau of Labor Statistics Occupational Employment Statistics/Wage program. There is no mechanism currently available that will link these two existing databases. In addition, the Department does not collect gender data or any data on the ethnicity of the employee.

To implement this bill, a new survey vehicle would have to be developed and implemented. The Department will require one-time start-up costs of \$206,800, which would include development of the survey vehicle, creation of timelines, and development of a system to process data as well as providing initial equipment for the new employees. This amount includes 3,180 programming hours needed for development and implementation of the new automated system at a cost of \$187,600 (3,180 hours at the FY00 Program Revenue for Service billable programmer rate of \$59 per hour) and new offices/work areas for 3.0 FTE needed to implement these provisions at \$19,200.

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Assumptions Used in Arriving at Fiscal Estimate (Continued)

Due to the workload involved in collecting this data and the enforcement activities associated with delinquent returns, the Department estimates that it will need three new positions (1 Research Analyst and 2 Research Technicians) on an ongoing basis to operate and monitor this new reporting requirement. The cost of these 3.0 FTE is estimated at \$143,200. In addition, the Department will require \$20,000 annually to print and mail the required reporting form to the mandatory respondents and print and distribute the report. To maintain the automated system, ongoing BITS maintenance and support would be 0.5 programmer FTE annually at a cost of \$50,300 (853 hours per year at the FY00 PRS billable programmer rate of \$59/hour).

In addition, any employer that failed to report this annual data or that falsified such data to the DWD would be fined a monetary amount not less than \$10 nor more than \$100 for each offense. Each day of violation constitutes a separate offense. While this bill may generate some revenue from the imposition of fines, the amount is indeterminable until a delinquency is defined and the amount of the fine is determined.

Local Costs:

Costs would be incurred by Local Governments who fall into the category of having 100 employees or more due to mandatory enforced reporting requirements. Many towns, villages and cities may not be affected by this bill; however, the assumption is that the most counties and larger cities would be affected. Each government employer may have different needs to meet this new mandatory reporting requirement. Depending on their size, the number of employees that fall into the required reporting category, and their current personnel systems, this law could also involve one-time computer programming costs to redesign their record keeping systems in addition to the staff time needed to complete the survey. The total costs to local units of government cannot be determined.

Long-Range Fiscal Implications

Agency/Prepared by:(Name & Phone No.)	Authorized Signature/Telephone No.	Date
DWD / Sue Huss 266-3338	 267-9543	11-1-99

FISCAL ESTIMATE WORKSHEET

1999 Session

Detailed Estimate of Annual Fiscal Effect DOA-2047(R10/94)	<input checked="" type="checkbox"/> Original <input type="checkbox"/> Corrected	<input type="checkbox"/> Updated <input type="checkbox"/> Supplemental	LRB or Bill No./Adm Rule No. SB-250 / LRB-1991/2	Amendment No.
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Subject
LABOR/WORKFORCE STATISTICS

I. One-time Costs or Revenue Impacts for State and/or Local Government (do not include in annualized fiscal effect):
 One-time costs for State Government will include development and implementation of the new automated system of \$187,600 and to establish new offices/work areas for the 3.0 FTE of \$19,200.

Local Government costs and Increased Revenue Impacts for State Government can't be estimated at this time.

II. Annualized Costs:	Annualized Fiscal Impact on State funds from:	
A. State Costs by Category	Increased Costs	Decreased Costs
State Operations - Salaries and Fringes	\$105,300	- \$0
(FTE Position Changes)	(3.00FTE)	(- FTE)
State Operations - Other Costs	\$108,200	- \$0
Local Assistance	\$0	- \$0
Aids to Individuals or Organizations	\$0	- \$0
TOTAL State Costs by Category	\$213,500	- \$0
B. State Costs by Source of Funds	Increased Costs	Decreased Costs
GPR	\$213,500	- \$0
FED	\$0	- \$0
PRO/PRS	\$0	- \$0
SEG/SEG-S	\$0	- \$0
III. State Revenues - Complete this only when proposal will increase or decrease state revenues (e.g., tax increase, decrease in license fee, etc.)	Increased Rev.	Decreased Rev.
GPR Taxes	\$0	- \$0
GPR Earned	\$0	- \$0
FED	\$0	- \$0
PRO/PRS	\$0	- \$0
SEG/SEG-S	\$0	- \$0
TOTAL State Revenues:	\$0	- \$0

NET ANNUALIZED FISCAL IMPACT

	<u>STATE</u>	<u>LOCAL</u>
Net Change in Costs:	\$213,500	\$0
Net Change in Revenues:	\$0	\$0

Agency/Prepared by:(Name & Phone No.) DWD / Sue Huss	Authorized Signature/Telephone No. 267-9543	Date 11-1-99
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