

Original Updated
 Corrected Supplemental

1999 Session

LRB or Bill No. -- Adm. Rule No.
AB-513 --LRB-3329/1

Amendment No. if Applicable

FISCAL ESTIMATE
DOA-2048 N(R10/94)

Subject
WORKER'S COMPENSATION

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 Department of Workforce Development (DWD) does not regulate worker's compensation insurance premium rates. Instead, the Wisconsin Compensation Rating Bureau (see Ch. 626, Wis. Stats.) recommends rates for approval by the Office of the Commissioner of Insurance (OCI). AB 513 is silent regarding OCI regulation.

AB 513 requires insurers to pay an employer (including a local unit of government that insures its liability) an annual bonus dividend up to 20% of its worker's compensation insurance premium if the employer agrees to a comprehensive drug-testing and notification program for all employees and prospective employees. In a variety of situations, employers must test for the presence of marijuana, cocaine, narcotic drugs, amphetamine, methamphetamine, phencyclidine and all controlled substance analogs. For those local government employers who participate, it is difficult to estimate the extent to which the value of the annual dividend will offset the cost of the training program. The extent to which premium dividends to one employer would need to be offset by rate increases to all other employers is not known.

Long-Range Fiscal Implications

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

DWD / Smith, Dick (267-6704)

Authorized Signature/Telephone No.

 267-9543

Date

10/12/99

FISCAL ESTIMATE WORKSHEET

1999 Session

Detailed Estimate of Annual Fiscal Effect DOA-2047(R10/94)	<input checked="" type="checkbox"/> Original	<input type="checkbox"/> Updated	LRB or Bill No./Adm Rule No. AB-513 / LRB-3329/1	Amendment No.
	<input type="checkbox"/> Corrected	<input type="checkbox"/> Supplemental		

Subject
WORKER'S COMPENSATION

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
A. State Costs by Category		
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
TOTAL State Costs by Category	\$0	- \$0
B. State Costs by Source of Funds		
GPR	\$0	- \$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:	\$0	\$0
Net Change in Revenues:	\$0	\$0

Agency/Prepared by:(Name & Phone No.) DWD / Smith, Dick (267-6704)	Authorized Signature/Telephone No. 267-9543	Date 10/12/99
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