

Fiscal Estimate Narratives

DWD 1/26/2004

LRB Number 03-3826/1	Introduction Number SB-396	Estimate Type Original
Subject Temporary help agency transportation fees		

Assumptions Used in Arriving at Fiscal Estimate

The practice of providing employees with transportation to work sites and charging the worker for the transportation appears to be almost exclusively confined to a portion of the temporary help industry that provides help known as "day laborers". The department believes the day labor market makes up less than 10% of the temporary help business.

The department believes that if this legislation is passed and the department notifies temporary help agencies and employers who specialize in "day laborers" of the provisions of the bill that most of these businesses will comply with the new law. The department believes the one-time cost of notifying affected businesses will be about \$2,000 for the cost sending a letter to approximately four thousand temporary help agencies and employers who might use day laborers. The cost of each letter would be about \$0.50 to produce the letter and for postage for a total of 4,000 letters.

The department anticipates that very few day laborers will file complaints with the department alleging they have been overcharged for transportation to and from work. The department believes the only effective means of enforcing the provisions of this bill will be for the department to initiate investigations of businesses who use day laborers to ensure those businesses are charging rates for transportation consistent with the provisions of this bill. The department would anticipate conducting perhaps ten such investigations per year and that each investigation would involve verifying that a temporary help agency or employer was charging appropriate transportation rates for all of their day laborers' transportation.

The department estimates an investigation of this type would take an average of 25 hours per case and be performed by an Equal Rights Officer - Senior. The total 250 hours of work generated by performing about ten investigations per year could be absorbed within the Equal Rights Division's current workload.

Long-Range Fiscal Implications

In order to ensure continued compliance with the provisions of this bill the department will need to continue the department initiated investigations of businesses charging employees for travel costs indefinitely. Because the department will be performing a minimal number of these investigations it will be able to absorb the cost of these investigations without additional resources.

Fiscal Estimate Worksheet - 2003 Session

Detailed Estimate of Annual Fiscal Effect

Original
 Updated
 Corrected
 Supplemental

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Subject			
Temporary help agency transportation fees			
I. One-time Costs or Revenue Impacts for State and/or Local Government (do not include in annualized fiscal effect):			
The department will incur one time costs of approximately \$2,000 to send out a letter to temporary help agencies and related employers who are most likely to utilize day laborers and charge those laborers for provided transportation. The \$2,000 cost amounts to \$0.50 per letter to compose, print and mail the letter and would cover a mailing of about 4,000 letters.			
II. Annualized Costs:		Annualized Fiscal Impact on funds from:	
		Increased Costs	Decreased Costs
A. State Costs by Category			
State Operations - Salaries and Fringes	\$0		0
(FTE Position Changes)	(0.0 FTE)		(0.0 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		0
SEG/SEG-S (0)	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		0
SEG/SEG-S	0		0
TOTAL State Revenues	\$0		\$0
NET ANNUALIZED FISCAL IMPACT			
	State	Local	
NET CHANGE IN COSTS	\$0		\$
NET CHANGE IN REVENUE	\$0		\$
Agency/Prepared By		Authorized Signature	Date
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