

Fiscal Estimate - 2005 Session

☒ Original ☐ Updated ☐ Corrected ☐ Supplemental

LRB Number 05-4089/1		Introduction Number AB-1056	
Description Registration of professional employer organizations, requiring the exercise of 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 checked="" type="checkbox"/> Increase Existing Revenues	
<input type="checkbox"/> Decrease Existing Appropriations		<input type="checkbox"/> Decrease Existing Revenues	
<input type="checkbox"/> Create New Appropriations		<input checked="" type="checkbox"/> Increase Costs - May be possible to absorb within agency's budget	
		<input type="checkbox"/> Yes <input checked="" type="checkbox"/> No	
		<input type="checkbox"/> Decrease Costs	
Local:			
<input type="checkbox"/> No Local Government Costs			
<input type="checkbox"/> Indeterminate			
5. Types of Local Government Units Affected			
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	
		<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			
<input checked="" type="checkbox"/> GPR <input type="checkbox"/> FED <input type="checkbox"/> PRO <input checked="" type="checkbox"/> PRS <input type="checkbox"/> SEG <input type="checkbox"/> SEGS 20.445(1)(a) & 20.445(1)(j)			
Affected Ch. 20 Appropriations			
Agency/Prepared By		Authorized Signature	
DWD/ Robert Anderson (608) 266-3345		JoAnna Richard (608) 267-3200	
		Date	
		3/3/2006	

Fiscal Estimate Narratives

DWD 3/3/2006

LRB Number	05-4089/1	Introduction Number	AB-1056	Estimate Type	Original
Description Registration of professional employer organizations, requiring the exercise of rule-making authority, making an appropriation, and providing a penalty					

Assumptions Used in Arriving at Fiscal Estimate

The department estimates there currently are 200 professional employment organizations [PEOs] operating in Wisconsin. With passage of this legislation all 200 will register with the department within 180 days resulting in one time revenue of \$100,000 [200 PEOs @\$500 per registration.

The department anticipates it will spend approximately \$50 per registration investigating the applicant for registration and processing the application. Included in this cost will be the criminal background check.

The department anticipates that it will probably reject for registration less than 2% of the applications it receives. In those cases where a registration is rejected, however, the department anticipates the registration will appeal the rejection and the department will have to hold a public hearing on the matter. The department anticipates each hearing will consume about 1/2 day of an administrative officer's time to conduct the hearing and issue the department's final determination in the matter. The department estimates the cost of processing each appeal to be about \$200.00.

The department also expects to receive about five complaints a year that PEOs are not complying with state registration requirements or requesting that a registration be revoked. The department will spend about \$200 on each of these matters to investigate the complaint and/or process appeal requests.

The department expects to spend \$500 working with a focus group to develop an administrative rule to effectuate the purposes of this legislation and for costs in processing this rule.

Long-Range Fiscal Implications

The department estimates it will renew about 200 registrations per year @ \$250 per registration plus process 20 new registrations each year @ \$500 per registration for annualized revenue of \$60,000 per year. The on-going cost of regulating registrations will be about \$1,000 per year to investigate complaints and \$2,000 per year to process registration renewals.

Fiscal Estimate Worksheet - 2005 Session

Detailed Estimate of Annual Fiscal Effect

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Description Registration of professional employer organizations, requiring the exercise of rule-making authority, making an appropriation, and providing a penalty	
I. One-time Costs or Revenue Impacts for State and/or Local Government (do not include in annualized fiscal effect): The department will incur costs of \$500 to develop and implement regulations effectuating the purposes of this legislation.	
II. Annualized Costs:	Annualized Fiscal Impact on funds from:
	Increased Costs Decreased Costs
A. State Costs by Category	
State Operations - Salaries and Fringes	\$3,000
(FTE Position Changes)	(0.0 FTE)
State Operations - Other Costs	0
Local Assistance	0
Aids to Individuals or Organizations	0
TOTAL State Costs by Category	\$3,000
B. State Costs by Source of Funds	
GPR	3,000
FED	
PRO/PRS	
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, etc.)	
	Increased Rev Decreased Rev
GPR Taxes	\$
GPR Earned	
FED	
PRO/PRS (20.445(1)(j))	60,000
SEG/SEG-S	
TOTAL State Revenues	\$60,000
NET ANNUALIZED FISCAL IMPACT	
	State Local
NET CHANGE IN COSTS	\$3,000
NET CHANGE IN REVENUE	\$60,000
Agency/Prepared By	
DWD/ Robert Anderson (608) 266-3345	Authorized Signature
	JoAnna Richard (608) 267-3200
	Date
	3/3/2006