

Fiscal Estimate - 2005 Session

Original
 Updated
 Corrected
 Supplemental

LRB Number 05-1905/1	Introduction Number AB-528	
Subject Gender equity in wages		
Fiscal Effect		
State: <input type="checkbox"/> No State Fiscal Effect <input type="checkbox"/> Indeterminate <input checked="" type="checkbox"/> Increase Existing Appropriations <input checked="" type="checkbox"/> Increase Existing Revenues <input checked="" type="checkbox"/> Increase Costs - May be possible to absorb within agency's budget <input type="checkbox"/> Decrease Existing Appropriations <input type="checkbox"/> Decrease Existing Revenues <input type="checkbox"/> Yes <input checked="" type="checkbox"/> No <input checked="" type="checkbox"/> Create New Appropriations <input type="checkbox"/> Decrease Costs		
Local: <input type="checkbox"/> No Local Government Costs <input checked="" type="checkbox"/> Indeterminate 1. <input checked="" type="checkbox"/> Increase Costs 3. <input checked="" type="checkbox"/> Increase Revenue <input type="checkbox"/> Permissive <input checked="" type="checkbox"/> Mandatory <input checked="" 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		
5. Types of Local Government Units Affected <input checked="" type="checkbox"/> Towns <input checked="" type="checkbox"/> Village <input checked="" type="checkbox"/> Cities <input checked="" type="checkbox"/> Counties <input type="checkbox"/> Others <input checked="" type="checkbox"/> School Districts <input checked="" type="checkbox"/> WTCS Districts		
Fund Sources Affected Affected Ch. 20 Appropriations <input checked="" type="checkbox"/> GPR <input type="checkbox"/> FED <input type="checkbox"/> PRO <input type="checkbox"/> PRS <input checked="" type="checkbox"/> SEG <input type="checkbox"/> SEGS 20.445(1)(a) & 20.445(1)(sq)		
Agency/Prepared By DWD/ LeAnna Ware (608) 266-1997	Authorized Signature JoAnna Richard (608) 267-3200	Date 7/1/2005

Fiscal Estimate Narratives
DWD 7/1/2005

LRB Number	05-1905/1	Introduction Number	AB-528	Estimate Type	Original
Subject					
Gender equity in wages					

Assumptions Used in Arriving at Fiscal Estimate

If this bill becomes law, beginning 1/1/2016, employment discrimination because of sex also includes discrimination based on equal pay for comparable worth. Department of Workforce Development (DWD) Equal Rights Division (ERD) will need to hire at least one Equal Rights Officer at an annual cost of \$70,800.00 to make determinations of discrimination based on gender equity in wages after 1/1/2016.

Employers that achieve compliance with the bill (or submit a plan to achieve compliance) before 1/1/2016 can apply for tax credits, grants and appropriation supplements to cover the costs of salary increases. Applications and plans must be submitted to DWD for approval of the tax credits, grants or supplements. The tax credits, grants and supplements end after 1/1/2016. The department estimates that it will need to hire one full-time grants specialist, one advanced grants specialist and one program assistant at an annual cost of \$193,200.00 to administer this new program.

The bill imposes a sales and use tax on legal services to pay for the grants to local units of government, the appropriation supplements to state agencies and for the administration of the program. A 5% sales tax will result in revenue of approximately \$38,750,000.00, since there are about 8,000 attorneys in private practice in Wisconsin who each gross an average of \$96,880.00 annually (per the 2002 Occupational Employment Statistics).

The costs for the anticipated grants and appropriation supplements are not included since no available data allows for the development of any reasonable estimate as to what these costs may be. Therefore there are no cost entries for the grants and the appropriation supplements in the Fiscal Estimate Worksheet.

Local governments will have costs if they are not currently providing equal pay for comparable worth, however, they would be able to apply for annual grants to cover all or a portion of those costs until 2016.

Long-Range Fiscal Implications

If the sales tax portion of the bill becomes law, the state will collect additional revenue in the long range since the grants and appropriation supplements end after 1/1/2016.

Fiscal Estimate Worksheet - 2005 Session

Detailed Estimate of Annual Fiscal Effect

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LRB Number 05-1905/1		Introduction Number AB-528	
Subject			
Gender equity in wages			
I. One-time Costs or Revenue Impacts for State and/or Local Government (do not include in annualized fiscal effect):			
There will be a one time cost of \$24,000.00 for office space, furnishings and equipment for the new employees. In addition, \$2,000.00 will be needed to revise educational materials about the law.			
II. Annualized Costs:		Annualized Fiscal Impact on funds from:	
		Increased Costs	Decreased Costs
A. State Costs by Category			
State Operations - Salaries and Fringes		\$196,000	
(FTE Position Changes)		(4.0 FTE)	
State Operations - Other Costs		68,000	
Local Assistance			
Aids to Individuals or Organizations			
TOTAL State Costs by Category		\$264,000	\$
B. State Costs by Source of Funds			
GPR		70,800	
FED			
PRO/PRS			
SEG/SEG-S		193,200	
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			
SEG/SEG-S		38,750,000	
TOTAL State Revenues		\$38,750,000	\$
NET ANNUALIZED FISCAL IMPACT			
		<u>State</u>	<u>Local</u>
NET CHANGE IN COSTS		\$264,000	\$
NET CHANGE IN REVENUE		\$38,750,000	\$
Agency/Prepared By		Authorized Signature	Date
DWD/ LeAnna Ware (608) 266-1997		JoAnna Richard (608) 267-3200	7/1/2005