

Fiscal Estimate Narratives

OSER 4/30/2007

LRB Number	07-1961/1	Introduction Number	AB-0260	Estimate Type	Original
Description Permitting an employer to refuse to employ or to terminate from employment an individual who has been convicted of a sex offense or a violent offense and preempting cities, villages, town, and counties from adopting provisions concerning employment discrimination based on arrest or conviction record that prohibit activity that is allowed under the state fair employment law					

Assumptions Used in Arriving at Fiscal Estimate

This bill, AB 260, permits an employer to refuse to employ or to terminate from employment an individual who has been convicted of a sex offense or a violent offense and preempting cities, villages, town, and counties from adopting provisions concerning employment discrimination based on arrest or conviction record that prohibit activity that is allowed under the state fair employment law.

Under state civil service requirements found in Wis. Stat. Ch. 230, classified appointments and other civil service employment related decisions must be merit-based and job-related, which implicitly forbids discrimination on the basis of non-job-related factors. Under current law, the state as an employer can refuse to hire or discharge an employee that has a conviction that is substantially related to the job at issue. We now have the same potential expenses and costs for employees whose convictions meet that connection with the job.

The proposed bill adds another ground for not hiring or terminating an employee. However, it does not require an employer to refuse to hire or to terminate on the new grounds. The substantive difference is that under the new bill an employer does not have to find a substantial connection with the position in question. The right not to hire and/or terminate is without condition. Viewed in this way, it should not be anticipated that there will be new categories of costs but the potential for additional costs exists because there is one more ground for refusal to hire or termination.

Since employers would be permitted to use conviction records in hiring and other personnel actions for all jobs, they may begin requesting applicants to supply information on conviction records and conducting criminal background checks where currently not required. This extra activity may require additional administrative staff time due to revised application processes. Further, since the bill also permits for the potential termination of existing employees with such conviction records, there may be an increase in recruitment costs, screening and selection procedural costs, and probationary training time related to additional personnel actions. There is also the productivity time lost when a position sits vacant while a new search is activated.

Similar cost might be incurred by local government employers if they choose to do more background investigation than is currently done. Local governments that choose to use convictions to terminate employees or refuse to hire applicants might incur costs in revising hiring procedures, systems and forms. The extra steps could lead to longer term vacancies and the cost associated with delay in filling positions. However, at this point, it is not possible to determine the precise cost associated with this bill.

Long-Range Fiscal Implications