

Fiscal Estimate - 2011 Session

Original Updated Corrected Supplemental

LRB Number 11-3912/2	Introduction Number AB-0504
Description Concealment of benefit claim information, availability for work, interest on delinquent payments, and the composition and authority of appeal tribunals under the unemployment insurance law	
Fiscal Effect	
State: <input type="checkbox"/> No State Fiscal Effect <input type="checkbox"/> Indeterminate <input type="checkbox"/> Increase Existing Appropriations <input 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 checked="" type="checkbox"/> Decrease Existing Revenues <input checked="" type="checkbox"/> Yes <input type="checkbox"/> No <input type="checkbox"/> Create New Appropriations <input type="checkbox"/> Decrease Costs	
Local: <input type="checkbox"/> No Local Government Costs <input type="checkbox"/> Indeterminate 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 5. Types of Local Government Units Affected <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 Affected Ch. 20 Appropriations <input type="checkbox"/> GPR <input checked="" type="checkbox"/> FED <input checked="" type="checkbox"/> PRO <input type="checkbox"/> PRS <input type="checkbox"/> SEG <input type="checkbox"/> SEGS	
Agency/Prepared By DWD/ Janet Sausen (608) 267-9807	Authorized Signature Georgia Maxwell (608) 266-2284
Date 2/7/2012	

Fiscal Estimate Narratives

DWD 2/7/2012

LRB Number	11-3912/2	Introduction Number	AB-0504	Estimate Type	Original
Description Concealment of benefit claim information, availability for work, interest on delinquent payments, and the composition and authority of appeal tribunals under the unemployment insurance law					

Assumptions Used in Arriving at Fiscal Estimate

Total one-time costs for IT system changes are estimated to be \$42,500 total to implement both the changes for the 15% penalty (\$15,000) and the changes to interest on delinquent employer payments (\$27,500). Changes in staff workloads for all 5 proposed provisions are expected to be minimal.

Long-Range Fiscal Implications

The increase in revenue to the trust fund due to the 15% penalty would take effect beginning 10/31/2013 and is estimated to range from \$318,738 to \$795,530 annually depending on the business cycle. These monies however, are required by federal law to go to the balancing account within the trust fund. These monies therefore are not tracked above (under State Fiscal Effect) or in the worksheet as they do not affect a state funding source.

The one-time IT costs to implement the 15% penalty is tracked above as it affects the FED funding source.

The proposed change to the interest rate on delinquent payments sets the rate at either 9% or prime plus 2%, whichever is greater. This rate change is expected to average a \$500,000 annual reduction to the interest and penalty fund during years of a 9% rate. The reduction to the fund could be less during years in which the prime is greater than 7%.

Fiscal Estimate Worksheet - 2011 Session

Detailed Estimate of Annual Fiscal Effect

Original
 Updated
 Corrected
 Supplemental

LRB Number 11-3912/2	Introduction Number AB-0504	
Description Concealment of benefit claim information, availability for work, interest on delinquent payments, and the composition and authority of appeal tribunals under the unemployment insurance law		
I. One-time Costs or Revenue Impacts for State and/or Local Government (do not include in annualized fiscal effect): Total one-time costs for IT system changes are estimated to be \$42,500 to implement both the changes for the 15% penalty and the changes to interest on delinquent employer payments. Changes in staff workloads for all 5 proposed provisions are expected to be minimal.		
II. Annualized Costs:		
Annualized Fiscal Impact on funds from:		
	Increased Costs	Decreased Costs
A. State Costs by Category		
State Operations - Salaries and Fringes	\$	\$
(FTE Position Changes)		
State Operations - Other Costs		
Local Assistance		
Aids to Individuals or Organizations		
TOTAL State Costs by Category	\$	\$
B. State Costs by Source of Funds		
GPR		
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 (136)		-500,000
SEG/SEG-S		
TOTAL State Revenues	\$	\$-500,000
NET ANNUALIZED FISCAL IMPACT		
	<u>State</u>	<u>Local</u>
NET CHANGE IN COSTS	\$	\$
NET CHANGE IN REVENUE	\$-500,000	\$
Agency/Prepared By		
Authorized Signature		Date
DWD/ Janet Sausen (608) 267-9807		Georgia Maxwell (608) 266-2284
		2/7/2012