



## Fiscal Estimate Narratives

DWD 5/9/2011

LRB Number	11-0678/2	Introduction Number	SB-008	Estimate Type	Original
<b>Description</b> Conforming the state family and medical leave law to the federal family and medical leave law and granting rule-making authority					

### Assumptions Used in Arriving at Fiscal Estimate

Some of the major changes that this bill makes are to extend the amount of Wisconsin family and medical leave that an employee may take to twelve weeks per year, and to extend the statute of limitations for filing complaints from 30 days to two years (or three years in the case of a willful violation). The bill also requires that appeals of decisions of Administrative Law Judges in the Equal Rights Division must be filed with the Labor and Industry Commission (LIRC), rather than circuit court. The primary fiscal impact of this bill will be on the Department of Workforce Development (DWD), which will need an appropriation to hire additional staff in order to handle the increased workload that is expected if this bill is enacted into law.

The Department assumes that additional staff would be needed to handle the approximately 400 additional cases that would be filed with the Equal Rights Division (ERD), and 60 cases that would be appealed to LIRC under this bill. Currently the ERD handles an average of 200 Wisconsin Family and Medical Leave Act (FMLA) cases per year. It is difficult to predict exactly how many additional cases would be filed if this bill is enacted. However, DWD estimates that the number of FMLA complaints it receives would be tripled. It is estimated that the total number of claims involving FMLA issues in federal court is approximately 240 cases per year. Approximately 120 of these cases involve only the federal FMLA. It is estimated that an additional 100 cases involve cases where the employee has other claims, such as claims under the Americans with Disabilities Act (ADA), in addition to their FMLA claims. In addition, the U.S. Department of Labor, Wage and Hour Division, processes some federal FMLA cases. The exact statistics are not available at this time. However, the best estimate is that 50-100 Wisconsin cases are processed by DOL under the federal law each year. This means that approximately 290-340 cases are processed under the federal FMLA each year. Two hundred cases are currently processed by DWD under the Wisconsin FMLA. This is a total of 490 to 540 FMLA cases that are currently being processed each year.

DWD assumes that if this bill is passed most of the employees who currently file their cases under the federal law will choose to file under the new state law. This is because there are substantial filing fees in federal court and because the federal court system is less accessible than the Wisconsin administrative proceeding. DWD also assumes that some additional employees will file complaints in Wisconsin because, among other things, they will have longer than the current 30-day statute of limitations in which to file a complaint. DWD estimates that a minimum of 100 additional cases will be filed by individuals who might have been discouraged from filing under the existing Wisconsin FMLA. This means that DWD anticipates that 590-640 total FMLA cases will be filed with the Department under this new bill. This would be at least 400 additional cases filed in the Equal Rights Division annually under the new law.

The ERD would require additional staff to handle the 400 additional cases that it would expect to receive under this new law. The Labor and Industry Review Commission would also have to hire staff in order to handle the cases that would be appealed to LIRC. The Department would need to hire nine additional staff members in order to complete the additional workload that would be created by this bill. The cost of three equal rights officers to investigate complaints would be \$216,372.00. (The salaries, fringe benefits, supplies and services for each ERO is \$78,844.00). Two and one-half FTE attorneys would need to be hired in the Equal Rights Division in order to handle the increased workload. One and one-half FTE attorneys would need to be hired to handle the increased workload at LIRC. The total cost for the additional attorney positions is \$533,424.00 (The cost for salaries, fringe benefits, supplies and services for each attorney is \$133,356.00). The Equal Rights Division would have to hire one legal associate to prepare summaries of proceedings for LIRC. The cost of one legal associate position is \$62,038.00, including salary, fringe benefits, supplies and services. The Labor and Industry Review Commission would have to hire one secretary to handle the increased workload at LIRC. The cost for one legal secretary is \$57,874.00, including salary, fringe benefits, supplies and services.

In addition to these annual costs for additional staff, there would be one-time costs. The one-time cost for the ERD to print the rules, statutes and pamphlets relating to the family and medical leave law is \$2,000.00.

The one-time cost for printing posters is \$18,000.00. This represents \$2.00 per poster for the 9,000 employers who would be affected by this bill. In summary, the total annual costs associated with this new law is \$889,868.00. The one-time costs are \$20,000.00.

### **Long-Range Fiscal Implications**

## Fiscal Estimate Worksheet - 2011 Session

Detailed Estimate of Annual Fiscal Effect

Original
  Updated
  Corrected
  Supplemental

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<b>Description</b> Conforming the state family and medical leave law to the federal family and medical leave law and granting rule-making authority			
<b>I. One-time Costs or Revenue Impacts for State and/or Local Government (do not include in annualized fiscal effect):</b>  The Department will incur one-time costs of \$20,000.00 to modify its existing publications and rules to reflect the changes contained in this bill, as well as to print posters for employers covered by the law.			
<b>II. Annualized Costs:</b>		<b>Annualized Fiscal Impact on funds from:</b>	
		Increased Costs	Decreased Costs
<b>A. State Costs by Category</b>			
	State Operations - Salaries and Fringes	\$829,388	\$
	(FTE Position Changes)		
	State Operations - Other Costs	60,480	
	Local Assistance		
	Aids to Individuals or Organizations		
	<b>TOTAL State Costs by Category</b>	<b>\$889,868</b>	<b>\$</b>
<b>B. State Costs by Source of Funds</b>			
	GPR	889,868	
	FED		
	PRO/PRS		
	SEG/SEG-S		
<b>III. State Revenues - Complete this only when proposal will increase or decrease state revenues (e.g., tax increase, decrease in license fee, ets.)</b>			
		Increased Rev	Decreased Rev
	GPR Taxes	\$	\$
	GPR Earned		
	FED		
	PRO/PRS		
	SEG/SEG-S		
	<b>TOTAL State Revenues</b>	<b>\$</b>	<b>\$</b>
<b>NET ANNUALIZED FISCAL IMPACT</b>			
		<u>State</u>	<u>Local</u>
	NET CHANGE IN COSTS	\$889,868	\$
	NET CHANGE IN REVENUE	\$	\$
<b>Agency/Prepared By</b>		<b>Authorized Signature</b>	<b>Date</b>
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