

## Fiscal Estimate - 2013 Session

Original     
  Updated     
  Corrected     
  Supplemental

<b>LRB Number</b> <b>13-1636/2</b>	<b>Introduction Number</b> <b>SB-149</b>
<b>Description</b> Payment of interest on advances made by the federal government to the unemployment reserve fund and making an appropriation	
<b>Fiscal Effect</b>	
<b>State:</b>	
<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 type="checkbox"/> Decrease Existing Revenues <input type="checkbox"/> Yes <input checked="" type="checkbox"/> No <input checked="" type="checkbox"/> Create New Appropriations <input checked="" type="checkbox"/> Decrease Costs	
<b>Local:</b>	
<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 checked="" type="checkbox"/> Decrease Costs      4. <input type="checkbox"/> Decrease Revenue <input type="checkbox"/> Permissive <input checked="" 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	
<b>Fund Sources Affected</b>	<b>Affected Ch. 20 Appropriations</b>
<input checked="" type="checkbox"/> GPR <input checked="" type="checkbox"/> FED <input checked="" type="checkbox"/> PRO <input checked="" type="checkbox"/> PRS <input checked="" type="checkbox"/> SEG <input checked="" type="checkbox"/> SEGS	
<b>Agency/Prepared By</b> DWD/ Janet Sausen (608) 267-9807	<b>Authorized Signature</b> Jonathan Barry (608) 267-3200
	<b>Date</b> 5/2/2013

## Fiscal Estimate Narratives

DWD 5/2/2013

LRB Number	<b>13-1636/2</b>	Introduction Number	<b>SB-149</b>	Estimate Type	<b>Original</b>
<b>Description</b> Payment of interest on advances made by the federal government to the unemployment reserve fund and making an appropriation					

### Assumptions Used in Arriving at Fiscal Estimate

LRB 1636/2 creates a one-time appropriation in the amount of \$26 million from GPR to pay federal interest charges due to the federal government prior to 07/01/2015, on outstanding advances made to the UI trust fund. The use of these GPR funds would supersede the requirement under current law that employers cover these federal interest payments through special assessment payments known as SAFI. If the \$26 million together with other available sources is not enough to cover the interest payments, each employer must pay an assessment in the amount determined by DWD sufficient to cover the deficiency.

Federal loan interest payments are estimated to be \$19 million in 2013 and \$7 million in 2014. Based on those estimates, in 2013 this proposal would provide approximately \$16.9 million in savings to private employers, \$450,000 in savings to the state through reimbursable employers and \$1.6 million to local governments. In 2014, this proposal would provide approximately \$6.2 million in savings to private employers, \$164,000 in savings to the state through reimbursable employers and \$600,000 to local governments.

### Long-Range Fiscal Implications

The proposal will provide a short term savings to employers; however there is no trust fund impact as SAFI interest payments do not affect the UI trust fund.

## Fiscal Estimate Worksheet - 2013 Session

Detailed Estimate of Annual Fiscal Effect

Original     
  Updated     
  Corrected     
  Supplemental

<b>LRB Number</b> 13-1636/2	<b>Introduction Number</b> SB-149
<b>Description</b> Payment of interest on advances made by the federal government to the unemployment reserve fund and making an appropriation	
<b>I. One-time Costs or Revenue Impacts for State and/or Local Government (do not include in annualized fiscal effect):</b>	
LRB 1636/2 creates a one-time appropriation in the amount of \$26 million from GPR to pay federal interest charges due to the federal government prior to 07/01/2015, on outstanding advances made to the UI trust fund. The use of these GPR funds would supersede the requirement under current law that employers cover these federal interest payments through special assessment payments known as SAFI. If the \$26 million together with other available sources is not enough to cover the interest payments, each employer must pay an assessment in the amount determined by DWD sufficient to cover the deficiency. Federal loan interest payments are estimated to be \$19 million in 2013 and \$7 million in 2014. Based on those estimates, in 2013 this proposal would provide approximately \$16.9 million in savings to private employers, \$450,000 in savings to the state through reimbursable employers and \$1.6 million to local governments. In 2014, this proposal would provide approximately \$6.2 million in savings to private employers, \$164,000 in savings to the state through reimbursable employers and \$600,000 to local governments. The proposal will provide a short term savings to employers; however there is no trust fund impact as SAFI interest payments do not affect the UI trust fund. Eliminating SAFI bills to employers in 2013 and 2014 will also save UI federal funds of approximately \$80,000 in mailing costs and \$28,000 in staff time. There is no change or savings for programming costs.	
<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	\$
(FTE Position Changes)	
State Operations - Other Costs	
Local Assistance	
Aids to Individuals or Organizations	
<b>TOTAL State Costs by Category</b>	<b>\$</b>
<b>B. State Costs by Source of Funds</b>	
GPR	
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, etc.)</b>	
	Increased Rev
	Decreased Rev
GPR Taxes	\$
GPR Earned	
FED	
PRO/PRS	
SEG/SEG-S	
<b>TOTAL State Revenues</b>	<b>\$</b>

**NET ANNUALIZED FISCAL IMPACT**

	<u>State</u>	<u>Local</u>
NET CHANGE IN COSTS	\$	\$
NET CHANGE IN REVENUE	\$	\$
<b>Agency/Prepared By</b>		
DWD/ Janet Sausen (608) 267-9807	<b>Authorized Signature</b>	
	Jonathan Barry (608) 267-3200	<b>Date</b>
		5/2/2013