

Fiscal Estimate - 2013 Session

Original
 Updated
 Corrected
 Supplemental

LRB Number 13-2639/1	Introduction Number SB-273	
Description Requirements for the department of workforce development when issuing determinations under the unemployment insurance law or any other law regulating employment that is administered by that department		
Fiscal Effect		
State:		
<input type="checkbox"/> No State Fiscal Effect <input type="checkbox"/> Indeterminate		
<input checked="" type="checkbox"/> Increase Existing Appropriations <input type="checkbox"/> Decrease Existing Appropriations <input type="checkbox"/> Create New Appropriations	<input type="checkbox"/> Increase Existing Revenues <input type="checkbox"/> Decrease Existing Revenues <input type="checkbox"/> Decrease Costs	
<input checked="" type="checkbox"/> Increase Costs - May be possible to absorb within agency's budget <input type="checkbox"/> Yes <input checked="" type="checkbox"/> No		
Local:		
<input type="checkbox"/> No Local Government Costs <input type="checkbox"/> Indeterminate		
1. <input type="checkbox"/> Increase Costs <input type="checkbox"/> Permissive <input type="checkbox"/> Mandatory 2. <input type="checkbox"/> Decrease Costs <input type="checkbox"/> Permissive <input type="checkbox"/> Mandatory	3. <input type="checkbox"/> Increase Revenue <input type="checkbox"/> Permissive <input type="checkbox"/> Mandatory 4. <input type="checkbox"/> Decrease Revenue <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 checked="" type="checkbox"/> GPR <input type="checkbox"/> FED <input type="checkbox"/> PRO <input type="checkbox"/> PRS <input type="checkbox"/> SEG <input type="checkbox"/> SEGS 20.445 (1) (a)		
Agency/Prepared By	Authorized Signature	Date
DWD/ Christopher McElgunn (608) 267-6969	Jonathan Barry (608) 267-3200	11/14/2013

Fiscal Estimate Narratives

DWD 11/14/2013

LRB Number	13-2639/1	Introduction Number	SB-273	Estimate Type	Original
Description Requirements for the department of workforce development when issuing determinations under the unemployment insurance law or any other law regulating employment that is administered by that department					

Assumptions Used in Arriving at Fiscal Estimate

Providing information on the resources that may be available to assist an employee regarding an adverse Department of Workforce Development determination or computation and maintain dedicated telephone number(s) so that an employee may ask questions regarding the determination/computation.

Unemployment Insurance Division

Current Claimant Resources Available:

- Online resources that supply a wide variety of information, including division contact information, instructions on the appeals process, and the claimant handbook.
- Notification of any determination affecting an employee claim, such as a monetary computation or a formal legal determination, include a telephone number to division inquiry/assistance line. Additionally, the notice provides written instructions if an employee does not agree with the computation/determination and gives complete appeal instructions.
- Madison and Milwaukee area claimants receive information on legal clinics offered by area nonprofit organizations included with their determination mailing.
- Two call centers with an average of 110 FTE claim specialists, supplemented by an average of 20 LTE staff for winter high workload.
- Dedicated line for claims inquiries/assistance and claim specialists who are trained to assist an employee in understanding the computation/determination and/or explaining the appeals process. If an employee requests information on other financial or legal assistance, claim specialists provide the names and numbers of other services, including 211-United Way and other local county social services offices.

In-progress Enhancements to Claimant Resources:

- Virtual hold system, in which an individual can request a call back in lieu of waiting in the queue.
- Modernization efforts with federal grant funding that will automate more of the filing process requiring less intervention by a claim specialist.
- Upgraded internet inquiry program, in which password protected individual information will be available online, rather than requiring a phone call to a claim specialist. These

Modernization efforts will allow claim specialists more time to respond to the claims inquiry/assistance line, leading to shorter wait times for assistance. If the UI division were to further enhance its ability to efficiently provide assistance to employees with adverse decisions, the division would have to increase its staffing of the inquiry/assistance telephone line. Based on the number of adverse determinations and appeals filed in 2012, it is estimated that an additional 2.75 FTE claim specialists would be decrease wait times on the assistance/inquiry line. This would result in a one-time system cost of approximately \$1,500 and an ongoing staffing cost of approximately \$188,743 annually.

UI could also provide and maintain links on our website to other financial or legal resources and have hardcopies of these resources available to mail to employees if requested. This would result in a one-time administrative cost of approximately \$1,000 and an ongoing printing and mailing costs of approximately \$4,500 annually. The Department of Labor occasionally offers grants or supplemental funds for specific types of programs. Currently, no such funding source is available for additional FTE claim specialists.

Division of Employment and Training

Current Claimant Resources Available:

- The Division of Employment and Training (DET) manages and maintains online information and resources regarding the numerous employment and training benefit programs administered, as well as division contact information.
- Each Job Center of Wisconsin location maintains DET employees and Managers that can assist consumers with any questions they may have regarding specific programs, eligibility requirements, and service benefits.
- Job Center of Wisconsin electronic mailbox provides claimants access to DET staff trained to review and respond to each consumer inquiry (approximately 50 to 80 e-mails received each day) regarding employment programs, eligibility requirements, and service benefits.
- DET call center, which responds to consumer questions regarding employment and training programs.

Should funding for claimant resource enhancements be made available, DET could expand the current Call Center system to include its ability to provide assistance to employees with adverse decisions. To do that the division would have to increase its staffing in order to expand the service. Based on current Call Center average workload of approximately 420 to 500 inquiries per individual per month, it is initially estimated that an additional 2.0 new FTE Employment & Training Specialists would be needed to address the estimated increased assistance and inquiry needs. It should be noted, the volume of consumer contacts under the proposed legislation is an unknown variable at this time. Should consumer contacts increase more than estimated, DET would need to add additional staff and resources to address the increased volume. The 2.0 new FTE (dependent upon consumer contact volume) will require equipment and call center accessories to access the current Computer Telephony Integration (CTI) system used by the division's existing Call Center. The current Call Center is centrally located and therefore will require additional space/rent costs. Two new agent licenses are also required to utilize the CARES ACD system. The current Interactive Voice Response (IVR) system will require telephone menu updates to allow for direct access when dialing the Call Center number. IT website and system updates will also be necessary. The total cost required for this expansion is estimated at \$210,945.

In addition, the cost for .25 FTE of an existing Employer Services subject matter expert and .25 FTE of an existing Consumer Program Services subject matter expert would need to be covered. The portions of these positions are necessary to assist the new Call Center staff in addressing the multiple service programs, regulations and requirements which are managed by the Division.

DET would require additional GPR funding for the one time system enhancements as well as on-going annual allocations to support the additional positions and related annual costs. Current funding is not available to support this type of expansion. Since this would be a new state required service, the costs of the expansion would need to be borne by state funds and could not be allocated to current federal programs.

Worker's Compensation Division

* NOTE: The Worker's Compensation (WC) Division does not issue initial determinations on benefits or eligibility for benefits. WC administers programs designed to ensure that injured workers receive prompt payment of required benefits from private insurance companies or self-insured employers. Division staff manages the worker's compensation claims program and provides assistance to claim parties. Division attorneys conduct formal administrative hearings to resolve disputed claims between claimants and employers. Most contested cases are settled by agreement of the parties. Claim parties that are not satisfied with the outcome of their hearing can appeal the case to the Labor and Industry Review Commission (LIRC).

Current Claimant Resources Available:

- Each written order issued by WC includes a notification of how to appeal the decision, the time frame to make an appeal and the WC Division's telephone number.
- During office hours, WC has a dedicated phone number (608-266-1340) that is answered by a WC staff receptionist. The receptionist can forward a call directly to a specialist or an administrative law judge (ALJ) to help answer a claimant's, employer's or attorney's question. (WC has 10 specialists available to answer claim questions. The average phone call for a specialist can take 15 to 20 minutes. WC also designates ALJs to be available to answer the more technical legal questions for claim parties.) WC Specialists are not permitted to give "legal" advice. They may advise a claimant (that is having a hard time obtaining a lawyer) to: 1) contact a legal aid group in their area, 2) look at the yellow pages, or 3) call the Wisconsin Bar

Association. The Wisconsin Bar Association will send the injured worker a list of attorney names who indicate worker's compensation as their specialty.

- During non-work hours, the WC reception phone line switches to an automated information system that provides answers for general questions on the worker's compensation law and claim processes. The automated system also provides contact numbers to call during standard work hours.
- WC provides appeal rights and time frames with every order issued by a WC ALJ. If an injured worker chooses to represent themselves, the case will begin with a pre-hearing. At that time the ALJ will advise the injured worker if the merits of the case warrant representation by an attorney.
- WC law requires an insurance carrier's denial of a claim made by an injured worker must be in writing. The letter must advise claimants of their appeal rights and the required time frame. The insurer must also copy the WC Division on the denial letter. If the letter does not adequately advise the injured worker of his appeal rights, the WC division will advise the insurer the letter is inadequate.

For WC to staff an additional Workers Compensation Specialist, dedicated solely to answering inquiries for claimants with adverse determinations, an additional 1.0 FTE would be necessary. The cost for such an employee would be approximately \$64,175.

Equal Rights (ER) Division

* NOTE: The Equal Rights (ER) Division has two processes in place for complainant's issued adverse decisions at DWD. Which process is followed is determined by whether the issue involves a Civil Rights issue or a Labor Standards issue.

If the case involves a Civil Rights issue, an investigator makes what is called an Initial Determination (ID). The ID is either probable cause or no probable cause (NPC). An ID of no probable cause means the case will not be forwarded to an ALJ for a hearing. The complainant (employees, patrons in places of public accommodations, and tenants in fair housing disputes) does have the right, however, to appeal this ID of NPC.

If the case involves a Labor Standards issue, the law does not provide a right to appeal per se. Instead, a complainant whose Labor Standards case has been dismissed has the ability to file a lawsuit against the employer.

Current Claimant Resources Available (Civil Rights):

- A letter is issued to a complainant in cases of a NPC determination, which clearly states that the complainant has the right to file an appeal of the ID. If they do file such an appeal, a hearing is held to determine whether or not the investigator's dismissal of the case was proper. If there is probable cause (or if the complainant appeals an ID of NPC as described above and the judge agrees there is probable cause), then the case goes to full hearing.
- After an ALJ issues a decision, there is then the ability to appeal the judge's ruling to LIRC. A letter goes out after a hearing decision is rendered that includes the final decision, complainant's right to appeal to LIRC, the date an appeal must be received by, and where the appeal must be sent to.
- Once LIRC has considered the appeal of ALJ's decision, they issue a decision. When that decision is rendered, a letter is then sent informing the parties of the ability to go to circuit court. All appeal rights are clearly spelled out in this letter.

Current Claimant Resources Available (Labor Standards):

- Even though there is no appeal process laid out by statute or rule, ER does voluntarily offer parties the ability to request an "administrative review" of the investigator's determination. The language for this administrative process is found at the end of a letter sent to the complainant and also includes the information used in determining the case, the decision rendered, and the date an appeal must be received by.

Additionally, ER staff will speak with anyone who calls with questions about appeals. Requests for clarification are never denied.

For ER to staff an Equal Rights Officer, dedicated solely to answering inquiries for claimants with adverse determinations, an additional 0.5 FTE would be necessary. The cost for such an employee would be approximately \$39,425. ER would also have one-time reprint costs and costs to update its websites of approximately \$4,000.

DWD respectfully requests GPR funds to cover the costs outlined in this fiscal estimate.

Long-Range Fiscal Implications

NA

Fiscal Estimate Worksheet - 2013 Session

Detailed Estimate of Annual Fiscal Effect

Original
 Updated
 Corrected
 Supplemental

LRB Number 13-2639/1		Introduction Number SB-273	
Description Requirements for the department of workforce development when issuing determinations under the unemployment insurance law or any other law regulating employment that is administered by that department			
I. One-time Costs or Revenue Impacts for State and/or Local Government (do not include in annualized fiscal effect):			
(UI) - Call Center System (CARES) set up for 2.75 FTE one-time cost: \$1,500. - Administrative one-time costs to develop and post online a link to other financial or legal resources: \$1,000. (DET) - Update to current Interactive Voice Response (IVR) System: \$1,250. - Equipment and Call Center accessories for Computer Telephony Integration (CTI) system – CARES ACD: \$3,500. - Update of Website and electronic linkages for new system: \$925. (ER) - Printing cost for resource materials: \$3000. - Update and maintenance of website: \$1000. (DWD) Total one-time agency cost: \$12,175.			
II. Annualized Costs:		Annualized Fiscal Impact on funds from:	
		Increased Costs	Decreased Costs
A. State Costs by Category			
	State Operations - Salaries and Fringes	\$430,828	\$0
	(FTE Position Changes)	(6.8 FTE)	(-0.0 FTE)
	State Operations - Other Costs	71,285	0
	Local Assistance	0	0
	Aids to Individuals or Organizations	0	0
	TOTAL State Costs by Category	\$502,113	\$0
B. State Costs by Source of Funds			
	GPR	502,113	0
	FED	0	0
	PRO/PRS (0)	0	0
	SEG/SEG-S (0)	0	0
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	\$0	\$0
	GPR Earned	0	0
	FED	0	0
	PRO/PRS (0)	0	0
	SEG/SEG-S (0)	0	0
	TOTAL State Revenues	\$0	\$0
NET ANNUALIZED FISCAL IMPACT			
		<u>State</u>	<u>Local</u>
	NET CHANGE IN COSTS	\$502,113	\$0
	NET CHANGE IN REVENUE	\$0	\$0
Agency/Prepared By		Authorized Signature	
		Date	

DWD/ Christopher McElgunn (608) 267-6969

Jonathan Barry (608) 267-3200

11/14/2013