

Fiscal Estimate - 2013 Session

Original
 Updated
 Corrected
 Supplemental

LRB Number 13-3030/1	Introduction Number SB-398	
Description Provision by employers to employees of written disclosure statements of the terms of employment, the filing and investigation of wage claims, the statute of limitations for filing a wage claim action, the payment of interest, penalties, and surcharges on wage claims, occupational or professional licensing of employers that owe wages under wage claim judgments, and making an appropriation		
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 checked="" type="checkbox"/> Increase Costs - May be possible to absorb within agency's budget <input type="checkbox"/> Yes <input checked="" type="checkbox"/> No <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 checked="" type="checkbox"/> GPR <input type="checkbox"/> FED <input type="checkbox"/> PRO <input type="checkbox"/> PRS <input type="checkbox"/> SEG <input type="checkbox"/> SEGS App 101 s. 20.445 (1)(a)		
Agency/Prepared By	Authorized Signature	Date
DWD/ Jean Culbert (608) 266-6898	Jonathan Barry (608) 267-3200	11/22/2013

Fiscal Estimate Narratives

DWD 11/22/2013

LRB Number	13-3030/1	Introduction Number	SB-398	Estimate Type	Original
Description Provision by employers to employees of written disclosure statements of the terms of employment, the filing and investigation of wage claims, the statute of limitations for filing a wage claim action, the payment of interest, penalties, and surcharges on wage claims, occupational or professional licensing of employers that owe wages under wage claim judgments, and making an appropriation					

Assumptions Used in Arriving at Fiscal Estimate

SB 398 will make several major changes to provisions under the wage claim statutes.

First, SB398 would increase the statute of limitations on wage claims from 2 to 4 years. Currently, Equal Rights Division investigators can only look back 2 years. Under this change, audits would take twice as long because staff will be required to review 4 years of records rather than 2 years. Also, some complaints that are presently barred by the current two-year statute of limitations would now become timely.

Second, SB398 also adds a provision that requires disclosure of the terms of employment, including annual updates and updates whenever the terms are changed. The Equal Rights Division would enforce this provision and would be required to assess actual damages and liquidated damages. This provision would also require the Division to calculate reasonable attorney fees for violations of this section. This section also contains a new anti-retaliation provision related to the disclosure provision.

Third, SB398 will also demand licensing agencies to require license applicants to disclose whether they are subject to any wage adjustments. However, this provision would not be under the Equal Rights Division rules.

It is projected the wage claim provisions will increase the Equal Rights Division workload by 50%. It is also projected the disclosure provisions would add another 200 cases per year. The anti-retaliation provision would add another 20 cases per year. It is also anticipated training will be required for staff to provide fair and consistent attorney fee calculations under the disclosure provision.

The DWD Equal Rights Division estimates an additional 5 fulltime employees will be needed at the Equal Rights Officer – Senior classification to adequately handle this additional work load in a timely manner. The estimated cost for these five positions would total \$340,915 in GPR funding. The additional budget authority includes salary, fringe and general administration expenses. The Equal Rights Division is currently funded from GPR. The additional costs would need to be provided through an increase in the DWD's GPR funding.

Long-Range Fiscal Implications

Fiscal Estimate Worksheet - 2013 Session

Detailed Estimate of Annual Fiscal Effect

Original
 Updated
 Corrected
 Supplemental

LRB Number 13-3030/1		Introduction Number SB-398	
Description Provision by employers to employees of written disclosure statements of the terms of employment, the filing and investigation of wage claims, the statute of limitations for filing a wage claim action, the payment of interest, penalties, and surcharges on wage claims, occupational or professional licensing of employers that owe wages under wage claim judgments, and making an appropriation			
I. One-time Costs or Revenue Impacts for State and/or Local Government (do not include in annualized fiscal effect):			
II. Annualized Costs:		Annualized Fiscal Impact on funds from:	
		Increased Costs	Decreased Costs
A. State Costs by Category			
	State Operations - Salaries and Fringes	\$297,715	\$
	(FTE Position Changes)	(5.0 FTE)	
	State Operations - Other Costs	43,200	
	Local Assistance	0	
	Aids to Individuals or Organizations	0	
	TOTAL State Costs by Category	\$340,915	\$
B. State Costs by Source of Funds			
	GPR	340,915	
	FED	0	
	PRO/PRS	0	
	SEG/SEG-S	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	\$	\$
	GPR Earned		
	FED		
	PRO/PRS	1,000	
	SEG/SEG-S		
	TOTAL State Revenues	\$1,000	\$
NET ANNUALIZED FISCAL IMPACT			
		<u>State</u>	<u>Local</u>
NET CHANGE IN COSTS		\$340,915	\$
NET CHANGE IN REVENUE		\$1,000	\$
Agency/Prepared By		Authorized Signature	Date
DWD/ Jean Culbert (608) 266-6898		Jonathan Barry (608) 267-3200	11/22/2013