

Fiscal Estimate Narratives

DWD 2/3/2016

LRB Number	15-2020/1	Introduction Number	AB-0819	Estimate Type	Original
Description Various changes to the unemployment insurance law					

Assumptions Used in Arriving at Fiscal Estimate

This bill makes specific changes to Unemployment Insurance law and is the agreed upon bill by the Unemployment Insurance Advisory Council.

It is estimated that there is no long-term fiscal effects of the bill. It is estimated that compliance with the provisions in the bill will result in one-time costs of approximately \$53,600 for one-time IT systems modification and \$43,500 for one-time administration expenses including costs for publications, DWD staff training, training and public information for external partners, and other administrative expenses. Below is a listing of the estimated fiscal effects of compliance with specific provisions of the bill. All costs are one-time.

Fiscal Agent for Child not an Employer; There is an expected cost of \$500 in staffing time to train DWD staff about the new policy.

Failure to Accept Suitable Work when Offered; Good Cause for such Failure; There is expected to be \$700 in IT work needed to implement this provision change. There will be \$7,000 in DWD administrative costs for implementation and training on the new policy.

Concealment by Claimants; There is an expected cost of \$3,000 in order to train DWD staff on the new policy.

Concurrent Receipt of UI and Social Security Disability Insurance; There will be publication updates, training materials, and training performed at a DWD for a total estimated cost of \$4,000.

Misclassification; Assessments and Penalties will need 75 hours of IT system changes in order to be able to assess the new administrative penalty at a cost \$6,000. There will be a total one-time UI administrative cost of \$3,000.

Program Integrity Assessment; In order to allow UI to be able to assign and collect the assessment, there will need to be 160 hours of IT system changes at a cost of \$13,000. There will also be associated implementation costs of \$4,000 for DWD staff to implement the new program.

Charging of Benefits Financed by Reimbursable Employer in the case of Identity Theft; It is estimated that compliance with this provision will require 300 hours of IT system changes at a cost of \$25,000 and one time administrative implementation costs including training of \$8,000.

Personal Liability of Partners in LLCs and Others for UI Contributions; There will be 80 hours of IT system changes required at a cost of \$7,000. There is an expected cost of \$1,000 for training of DWD staff on the new policy.

Eligibility for UI when Receiving Worker's Compensation Payments; It is estimated that IT changes can be performed by DWD staff at a cost of \$700. There will need to be changes to UI publications, UI training material and training for DWD staff to reflect the proposed change. The expected cost of this implementation is \$4,000.

Administrative and Judicial Review of UI Decisions; There would be administrative changes costing \$3,000 to implement and 2 hours of IT work costing \$200.

Revisions to Provision Concerning Ability to Work and Availability to Work; There would be 13 hours of IT system changes at a cost of \$1,000. There would be one time administrative work estimated to cost \$6,000.

This bill also provides that DWD must transfer the excess in the state unemployment interest payment fund to the balancing account, the unemployment program integrity fund, or both in amounts determined by DWD. At this time the amount of transfer has yet to be decided by the Department, and as a result the estimated one-time fiscal effect of this provision is indeterminate.

Long-Range Fiscal Implications

Fiscal Estimate Worksheet - 2015 Session

Detailed Estimate of Annual Fiscal Effect

Original
 Updated
 Corrected
 Supplemental

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I. One-time Costs or Revenue Impacts for State and/or Local Government (do not include in annualized fiscal effect):		
It is estimated that there is no long-term fiscal effects of the bill. It is estimated that compliance with the provisions in the bill will result in one-time costs of approximately \$53,600 for one-time IT systems modification and \$43,500 for one-time administration expenses including costs for publications, DWD staff training, training and public information for external partners, and other administrative expenses. All costs are one-time.		
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, ets.)		
	Increased Rev	Decreased Rev
GPR Taxes	\$	\$
GPR Earned		
FED		
PRO/PRS		
SEG/SEG-S		
TOTAL State Revenues	\$	\$
NET ANNUALIZED FISCAL IMPACT		
	<u>State</u>	<u>Local</u>
NET CHANGE IN COSTS	\$	\$
NET CHANGE IN REVENUE	\$	\$
Agency/Prepared By	Authorized Signature	Date
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