

Fiscal Estimate - 2017 Session

Original
 Updated
 Corrected
 Supplemental

LRB Number 17-4805/1	Introduction Number SB-604
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Description
 Fingerprinting and conducting background investigations of employees in the state civil service or of a political subdivision, and of individuals performing contractual services for the state, who have access to federal tax information

Fiscal Effect

State:

No State Fiscal Effect
 Indeterminate
 Increase Existing Appropriations
 Increase Existing Revenues
 Increase Costs - May be possible to absorb within agency's budget
 Decrease Existing Appropriations
 Decrease Existing Revenues

 Yes
 No
 Create New Appropriations

 Decrease Costs

Local:

No Local Government Costs
 Indeterminate

1. <input type="checkbox"/> Increase Costs <input type="checkbox"/> Permissive <input type="checkbox"/> Mandatory	3. <input type="checkbox"/> Increase 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
2. <input type="checkbox"/> Decrease Costs <input type="checkbox"/> Permissive <input type="checkbox"/> Mandatory	4. <input type="checkbox"/> Decrease Revenue <input type="checkbox"/> Permissive <input type="checkbox"/> Mandatory	

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 20.566(3)(a)	

Agency/Prepared By DOR/ Jamie Adams (608) 266-6785	Authorized Signature Robert Schmidt (608) 266-5773	Date 12/8/2017
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Fiscal Estimate Narratives

DOR 12/8/2017

LRB Number	17-4805/1	Introduction Number	SB-604	Estimate Type	Original
Description Fingerprinting and conducting background investigations of employees in the state civil service or of a political subdivision, and of individuals performing contractual services for the state, who have access to federal tax information					

Assumptions Used in Arriving at Fiscal Estimate

This fiscal estimate is specific to the costs incurred by the Department of Revenue (DOR).

The Internal Revenue Service (IRS) recently updated its security guidelines for federal, state, and local agencies with access to federal tax information. IRS-mandated background investigations for any individual granted access to federal tax information must now include Federal Bureau of Investigation (FBI) fingerprint results. Currently, all DOR employees are subject to background checks performed by the Crime Information Bureau (CIB) of the Wisconsin Department of Justice. Fingerprints are not collected as part of these background checks. FBI fingerprints are only collected for Wisconsin Lottery employees.

Under the bill, before appointing an individual to a position in the state civil service, the duties of which require the individual to have access to federal tax information, the appointing authority for the position must conduct a background check on the individual, which may include fingerprinting. The bill also applies to individuals who perform services under a contract with the state.

In addition to lottery employees already subject to FBI fingerprinting, DOR has approximately 1,399 employees that have access to federal tax information for which the Department would be required to conduct a background check. The initial cost to fingerprint all current DOR employees with access to federal tax information would be \$37,773 at a rate of \$27 per employee.

The current CIB background checks that cost \$7 for each employee would no longer be necessary under the bill. The bill results in a net cost increase of \$20 for each new employee background check. In CY 2017, DOR hired 235 employees from outside of the Department (inclusive of LTEs). Assuming DOR, on average, fills 250 positions each year, the average annual cost to the Department for fingerprinting newly hired employees would be approximately \$5,000. The cost could be higher or lower depending on hiring needs and turnover within the Department.

Administrative costs can be absorbed with existing resources.

The Department does not share federal tax information with local governments and does not have information on how many local government employees would be impacted by this bill.

Long-Range Fiscal Implications

Fiscal Estimate Worksheet - 2017 Session

Detailed Estimate of Annual Fiscal Effect

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Description Fingerprinting and conducting background investigations of employees in the state civil service or of a political subdivision, and of individuals performing contractual services for the state, who have access to federal tax information		
I. One-time Costs or Revenue Impacts for State and/or Local Government (do not include in annualized fiscal effect): The initial cost to fingerprint all current DOR employees with access to federal tax information would be \$37,773 at a rate of \$27 per employee.		
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	5,000	
Local Assistance		
Aids to Individuals or Organizations		
TOTAL State Costs by Category	\$5,000	\$
B. State Costs by Source of Funds		
GPR	5,000	
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	\$5,000	\$
NET CHANGE IN REVENUE	\$	\$
Agency/Prepared By		
Authorized Signature		Date
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		12/8/2017