

Fiscal Estimate Narratives

DWD 8/29/2019

LRB Number	19-2692/1	Introduction Number	SB-367	Estimate Type	Original
Description prohibiting an employer from relying on information about a prospective employee's compensation when making employment decisions or inquiring about a prospective employee's compensation and from restricting an employee's right to disclose compensation information and allowing actions in circuit court and providing a penalty					

Assumptions Used in Arriving at Fiscal Estimate

This bill prohibits certain employer conduct related to current or prior compensation information of current and prospective employees. For example, in recruitment and hiring, an employer may not solicit the current or prior compensation from the prospective employee or the prospective employee's current or former employer. The bill also prohibits employers from discharging or discriminating against current employees for disclosing details of the employee's compensations, discussing compensation of other employees, asking employees for details regarding their compensation, and taking actions to enforce an employee's rights under the bill. Finally, the bill requires employers to post notices regarding employee's and prospective employees rights under the bill, while providing a penalty for an employer's failure to do so.

Under this bill, any employee or prospective employee who is refused employment, terminated, discharged, or otherwise discriminated against under this new law may file a complaint with the Department of Workforce Development's (DWD) Equal Rights Division (ERD). If a violation of the law has occurred, as determined by DWD, the department may order the employer to take actions to remedy the violation. This could include employee reinstatement, the provision of compensation in lieu of reinstatement, providing back pay accrued before the complaint was filed, and paying the reasonable actual cost of attorney fees.

In addition, civil action can be brought by DWD or an individual alleged or found to have been discriminated against. Civil action cannot be taken against a local governmental unit or against an employer that employs fewer than 15 individuals for each working day in each of 20 or more calendar weeks in the current or preceding year. The punitive damage limits set in the bill vary in amount by the number of employees employed by the defendant. This bill also requires DWD to annually review these caps and revise them upward if a positive change in the consumer price index has occurred.

If enacted, the department's ERD estimates needing one additional Equal Rights Officer to process complaints. The salary, fringe and operational costs for 1.0 FTE are estimated to be \$90,000 annually. In addition, there would be one-time administrative costs of \$3,500 to staff the position and \$5,000 to develop or revise publications. If the department sought civil action, as permitted in the bill, the DWD Office of Legal Counsel would refer these cases to the Department of Justice. Costs associated with these activities and revising the damage caps, as required by the bill, would be absorbed within the agency's budget.

Long-Range Fiscal Implications

Fiscal Estimate Worksheet - 2019 Session

Detailed Estimate of Annual Fiscal Effect

Original
 Updated
 Corrected
 Supplemental

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Description prohibiting an employer from relying on information about a prospective employee's compensation when making employment decisions or inquiring about a prospective employee's compensation and from restricting an employee's right to disclose compensation information and allowing actions in circuit court and providing a penalty		
I. One-time Costs or Revenue Impacts for State and/or Local Government (do not include in annualized fiscal effect): There would be one-time administrative costs of \$3,500 to staff the position and \$5,000 to develop or revise publications		
II. Annualized Costs:		
	Annualized Fiscal Impact on funds from:	
	Increased Costs Decreased Costs	
A. State Costs by Category		
State Operations - Salaries and Fringes	\$67,300	\$
(FTE Position Changes)	(1.0 FTE)	
State Operations - Other Costs	22,700	
Local Assistance		
Aids to Individuals or Organizations		
TOTAL State Costs by Category	\$90,000	\$
B. State Costs by Source of Funds		
GPR	90,000	
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	\$90,000	\$
NET CHANGE IN REVENUE	\$	\$

Agency/Prepared By	Authorized Signature	Date
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