

Fiscal Estimate - 2023 Session

Original
 Updated
 Corrected
 Supplemental

LRB Number 23-2720/1	Introduction Number SB-0235	
Description various changes to the unemployment insurance law and authorizing the secretary of administration to transfer employees from any executive branch agency to the Department of Workforce Development for certain purposes		
Fiscal Effect State: <input type="checkbox"/> No State Fiscal Effect <input type="checkbox"/> Indeterminate <input type="checkbox"/> Increase Existing Appropriations <input type="checkbox"/> Increase Existing Revenues <input checked="" type="checkbox"/> Increase Costs - May be possible to absorb within agency's budget <input type="checkbox"/> Decrease Existing Appropriations <input type="checkbox"/> Decrease Existing Revenues <input type="checkbox"/> Yes <input checked="" type="checkbox"/> No <input type="checkbox"/> Create New Appropriations <input type="checkbox"/> Decrease Costs		
Local: <input checked="" 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 type="checkbox"/> GPR <input checked="" type="checkbox"/> FED <input type="checkbox"/> PRO <input type="checkbox"/> PRS <input type="checkbox"/> SEG <input type="checkbox"/> SEGS 20.445 (1)(n)		
Agency/Prepared By DWD/ Andrew Wescott-Barten (608) 405-4475	Authorized Signature Jeremy Simon (608) 267-9692	Date 4/21/2023

Fiscal Estimate Narratives

DWD 4/21/2023

LRB Number	23-2720/1	Introduction Number	SB-0235	Estimate Type	Original
Description various changes to the unemployment insurance law and authorizing the secretary of administration to transfer employees from any executive branch agency to the Department of Workforce Development for certain purposes					

Assumptions Used in Arriving at Fiscal Estimate

This bill makes various changes in the unemployment insurance (UI) law, which is administered by the Department of Workforce Development (DWD). The bill requires DWD to implement identity-proofing measures for UI claimants that achieve IAL2 and AAL2 standards adopted in the National Institute of Standards and Technology's Digital Identity Guidelines; provide certain training materials for employers and claimants on the UI system including videos on DWD's website and free live training seminars on a quarterly basis; and to operate a call center to assist claimants for UI benefits if the volume of calls has increased by 300 percent or more over the same week during the previous year or if there is a declared state of emergency relating to an increase in UI claims. The bill also requires DWD to perform, at least weekly, a comparison of state and national databases that track death records, employment records, and prison records against recipients of UI benefits for the purposes of detecting fraud or erroneous payments, and the bill authorizes the secretary of administration to temporarily transfer employees from any executive branch agency to DWD to assist in deciding UI appeals.

The proposed bill changes related to operation of a call center are estimated to have a one-time fiscal effect to the department of \$1,548,860. The proposed bill changes related to identity proofing measures are also estimated to increase costs, but these costs are indeterminate at this time. All other provisions of the bill do not have a fiscal impact.

The proposed changes to call center operations are estimated to have a fiscal impact, but only when the provisions in the bill require evening and weekend hours. When those circumstances arise, the fiscal effect will be comprised of costs to make IT modifications, one-time administrative changes, and costs for additional contract staff. The estimated IT impact is 800 hours of work costing \$71,200, and the one-time administrative cost associated with implementing these systems changes is \$21,360. These costs are related to rescheduling database computations and modifying internal applications to accommodate lengthened call center hours. The additional contracted staff need is estimated as 45 FTE, which would be approximately \$1,456,300. This contract staff estimate assumes UI call centers would be staffed until 7 PM on weekdays and would operate for sixteen hours on the weekend.

This estimated fiscal impact could be lower at the time the bill's call center provisions' thresholds are reached, as the department develops its virtual call center and virtual assistant options for claimants and employers. UI virtual agents are currently available on demand (24/7) to answer claimants' common questions.

For the purposes of this fiscal estimate, these call center costs are considered one-time.

The bill's proposed identity verification requirements are estimated to have an indeterminate cost impact. The primary driver of unknown costs under this bill is full implementation of the IAL2 standard which includes use of facial recognition technology (FRT) in identity verification. DWD's UI Division already has identity verification measures in place and is in the process of implementing additional measures. State workforce agencies anticipate receiving guidance from the US Department of Labor (US DOL) by Sept. 30, 2023, on the use of FRT. Without this US DOL guidance, costs to fully implement IAL2 and AAL2 standards cannot be estimated at this time. This work is expected to require a significant investment as implementation is expected to be complex.

Long-Range Fiscal Implications