## Fiscal Estimate - 2025 Session

☐ Updated	Corrected		Supplemental				
LRB Number 25-2485/2	Introduction	Number /	AB-0232				
Description transferring adjudicatory functions for worker's compensation from the Division of Hearings and Appeals in the Department of Administration to the Department of Workforce Development							
Fiscal Effect							
Appropriations Reven	ase Existing	Increase Costs absorb within ag Yes Decrease Costs	□No				
Local:  No Local Government Costs  Indeterminate  1. Increase Costs Permissive Mandatory  2. Decrease Costs Permissive Mandatory Permissive Mandatory Permissive Mandatory Permissive Mandatory Permissive Mandatory Permissive Mandatory Districts  5. Types of Local Government Units Affected Towns Counties Counties Others School Districts Districts							
Fund Sources Affected  Affected Ch. 20 Appropriations  GPR FED PRO PRS SEG SEGS 20.445 (1)(ra)							
Agency/Prepared By	Authorized Signature		Date				
DWD/ Andrew Evenson (608) 405-4472	Lee Sensenbrenner (60	Sensenbrenner (608) 405-4202					

## Fiscal Estimate Narratives DWD 5/20/2025

LRB Number 25-2485/2	Introduction Number	AB-0232	Estimate Type	Original			
Description (1.1)							
transferring adjudicatory functions for worker's compensation from the Division of Hearings and Appeals in the Department of Administration to the Department of Workforce Development							

## Assumptions Used in Arriving at Fiscal Estimate

The bill transfers, from the Department of Administration (DOA) Division of Hearings and Appeals (DHA) to the Department of Workforce Development (DWD), the adjudicatory functions relating to disputed worker's compensation claims currently administered by DHA. Under the bill, the effective date of the transfer is January 1, 2026.

The estimated fiscal impact of this bill is a one-time cost of \$72,000 which the department estimates can be absorbed.

Under this bill, the department assumes 37.5 FTE in position authority would be transferred from DHA to DWD on January 1, 2026. This is the position authority transferred from the department to DHA when adjudication functions were transferred under 2015 Act 55 and 2017 Act 59.

The bill does not modify budget authority for the department or DHA. Under current law, DWD reimburses DOA for DHA expenses related to disputed worker's compensation claims. These reimbursements cover the cost of staff salaries, fringe benefits and overhead costs, which include rent, IT costs, and other support service costs. Because adjudicatory service costs provided by DHA are already reimbursed by DWD, it is assumed that the budget authority in the appropriation at s. 20.445(1)(ra) is sufficient to cover the on-going expenses for adjudicatory services provided by DWD after the transfer.

The department would incur one-time costs associated with the transfer. Because staff are changing departments, new computers would need to be purchased for incumbents. Costs would also be incurred for IT set up, providing and activating phones if needed, and other miscellaneous supplies. These one-time costs are \$72,000 using an estimated 36 incumbents based on the assumed 37.5 FTE to be transferred and accounting for a 3% vacancy rate.

**Long-Range Fiscal Implications** 

## Fiscal Estimate Worksheet - 2025 Session

Detailed Estimate of Annual Fiscal Effect

Ø	Original		Updated			Corrected			Suppler	mental
LF	RB Number	25-248	5/2		Intr	oduction	Numl	oer	AB-02	232
trai	Description transferring adjudicatory functions for worker's compensation from the Division of Hearings and Appeals in the Department of Administration to the Department of Workforce Development									
	I. One-time Costs or Revenue Impacts for State and/or Local Government (do not include in annualized fiscal effect):									
	One-time costs associated with the transfer including computers, phone activation, BITS staff time and miscellaneous supplies would be \$72,000.									
11. /	Annualized Cost	ts:				Annuali	zed Fis	cal Im	pact on f	unds from:
						Increased	Costs		Decre	eased Costs
Α.	State Costs by	Category		and a second second	The same and the s					
	State Operations	- Salaries a	nd Fringes				\$	ulmiteriore, trail-dotest		\$
	FTE Position Ch	anges)				(37.	5 FTE)			
	State Operations	- Other Cos	sts							
L	ocal Assistance									
	Aids to Individual	s or Organiz	zations							
$\prod$	TOTAL State (	Costs by Ca	ategory				\$			\$
В.	State Costs by	Source of F	unds				***************************************			
T	GPR					ekakkepinakista da manan pilipitat kukepit kanan arana arana arana a				
I	ED								The second secon	The second secon
I	PRO/PRS									
3	SEG/SEG-S		l .							
III. State Revenues - Complete this only when proposal will increase or decrease state revenues (e.g., tax increase, decrease in license fee, ets.)										
						Increase	ed Rev		Dec	reased Rev
	GPR Taxes						\$			\$
	GPR Earned									
	ED									
	PRO/PRS	Anna Cantain Novika and a second				administra programa de la composição de la constante de la con				
	SEG/SEG-S									
TOTAL State Revenues						\$			\$	
NET ANNUALIZED FISCAL IMPACT										
				delitaria della comita della colonia della colonia della colonia della colonia della colonia della colonia del	<u>State</u>	<u>Local</u>				
NET CHANGE IN COSTS					\$	\$				
NET CHANGE IN REVENUE			1	\$			\$			
Ag	Agency/Prepared By Autl				thorize	d Signature	<del>                                     </del>			Date
DWD/ Andrew Evenson (608) 405-4472 Lee Sensenbrenner (608) 405-4202 5/20/20					5/20/2025					