Fiscal Estimate - 2025 Session

☑ Original ☐ Updated	Corrected	Supplemental					
LRB Number 25-2823/2	Introduction Number	SB-0229					
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 Rever	ase Existing absorb with						
Permissive Mandatory Permis 2. Decrease Costs 4. Decre	5.Types of Loc Units Affecte Units Affecte Towns ase Revenue Counties School Districts	☐ Village ☐ Cities					
Fund Sources Affected GPR FED PRO PRS SEG SEGS 20.445 (1)(ra)							
Agency/Prepared By	Authorized Signature	Date					
DWD/ Andrew Evenson (608) 405-4472	Lee Sensenbrenner (608) 405-4202	2 5/20/2025					

Fiscal Estimate Narratives DWD 5/20/2025

LRB Number 25-2823/2	Introduction Number	SB-0229	Estimate Type	Original			
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							

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

図	Original		Updated			Corrected			Suppler	mental
LR	B Number	25-282	3/2		Intr	oduction	Num	ber	SB-02	229
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.									
II. A	nnualized Cos	ts:				Annuali	zed Fis	cal Im	pact on f	unds from:
	oblitabali raccomo estrama estra interne en material a substituta de la como de consecuente con con					Increased	Costs		Decre	eased Costs
Α. 5	State Costs by	Category		*******				-0.00000000000000000000000000000000000		
S	tate Operations	- Salaries ar	nd Fringes				\$			\$
(F	TE Position Ch	anges)				(37.	5 FTE)			
s	tate Operations	- Other Cos	ts	announce of						440000000000000000000000000000000000000
	ocal Assistance									
A	ids to Individual	s or Organiz	ations							1000 1000 to the contract of t
	TOTAL State	Costs by Ca	itegory				\$			\$
В. 8	State Costs by	Source of F	unds	ellen (en en e	***************************************				all of the second se	
G	PR								the second of th	
F	ED									
Р	RO/PRS									
s	EG/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.)										
						Increase	ed Rev		Dec	reased Rev
G	PR Taxes						\$			\$
G	PR Earned									
F	ED	N. 700-277-201-2-1-1-1-1-1-1-1-1-1-1-1-1-1-1-1-1-1								
P	RO/PRS	Mary Selling and Selling A. A. Sergering and A. Sergering								The state of the s
s	EG/SEG-S									and the second section of the second section of the second second second second second second second second se
	TOTAL State	Revenues					\$			\$
	NET ANNUALIZED FISCAL IMPACT									
							<u>State</u>			Local
NET CHANGE IN COSTS				\$	\$					
NE	CHANGE IN F	REVENUE	Birkandis Applikan parameter meneranya kan kemeranya				\$			\$
Agency/Prepared By Aut			thorized	d Signature				Date		
DWD/ Andrew Evenson (608) 405-4472 Lee Sen				e Sense	nbrenner (60	08) 405	-4202		5/20/2025	