

Fiscal Estimate Narratives

DFI 2/26/2025

LRB Number	25-1552/1	Introduction Number	SB-0027	Estimate Type	Original
Description requiring state employees to perform their work at the offices of their employer					

Assumptions Used in Arriving at Fiscal Estimate

The Department of Financial Institutions has more than 140 authorized positions, roughly one-third of whom are financial examiners have historically been headquartered from their homes and conduct on-site examinations of financial institutions across the state. Most of the remaining two-thirds of DFI employees utilize a hybrid schedule, working some days in DFI's Madison office and other days from home.

If enacted, this bill would require DFI to eliminate hybrid work schedules for the roughly two-thirds of its employees who use them. Many of those employees were hired after March 2020, and they pursued and accepted positions at DFI in part because of the flexibility offered by the agency's hybrid scheduling options. Therefore, eliminating those options would likely result in substantial staff turnover, particularly among those employees who live outside Dane County or require more flexibility to accommodate health or family obligations, with indeterminate and unbudgeted additional costs for recruitment and training.

With regard to DFI's field examiners, DFI notes that the bill's return-to-work requirements include an exception for "duties that were performed off site, rather than at the offices of the state agency, before March 1, 2020." Because DFI's field examiners have historically been headquartered from their homes, we construe the legislation as exempting DFI's field examiners from its requirements. If the bill were instead construed to require field examiners to be headquartered at DFI's Madison office, the fiscal impact on DFI would be indeterminate but substantial. DFI would need to increase its office space proportionately to accommodate personnel who have not historically worked from those offices. Elimination of field examiners would also significantly increase travel and lodging expenses for on-site examinations of financial institutions located outside Dane County, as field examiners who live in northern Wisconsin can examine an institution in Ashland, for example, at lower cost and less travel time than examiners traveling from Madison. In addition, because field examiners live around state - some multiple hours from Madison - a return-to-office requirement that applied to field examiners would likely result in very significant turnover requiring immediate expenditures for recruitment and incentives to try to attract or retain sufficient qualified personnel to meet DFI's statutory obligations to examine the safety and soundness of the state's financial institutions.

Long-Range Fiscal Implications