

## Fiscal Estimate - 2025 Session

☒ Original      ☐ Updated      ☐ Corrected      ☐ Supplemental

<b>LRB Number</b> <b>25-1552/1</b>	<b>Introduction Number</b> <b>SB-0027</b>
<b>Description</b> requiring state employees to perform their work at the offices of their employer	
<b>Fiscal Effect</b>  <b>State:</b> <div style="display: flex; justify-content: space-between;"><div style="width: 30%;"><input type="checkbox"/> No State Fiscal Effect <input checked="" type="checkbox"/> Indeterminate     <input type="checkbox"/> Increase Existing Appropriations     <input type="checkbox"/> Decrease Existing Appropriations     <input type="checkbox"/> Create New Appropriations</div><div style="width: 30%;"><input type="checkbox"/> Increase Existing Revenues <input type="checkbox"/> Decrease Existing Revenues</div><div style="width: 30%;"><input checked="" type="checkbox"/> Increase Costs - May be possible to absorb within agency's budget                                     <input type="checkbox"/> Yes                      <input checked="" type="checkbox"/> No <input type="checkbox"/> Decrease Costs</div></div> <b>Local:</b> <div style="display: flex; justify-content: space-between;"><div style="width: 30%;"><input 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</div><div style="width: 30%;"><b>5. Types of Local Government Units Affected</b> <div style="display: flex; justify-content: space-between;"><div style="width: 30%;"><input type="checkbox"/> Towns <input type="checkbox"/> Counties <input type="checkbox"/> School Districts</div><div style="width: 30%;"><input type="checkbox"/> Village <input type="checkbox"/> Others <input type="checkbox"/> WTCS Districts</div><div style="width: 30%;"><input type="checkbox"/> Cities</div></div></div></div>	

## Fiscal Estimate Narratives

ETF 2/24/2025

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

### Assumptions Used in Arriving at Fiscal Estimate

This bill requires all state employees to perform their assigned work duties at the offices of the state agency during the employee's regularly scheduled work hours, beginning on July 1, 2025. This fiscal estimate addresses potential costs for the Department of Employee Trust Funds (ETF).

As background, before the pandemic, ETF was in the process of acquiring additional space at Hill Farms State Office Building. Due to the use of remote work during the pandemic, ETF determined that additional space was no longer required. Additionally, after assessing increases in efficiencies from remote work, customer preferences, and the changing labor market, ETF implemented a hybrid work model in 2020.

The hybrid work model provided ETF the opportunity to reduce space and lease costs. In 2021, ETF eliminated one of the three floors (7th, 8th and 9th) it occupied at the Hill Farms State Office Building. Vacating the 7th floor (20,942 square feet) reduced total space by 29%, which reduced annual administrative expenses for Wisconsin Retirement System members by approximately \$578,000. Furthermore, ETF recognized the hybrid work model required more collaboration space and constructed new working space to support innovative onsite teamwork. The majority of ETF staff share offices or cubicles with other employees and adjust schedules to accommodate hybrid work schedules.

#### Office Space:

Requiring all employees to work onsite five days a week would result in increased costs for ETF.

To accommodate all staff in person, ETF would need to secure office space comparable to its pre-pandemic levels. ETF's current office space on the 8th and 9th floors of the Hill Farms State Office Building is insufficient to accommodate all staff. A preliminary estimate indicates ETF would require approximately 160 additional workspaces.

However, the space ETF previously occupied in the Hill Farms State Office Building is no longer available. As a result, ETF would need to lease additional office space, incurring relocation and rental costs.

If ETF were able to reacquire the 7th floor of the Hill Farms State Office Building, ETF would need to do the following to address space limitations:

- Reconfigure the 7th floor by removing conference rooms, storage rooms, IT rooms, and mailing rooms to create more cubicles and offices.
- Relocate staff to the 7th floor.
- Engage Department of Administration Space Management to assess configuration options and determine feasibility.

These modifications would result in increased costs, including remodeling and moving expenses and increased rent expenses.

The Department is unable to determine a fiscal estimation related to office space at this time, but the costs associated with these changes are expected to be substantial.

#### Staffing:

Since the pandemic, ETF has recruited employees from across the state. Of current employees, 86 of ETF's 284 FTEs and LTEs live outside of Dane County, along with 41 of the 90 contractors ETF employs. A return-to-office requirement may lead to employee loss, particularly among those facing significant commutes. The Department is unable to determine a fiscal estimation at this time, but the costs associated with staff turnover could be considerable.

#### Other Costs:

Additionally, ETF would incur costs related to office supplies, policy changes, and other resources needed to fully support in-person operations.

#### **Long-Range Fiscal Implications**