

Fiscal Estimate Narratives

WEDC 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

LRB 25-1552/1 does not provide any funding sources that would finance this return to office order for applicable state agencies, which implies that there would be no state fiscal effect. The return to office costs would then have to be absorbed by applicable agencies, which includes the budget for the Wisconsin Economic Development Corporation (WEDC).

WEDC adopted a remote-first work policy for all its employees in March 2020 in response to the COVID-19 pandemic. Because of the efficiencies and productivity gains, WEDC maintained a remote first policy and downsized its office space by half at its current headquarters on 2352 S Park St Suite 303, Madison, WI 53713 in Q4 2023. This new office provides space for meeting and collaboration and has limited workstations. Currently, between its two offices in Madison and Milwaukee, the WEDC does not have enough workspace to host all its current employees in-person. WEDC would need to develop workstations for 90 additional employees. To accomplish this, WEDC would need to double its physical office space.

The cost would amount to \$3,600,000 in leasehold improvements, construction, furniture, and office supplies. Ongoing occupancy costs would be an additional \$430,000 per year. These costs mirror what WEDC paid for its office space first occupied in Fall of 2023 and do not account for inflation and additional insurance needs. WEDC would require additional state appropriation to cover these costs.

Costs for employee retention and recruitment would also increase by 50-100%. WEDC benefits by having employees located across the state to represent the different regions and economic realities of the businesses and communities WEDC serves. To minimize costs, WEDC would build additional office space near its current headquarters, rather than developing small office spaces across the state. Requiring employees to come in person to the Milwaukee and Madison offices, would result in the loss of several employees who live across the state and would make it more difficult to attract staff who can represent the different areas of the state with integrity.

Furthermore, the July 1, 2025, deadline would likely be unattainable for WEDC, and the legislation has no indication of what the consequences would be for WEDC if the deadline is not met. This makes arriving at a precise fiscal estimate challenging.

Long-Range Fiscal Implications