

Fiscal Estimate Narratives

DWD 5/24/01

LRB Number	01-3058/1	Introduction Number	AB-397	Estimate Type	Original
Subject					
Standard of judicial review in worker's compensation and unemployment compensation cases					

Assumptions Used in Arriving at Fiscal Estimate

Appeal rates from ALJs to LIRC in WC and UI have been steady at around 38% for WC and 12 to 15% for UI for several years. If AB 397 were to pass and the standards for court review relaxed, so that courts could reverse LIRC more easily and frequently, then more litigants would be likely to appeal to LIRC in order to get into the court system. This would be especially true in WC, where over eighty percent of the parties are represented by counsel.

The increase in workload for LIRC might be expected to be in the range of ten percent. In WC, that would be around another fifty cases, equivalent to .5 FTE position. We estimate that a workload increase in UI may be somewhat lower, because of the generally lower stakes in individual cases, and the lower rate of representation by attorneys. Whatever increase in UI LIRC would experience could probably be absorbed by existing staff.

Long-Range Fiscal Implications

LIRC handles its own defense of its UI decisions in the courts, as well as WC cases in which the AG represents a state fund or a state agency as one of the parties. This work, too, could be expected to increase over the long range, as parties come to believe they have a greater chance of overturning a LIRC decision in the courts. If the court work were to increase, LIRC could be looking at adding additional staffing to handle the increase, to the extent of perhaps another .5 position, FED.

Fiscal Estimate Worksheet - 2001 Session

Detailed Estimate of Annual Fiscal Effect

Original
 Updated
 Corrected
 Supplemental

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Subject			
Standard of judicial review in worker's compensation and unemployment compensation cases			
I. One-time Costs or Revenue Impacts for State and/or Local Government (do not include in annualized fiscal effect):			
II. Annualized Costs:		Annualized Fiscal Impact on funds from:	
		Increased Costs	Decreased Costs
A. State Costs by Category			
State Operations - Salaries and Fringes		\$55,027	
(FTE Position Changes)		(0.5 FTE)	
State Operations - Other Costs		7,250	
Local Assistance			
Aids to Individuals or Organizations			
TOTAL State Costs by Category		\$62,277	\$
B. State Costs by Source of Funds			
GPR			
FED			
PRO/PRS		62,277	
SEG/SEG-S			
III. State Revenues - Complete this only when proposal will increase or decrease state revenues (e.g., tax increase, decrease in license fee, etc.)			
		Increased Rev	Decreased Rev
GPR Taxes		\$	\$
GPR Earned			
FED			
PRO/PRS			
SEG/SEG-S			
TOTAL State Revenues		\$	\$
NET ANNUALIZED FISCAL IMPACT			
		<u>State</u>	<u>Local</u>
NET CHANGE IN COSTS		\$62,277	\$
NET CHANGE IN REVENUE		\$	\$
Agency/Prepared By		Authorized Signature	Date
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