

FISCAL ESTIMATE
DOA-2048 N(R10/94)

- ORIGINAL UPDATED
 CORRECTED SUPPLEMENTAL

LRB or Bill No/Adm. Rule No.
01-SB 12 LRB-1084/1

Amendment No. If Applicable

Subject

Prohibiting printing of employee social security numbers on state forms reporting hours of work

Fiscal Effect

State: No State Fiscal Effect

Check columns below only if bill makes a direct appropriation or affects a sum certain appropriation

- Increase Existing Appropriation Increase Existing Revenues
 Decrease Existing Appropriation Decrease Existing Revenues
 Create New Appropriation

Increase Costs - May be possible to Absorb Within Agency's Budget Yes No

Decrease Costs

Local: No local government costs

- | | | |
|---|---|---|
| <p>1. <input type="checkbox"/> Increase Costs
<input type="checkbox"/> Permissive <input type="checkbox"/> Mandatory</p> <p>2. <input type="checkbox"/> Decrease Costs
<input type="checkbox"/> Permissive <input type="checkbox"/> Mandatory</p> | <p>3. <input type="checkbox"/> Increase Revenues
<input type="checkbox"/> Permissive <input type="checkbox"/> Mandatory</p> <p>4. <input type="checkbox"/> Decrease Revenues
<input type="checkbox"/> Permissive <input type="checkbox"/> Mandatory</p> | <p>5. Types of Local Governmental Units Affected:
<input type="checkbox"/> Towns <input type="checkbox"/> Village <input type="checkbox"/> Cities
<input type="checkbox"/> Counties <input type="checkbox"/> Others _____
<input type="checkbox"/> School Districts <input type="checkbox"/> WTCS Districts</p> |
|---|---|---|

Fund Sources Affected

- GPR FED PRD PPS SEG SEG-S

Affected Ch. 20 Appropriations

General state agencies

Assumptions Used in Arriving at Fiscal Estimate

SB 329 requires the secretary of employment relations to ensure that no state agency require that its employees record their number of hours worked during any part of a pay period on a form on which the employee's social security number is printed.

This requirement would have no fiscal impact on the department of employment relations. However, the legislation would have significant fiscal impact on the various state employee payroll systems:

DOA Central Payroll System:

This automated system calculates wages and benefits, as well as leave and retirement, and issues pay checks to most classified state employees outside of the UW System. Employee social security numbers are the key link identifying hours worked by specific employees which determines rate of pay as well as other benefits earned.

To re-engineer the time collection and reporting portion of the Central Payroll System to substitute an alternative employee identifier would require an estimated \$143,000 worth of employee time assuming 2860 hours to program and test modifications to the system at \$50 per hour. This assumes that DOA programming staff could be made available for that many hours without seriously impacting critical state functions. It is unlikely that state staff could complete the project in the seven months required in the bill.

If DOA hired contract programmers to implement the change, the costs would increase twofold as the contractors currently charge from \$75 to \$110 per hour for their services. Assuming the change would require contract labor, the estimated cost would be \$286,000 for the analysis and programming tasks as calculated by the DOA IT staff. In addition, there would be a need for approximately 160 additional hours for non-state staff unfamiliar with the time keeping module and the other systems interfaced, to study the business need. This raises the estimate for the DOA payroll system alone to \$302,000.

UW System Payroll:

UW staff estimate reprogramming the UW system payroll would require 2200 hours for analysis and programming and an additional 364 hours for testing and implementation. UW feels the work would be best done by UW staff at an average cost of \$ 66 dollars per hour, for a total value of \$143,000. We have no estimate of the cost of other systems delayed while UW IT staff work on this project. If UW needed to contract for the effort, the cost per hour rises to \$85.

Long-Range Fiscal Implications

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Date
1/29/01

2001 Session

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Assumptions continued:

DOT:

DOT's Time and Travel System uses an input form on which employees fill in hours worked, leave taken and travel expenses, and social security number. The information is verified by supervisors and input at district office payroll offices. The information updates DOT's financial operating system which updates WISMART, the central state financial record system, DOT's human resource system, encumbrance/accounts payable and numerous other systems, all using the social security number as the identity key.

DOT estimates that modifying this integrated system to alter the key would require 9 to 12 months time by 6 IS programmers at an average cost of \$84 per hour or a total cost of \$960,000

Other state agencies' time accounting:

Other large state agencies, DHFS, DOC, and DNR have internal employee time collection systems rather than reporting on paper forms to DOA Central Payroll. These agencies all use employee social security numbers as the main link connecting the employees' time records and the payroll system for calculating and paying wages and benefits. These agencies would have to re-program their internal systems in order to interface with a re-programmed DOA Central Payroll.

It is assumed the larger agencies use automated systems for collection of hours worked. It is also assumed that these internal systems are not stand-alone time accounting systems but, instead, are integrated systems storing other employee data such as travel records, IRS 1099 data, telecom and computer network location and equipment, training records etc.

Given the complexity of these systems, costs to re-program the time data collection systems in these larger agencies are estimated to be comparable to the costs estimated for DOA, DOT and the UW System and would fall within the range from \$143,000 to \$960,000. DER does not have information as to whether these agencies could absorb the costs or accomplish the tasks in the seven months required in the bill.

Because of the range of variation in cost estimates on modifying their time keeping systems from these agencies, we cannot reliably project a total cost.

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