

Fiscal Estimate - 2007 Session

Original
 Updated
 Corrected
 Supplemental

LRB Number 07-1936/1	Introduction Number AB-0310
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Description
 Authorizing the circuit court to order a person who engages in discrimination in employment to pay compensatory and punitive damages and a surcharge, directing the secretary of workforce development to appoint a committee to study wage disparities between men and women and between minority group members and nonminority group members, and making an appropriation

Fiscal Effect

State:

<input type="checkbox"/> No State Fiscal Effect	<input type="checkbox"/> Increase Existing Revenues	<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"/> Indeterminate	<input type="checkbox"/> Decrease Existing Revenues	
<input type="checkbox"/> Increase Existing Appropriations		<input type="checkbox"/> Decrease Costs
<input type="checkbox"/> Decrease Existing Appropriations		
<input type="checkbox"/> Create New Appropriations		

Local:

<input type="checkbox"/> No Local Government Costs		
<input checked="" type="checkbox"/> Indeterminate		
1. <input checked="" type="checkbox"/> Increase Costs	3. <input type="checkbox"/> Increase Revenue	5. Types of Local Government Units Affected <input checked="" type="checkbox"/> Towns <input checked="" type="checkbox"/> Village <input checked="" type="checkbox"/> Cities <input checked="" type="checkbox"/> Counties <input type="checkbox"/> Others <input checked="" type="checkbox"/> School Districts <input checked="" type="checkbox"/> WTCS Districts
<input type="checkbox"/> Permissive <input checked="" 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	

Fund Sources Affected	Affected Ch. 20 Appropriations
<input checked="" type="checkbox"/> GPR <input type="checkbox"/> FED <input type="checkbox"/> PRO <input type="checkbox"/> PRS <input type="checkbox"/> SEG <input type="checkbox"/> SEGS 20.445 (1) (a)	

Agency/Prepared By DWD/ LeAnna Ware (608) 266-1997	Authorized Signature JoAnna Richard (608) 267-3200	Date 5/18/2007
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Fiscal Estimate Narratives

DWD 5/18/2007

LRB Number	07-1936/1	Introduction Number	AB-0310	Estimate Type	Original
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Assumptions Used in Arriving at Fiscal Estimate

This bill permits a person who has been discriminated against under the Wisconsin Fair Employment Law or the department to bring an action in circuit court to recover damages. Passage of this bill may cause a small increase in caseload for the equal rights division of the department but not significant enough to require increased staff, since an Equal Rights Officer is expected to complete 132 cases per year. Informational brochures on the law that are published by the Equal Rights Division will need to be reprinted at an estimated cost of \$2,000.

This bill also creates an appropriation to the division of 10% of any damages awarded. It is anticipated that this would result in approximately \$5,000 per year in increased revenue since less than 10 cases per year are expected to reach the circuit court and be eligible for a damage award.

AB 310 also requires the department to appoint a committee to study wage disparities between men and women and between minority group members and non-minority group members and to recommend solutions and policy alternatives. There is no current data source that is comprehensive enough to provide the necessary information for this review and analysis, therefore, the department anticipates having to develop a survey instrument to collect the necessary data. In addition, the department's labor market information and related staff are federally-funded, and this survey is outside the scope of allowable activities for this staff. Therefore, project staff would need to be hired.

The department would incur approximately \$613,900.00 in one time costs to prepare for and staff the committee to study the wage disparity issue. This includes \$457,100.00 in salary, fringe and supplies for five positions, including one policy advisor to coordinate committee activities and four research staff to design, conduct and analyze the survey data, \$150,000 for the survey instrument itself and \$6,800 in travel and related expenses for the committee members.

There are two well established surveys conducted by the Department of Workforce Development. These surveys are the Current Employment Statistics (CES) and the Occupation Employment Statistics (OES) surveys. While these surveys do not collect the information stipulated in the bill, they are of a similar nature. CES collects data each month on number of jobs, hours of work, and earnings from a sample of about 5,000 employers. OES collects data each year on the number of jobs by occupation and the wages paid to employees in those occupations also from a sample of about 5,000 employers. However, neither survey collects information regarding the gender, race, ethnicity, child-rearing responsibilities, or educational attainment of employees.

In 2007 DWD contracted with the U.S. Department of Labor for \$424,275 to conduct the CES survey and \$470,647 to conduct the OES survey. The fiscal estimate of \$613,900 to design and conduct a survey to gather the information stipulated in AB 310, and then to analyze the data, is reasonable based on the costs of the OES and CES surveys. Additional costs will arise out of the need to design, and recruit participants for, the survey.

Local Costs:

The costs to local government are difficult to estimate since only those local governments that were found in violation of the law would have increased costs. It appears some local government costs will probably be incurred, however, since local governments do have employment discrimination complaints filed against them.

Long-Range Fiscal Implications

There are no expected long-range fiscal implications for the department.

Fiscal Estimate Worksheet - 2007 Session

Detailed Estimate of Annual Fiscal Effect

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I. One-time Costs or Revenue Impacts for State and/or Local Government (do not include in annualized fiscal effect): The department will incur approximately \$613,900.00 in one time costs to prepare for and staff the committee to study the wage disparity issue. This includes \$457,100.00 in salary, fringe and supplies for five positions, including one policy advisor to coordinate committee activities and four research staff to design, conduct and analyze the survey data, \$150,000 for the survey instrument itself and \$6,800 in travel and related expenses for the committee members. Informational brochures on the law that are published by the Equal Rights Division will also need to be reprinted at an estimated cost of \$2,000.		
ii. Annualized Costs:	Annualized Fiscal Impact on funds from:	
	Increased Costs Decreased Costs	
A. State Costs by Category		
State Operations - Salaries and Fringes	\$0	\$0
(FTE Position Changes)	(0.0 FTE)	(0.0 FTE)
State Operations - Other Costs	0	0
Local Assistance	0	0
Aids to Individuals or Organizations		
TOTAL State Costs by Category	\$0	\$0
B. State Costs by Source of Funds		
GPR	0	0
FED	0	0
PRO/PRS	0	0
SEG/SEG-S	0	0
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	\$0	\$0
GPR Earned	5,000	0
FED	0	0
PRO/PRS	0	0
SEG/SEG-S	0	0
TOTAL State Revenues	\$5,000	\$0
NET ANNUALIZED FISCAL IMPACT		
	State	Local
NET CHANGE IN COSTS	\$0	\$
NET CHANGE IN REVENUE	\$5,000	\$

Agency/Prepared By	Authorized Signature	Date
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