

Fiscal Estimate - 2011 Session

Original
 Updated
 Corrected
 Supplemental

LRB Number 11-3304/2	Introduction Number AB-0457
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Description
 Various changes in the unemployment insurance law

Fiscal Effect

State:

<input type="checkbox"/> No State Fiscal Effect	<input type="checkbox"/> Increase Existing Revenues	<input type="checkbox"/> Increase Costs - May be possible to absorb within agency's budget
<input type="checkbox"/> Indeterminate	<input checked="" type="checkbox"/> Decrease Existing Revenues	<input type="checkbox"/> Yes <input type="checkbox"/> No
<input type="checkbox"/> Increase Existing Appropriations		<input checked="" type="checkbox"/> Decrease Costs
<input type="checkbox"/> Decrease Existing Appropriations		
<input type="checkbox"/> Create New Appropriations		

Local:

<input type="checkbox"/> No Local Government Costs	5. Types of Local Government Units Affected	
<input type="checkbox"/> Indeterminate	<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	
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 checked="" type="checkbox"/> Decrease Costs	4. <input type="checkbox"/> Decrease Revenue	
<input type="checkbox"/> Permissive <input checked="" type="checkbox"/> Mandatory	<input type="checkbox"/> Permissive <input type="checkbox"/> Mandatory	

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

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Fiscal Estimate Narratives

DWD 1/11/2012

LRB Number	11-3304/2	Introduction Number	AB-0457	Estimate Type	Original
Description Various changes in the unemployment insurance law					

Assumptions Used in Arriving at Fiscal Estimate

AB 457 proposes various changes to unemployment insurance law. The total one-time costs for IT system changes and staff training is \$111,040.

The extended training provision is estimated to have 0 fiscal impact, as most recent DOR projections do not anticipate reaching 6.5% within the next 3 years. If it occurred, costs would decrease.

The proposed change to interest on delinquent payments decreases state revenue to the interest and penalty account (PR funds) by \$1.1 million annually in the near term. If interest rates were to rise dramatically at some point in the future, interest revenues could increase.

The three provisions changing benefit entitlements will result in a decrease of benefits payable, resulting in decreased costs to state and local governmental units as outlined in the worksheet.

Long-Range Fiscal Implications

The bill decreases costs for both state and local employers and decreases state revenue.

Fiscal Estimate Worksheet - 2011 Session

Detailed Estimate of Annual Fiscal Effect

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Description Various changes in the unemployment insurance law			
I. One-time Costs or Revenue Impacts for State and/or Local Government (do not include in annualized fiscal effect):			
Total one-time costs for IT system changes and implementation including process development, documents, training etc are \$111,040.			
II. Annualized Costs:		Annualized Fiscal Impact on funds from:	
		Increased Costs	Decreased Costs
A. State Costs by Category			
	State Operations - Salaries and Fringes	\$	\$-151,880
	(FTE Position Changes)		
	State Operations - Other Costs		
	Local Assistance		
	Aids to Individuals or Organizations		
	TOTAL State Costs by Category	\$	\$-151,880
B. State Costs by Source of Funds			
	GPR		-88,090
	FED		-15,188
	PRO/PRS		-33,414
	SEG/SEG-S		-15,188
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 (UI interest penalty)		-1,100,000
	SEG/SEG-S		
	TOTAL State Revenues	\$	\$-1,100,000
NET ANNUALIZED FISCAL IMPACT			
		<u>State</u>	<u>Local</u>
	NET CHANGE IN COSTS	\$-151,880	-\$647,488
	NET CHANGE IN REVENUE	\$-1,100,000	\$
Agency/Prepared By		Authorized Signature	Date
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