Fiscal Estimate - 2011 Session

×	Original		Updated		Corrected		Supplemental		
LRB	Number	11-3976/1		Introd	luction Numl	oer S	B-417		
Conce	Description Concealment of benefit claim information, availability for work, interest on delinquent payments, and the composition and authority of appeal tribunals under the unemployment insurance law								
Fiscal	Effect								
	No State Fiscondeterminate Increase E Appropriat Decrease Appropriat Create Ne	Existing ions Existing	Revenu Decreas Revenu	se Existing	to abs		s - May be possible n agency's budget \to No		
	Indeterminate 1. Increase I Permiss 2. Decrease	e Costs sive Mandat se Costs	3. Increase ory Permiss 4. Decrease ory Permiss	sive Man se Revenue	datory	nment Ur	nits Affected Village Cities Others 0 WTCS Districts		
Fund	Sources Affe		PRS SE	EG 🔲 SE	Affected Ch	1. 20 App	propriations		
Agend	cy/Prepared	By	A	uthorized S	Signature		Date		
DWD/	Janet Sause	n (608) 267-98	07 G	eorgia Max	well (608) 266-22	284	2/7/2012		

Fiscal Estimate Narratives DWD 2/7/2012

LRB Number	11-3976/1	Introduction Number	SB-417	Estimate Type	Original		
Description Concealment of benefit claim information, availability for work, interest on delinquent payments, and the composition and authority of appeal tribunals under the unemployment insurance law							

Assumptions Used in Arriving at Fiscal Estimate

Total one-time costs for IT system changes are estimated to be \$42,500 total to implement both the changes for the 15% penalty (\$15,000) and the changes to interest on delinquent employer payments (\$27,500). Changes in staff workloads for all 5 proposed provisions are expected to be minimal.

Long-Range Fiscal Implications

The increase in revenue to the trust fund due to the 15% penalty would take effect beginning 10/31/2013 and is estimated to range from \$318,738 to \$795,530 annually depending on the business cycle. These monies however, are required by federal law to go to the balancing account within the trust fund. These monies therefore are not tracked above (under State Fiscal Effect) or in the worksheet as they do not affect a state funding source.

The one-time IT costs to implement the 15% penalty is tracked above as it affects the FED funding source.

The proposed change to the interest rate on delinquent payments sets the rate at either 9% or prime plus 2%, whichever is greater. This rate change is expected to average a \$500,000 annual reduction to the interest and penalty fund during years of a 9% rate. The reduction to the fund could be less during years in which the prime is greater than 7%.

Fiscal Estimate Worksheet - 2011 Session

Detailed Estimate of Annual Fiscal Effect

X	Original		Updated		Corrected		Supplemental		
LRB	Number	11-3976/	′ 1	Intro	duction Nu	ımber	SB-417		
	alment of ber				vork, interest o		nt payments, and ce law		
	-time Costs o lized fiscal e		mpacts for S	tate and/o	Local Gover	nment (do	not include in		
chang	es for the 15%	6 penalty and	the changes	to interest	to be \$42,500 on delinquent e ed to be minim	employer p	ent both the ayments. Changes		
II. Anr	nualized Cost	ts:			Annualized Fiscal Impact on funds from:				
					Increased Cos	sts	Decreased Costs		
A. Sta	te Costs by (Category							
Stat	te Operations	- Salaries and	d Fringes			\$	\$		
(FT	E Position Ch	anges)							
Stat	e Operations	- Other Costs	3						
Loc	al Assistance								
Aids	s to Individuals	s or Organiza	tions						
T	OTAL State (Costs by Cat	egory			\$	\$		
B. Sta	te Costs by	Source of Fu	nds						
GPI	3								
FEC)								
PRO	D/PRS								
SEC	S/SEG-S								
			this only whe		ıl will increase	e or decre	ase state		
					Increased R	ev	Decreased Rev		
GPI	R Taxes					\$	\$		
GPF	R Earned								
FEC)								
PRO	D/PRS						-500,000		
SEC	G/SEG-S								
T	OTAL State I	Revenues				\$	\$-500,000		
		ì	NET ANNUAL	IZED FISC	AL IMPACT				
					Sta	ıte	Local		
NET CHANGE IN COSTS					\$	\$			
NET CHANGE IN REVENUE				\$-500,00	00	\$			

Agend	cy/Prepared l	 Зу	I A	uthorized	Signature		Date		
					orgia Maxwell (608) 266-2284 2/7/20				