

Fiscal Estimate - 2017 Session

Original
 Updated
 Corrected
 Supplemental

LRB Number 17-4042/1	Introduction Number AB-1005
Description Prohibiting employers from testing employees and prospective employees for the presence of tetrahydrocannabinols, synthetic cannabinoids, or controlled substance analogs of tetrahydrocannabinols or synthetic cannabinoids as a condition of employment.	
Fiscal Effect	
State: <input type="checkbox"/> No State Fiscal Effect <input checked="" type="checkbox"/> Indeterminate <input checked="" type="checkbox"/> Increase Existing Appropriations <input type="checkbox"/> Increase Existing Revenues <input checked="" type="checkbox"/> Increase Costs - May be possible to absorb within agency's budget <input type="checkbox"/> Decrease Existing Appropriations <input type="checkbox"/> Decrease Existing Revenues <input type="checkbox"/> Yes <input checked="" type="checkbox"/> No <input type="checkbox"/> Create New Appropriations <input type="checkbox"/> Decrease Costs	
Local: <input type="checkbox"/> No Local Government Costs <input checked="" type="checkbox"/> Indeterminate 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 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 5. Types of Local Government 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	
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/ Richard Chao (608) 266-7713	Authorized Signature BJ Dernbach (608) 266-2284
Date 3/28/2018	

Fiscal Estimate Narratives

DWD 3/28/2018

LRB Number	17-4042/1	Introduction Number	AB-1005	Estimate Type	Original
Description Prohibiting employers from testing employees and prospective employees for the presence of tetrahydrocannabinols, synthetic cannabinoids, or controlled substance analogs of tetrahydrocannabinols or synthetic cannabinoids as a condition of employment.					

Assumptions Used in Arriving at Fiscal Estimate

This bill, subject to certain exceptions, prohibits employers, from requiring an employee or prospective employee to submit to a test for the presence of THC, which is the active ingredient in marijuana, synthetic cannabinoid, or controlled substance analog to THC or a synthetic cannabinoid in his or her system as a condition of employment.

The bill does not apply to drug testing an employee or prospective employee who is subject to required drug testing under 1) any regulation promulgated by the federal DOT; 2) any financial assistance grant to or any contract entered into between the federal government and an employer; 3) any federal statute, regulation, or order that requires drug testing for purposes of safety or security; 4) any substance abuse prevention program under a collective bargaining agreement or under current law for public works and utility projects; or 5) rules promulgated by the Law Enforcement Standards Board requiring drug testing of prospective law enforcement officers, tribal law enforcement officers, jail officers, and secure detention officers.

The Department of Workforce Development (DWD) Worker's Compensation Division anticipates no fiscal impact from this bill, if enacted.

The Unemployment Insurance (UI) Division does not anticipate increased administrative costs and can absorb one-time expenses to make updates to existing forms, on-line publications, or materials for claimants, employers, and UI staff.

Under current law, if a recipient of UI benefits fails or refuses a pre-employment drug-test, and the employer voluntarily reports this incident, the recipient is no longer eligible for UI benefits if the offer of work was considered suitable. If the pre-employment drug test was failed, the recipient can maintain eligibility for UI benefits if the recipient enrolls in and complies with a substance abuse treatment program and completes a job skills assessment. In addition, if an employee is discharged for misconduct due to a positive THC drug-test result, that employee is not eligible for UI benefits. The effects of this proposal on pre-employment drug testing and misconduct determinations would be an increase in UI benefit payments and a negative impact to the UI trust fund, however the amount is indeterminate.

The Equal Rights (ER) Division estimates receiving an additional 150 complaints annually under this bill, requiring three additional Equal Rights Officer (3.0 FTE) added to the division at a cost of \$206,700 GPR. There would be one-time costs of \$10,500 staff the position.

In addition, there would be one-time printing costs estimated at \$10,000 to revise existing publications. Finally, the ER Division anticipates indeterminate interagency costs in seeking assistance from the Wisconsin Department of Justice for certain cases.

Long-Range Fiscal Implications

The increased complaint workload would require 3.0 FTE positions (Equal Rights Officers) to be added to the division at a cost of \$206,700 GPR.

Fiscal Estimate Worksheet - 2017 Session

Detailed Estimate of Annual Fiscal Effect

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Description			
Prohibiting employers from testing employees and prospective employees for the presence of tetrahydrocannabinols, synthetic cannabinoids, or controlled substance analogs of tetrahydrocannabinols or synthetic cannabinoids as a condition of employment.			
I. One-time Costs or Revenue Impacts for State and/or Local Government (do not include in annualized fiscal effect):			
One-time absorbable start-up costs of \$10,500 to staff three FTE positions and \$10,000 for drafting and printing publications.			
II. Annualized Costs:		Annualized Fiscal Impact on funds from:	
		Increased Costs	Decreased Costs
A. State Costs by Category			
	State Operations - Salaries and Fringes	\$149,400	\$
	(FTE Position Changes)	(3.0 FTE)	
	State Operations - Other Costs	57,300	
	Local Assistance		
	Aids to Individuals or Organizations		
	TOTAL State Costs by Category	\$206,700	\$
B. State Costs by Source of Funds			
	GPR	206,700	
	FED		
	PRO/PRS		
	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, ets.)			
		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	\$206,700	\$
	NET CHANGE IN REVENUE	\$	\$
Agency/Prepared By		Authorized Signature	Date
DWD/ Richard Chao (608) 266-7713		BJ Dernbach (608) 266-2284	3/28/2018