

Fiscal Estimate Narratives

DWD 11/12/2023

LRB Number	23-4330/1	Introduction Number	SB-0559	Estimate Type	Original
Description delivery network couriers and transportation network drivers, Department of Financial Institutions' approval to offer portable benefit accounts, providing for insurance coverage, modifying administrative rules related to accident and sickness insurance, and granting rule-making authority					

Assumptions Used in Arriving at Fiscal Estimate

The bill creates new criteria under s. 102.07 (8), Worker's compensation, Employee Defined, for determining whether a delivery network courier or transportation network driver is an employee or an independent contractor. A network company's Worker's Compensation liability wage requirements under Chapter 104, Minimum Wage, and Unemployment Insurance assessments under Chapter 108, Unemployment Insurance and Reserves would be determined using these new criteria.

The fiscal impact of this bill to the Department of Workforce Development (DWD) is indeterminate at this time.

The bill does not repeal current Worker's Compensation law under s. 102.07 (8) (b) used to determine when a worker is performing duties as an employee or independent contractor. Under this bill, DWD's Worker's Compensation (WC) staff will continue to use current law criteria as well as apply the proposed criteria to determine network companies' Worker's Compensation liability. The department anticipates increased workload for WC staff that administer the new employee test criteria related to delivery network couriers and transportation network drivers, but the workload impact is indeterminate at this time.

Under the bill, the new criteria at s. 102.07 (8), Worker's compensation, Employee Defined, for determining employee status of a delivery network courier or transportation network driver would also be used by staff in DWD's Equal Rights Division (ERD) and Unemployment Insurance Division (UI) to determine if a worker is protected under minimum wage law and/or eligible for unemployment insurance benefits. The department also anticipates increased workload for ERD and UI staff due to the bill's proposed additional steps related to administering the employee status test for delivery network couriers and transportation network drivers, but the workload impact is indeterminate at this time.

In addition, because this bill could change the employment status of certain couriers and/or drivers from employee to independent contractor, the bill may increase complaints and investigations handled by ERD related to employee benefits. The number of increased complaints and investigations, and their associated costs, due to the bill are indeterminate at this time.

The bill is estimated to have an impact to the UI Trust Fund, but that impact is indeterminate. The bill may result in a net reduction to the UI Trust Fund, but information to determine which employers and employees will be affected by the additional criteria proposed under the bill is not available. The fiscal impact to the IT and administrative functions of the UI Division are indeterminate, but not expected to be significant.

The bill also establishes portable benefit accounts under s. 103.08 and s. 224.55 and outlines conditions under which a network company may contribute to a portable benefit account for a delivery network courier or transportation network driver under s. 103.08. The network company may contribute to a portable benefit account for a courier or driver regardless of the courier's or driver's employee status. Because the bill's provisions related to portable benefit accounts are created in Chapter 103, Employment Regulations, DWD's existing statutory powers, duties, and jurisdiction would apply to this provision. The proposed bill may result in new department costs for revision of administrative rules and outreach to employers related to the portable benefits provisions, but these costs, while indeterminate at this time, are anticipated to be minimal.

Long-Range Fiscal Implications