

**STATE
FISCAL IMPACT**

Drafting Number: LS 08-0797

Date: February 5, 2008

Prime Sponsor(s): Sen. Schultheis
Rep. Lundberg

Bill Status: Senate Business, Labor and Technology
Fiscal Analyst: Clare Pramuk (303-866-2677)

TITLE: CONCERNING NOTIFICATION TO EMPLOYERS OF THE FEDERAL ELECTRONIC VERIFICATION PROGRAM FOR USE IN VERIFYING THE WORK ELIGIBILITY STATUS OF NEW EMPLOYEES.

Fiscal Impact Summary	FY 2008-2009	FY 2009-2010
State Revenue	\$0	\$0
State Expenditures*		
Cash Funds		
Employment Support Fund	\$322,500	\$322,500
FTE Position Change	0.0 FTE	0.0 FTE
Effective Date: Upon signature of the Governor or upon becoming law without his signature.		
Appropriation Summary for FY 2008-2009: See State Appropriations section of fiscal note.		
Local Government Impact: None.		

**Rounded*

Summary of Legislation

This bill requires the Department of Labor and Employment to include a statement in its quarterly employer mailing. This statement shall notify employers of the federal prohibition against hiring or continuing to employ an illegal alien. The exact wording, font style and placement of the notice are specified in the bill. The notice shall include information about the Electronic Verification Program jointly administered by the U.S. Department of Homeland Security and the Social Security Administration. The notifications are required quarterly for two years, and twice per year thereafter. The department and the Secretary of State will post the notification and information about the program on their web sites as well as a link to it.

State Expenditures

This bill has a cash funds fiscal impact of \$322,500 for FY 2008-09 and FY 2009-10 for the Department of Labor and Employment from the Employment Support Cash Fund for mailing costs.

Table 1. Expenditures for the Department of Labor and Employment Under SB08-139		
Cost Components	FY 2008-09	FY 2009-10
Mailing for Non-Farm Employers	\$151,300	\$151,300
Mailing for Farm Employers	\$171,200	\$171,200
TOTAL	\$322,500	\$322,500

The department currently does a quarterly unemployment insurance (UI) mailing that goes to approximately 155,000 non-farm employers. To include the required notice in that mailing, additional printing, postage and mail processing costs of \$151,300 for both FY 2008-09 and FY 2009-10 will result. Currently, 80,000 farm employers do not receive the UI mailing but require one under the bill. The cost for the new mailing is \$171,200 each year. Costs will be less beginning with FY 2010-11, when the number of mailings is reduced to two per year.

State Appropriations

The Department of Labor and Employment requires a cash funds appropriation from the Employment Support Fund of \$322,480 for FY 2008-09.

Departments Contacted

Labor and Employment

Secretary of State