

Fiscal Estimate - 2003 Session

Original Updated Corrected Supplemental

LRB Number 03-1726/1	Introduction Number SB-177
Subject Mandatory overtime for health care workers	
Fiscal Effect	
State: <input type="checkbox"/> No State Fiscal Effect <input checked="" type="checkbox"/> Indeterminate <input type="checkbox"/> Increase Existing Appropriations <input type="checkbox"/> Increase Existing Revenues <input 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 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 type="checkbox"/> GPR <input type="checkbox"/> FED <input type="checkbox"/> PRO <input type="checkbox"/> PRS <input type="checkbox"/> SEG <input type="checkbox"/> SEGS	
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Date 6/11/2003	

Fiscal Estimate Narratives

DOC 6/11/2003

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Assumptions Used in Arriving at Fiscal Estimate

Currently, the Department of Corrections (DOC) pays overtime to employees in health care occupations who are represented by several employee bargaining units. The application and payment for overtime is an issue that is bargained in the unions' two-year contracts. The overtime language in the current contracts is the result of negotiations with the respective health care bargaining units and contain language agreed upon by both parties. Current practice allows employees to initially decline overtime. If all employees in the work unit decline an opportunity for overtime work, the Department requires the performance of this overtime work on each occasion in reverse seniority order, beginning with the employee with the least seniority.

This bill will prohibit DOC from requiring a health care employee to work for more than 40 hours per week (overtime) without the consent of the health care worker, except in cases of unforeseeable emergencies where all other options have been exhausted. The bill effectively creates an additional provision of overtime outside of the bargaining contract.

The department has paid over \$300,000 in overtime salary to over 20 different health care classifications from July 2002 through May 2003. Approximately \$171,600 was paid to Registered Nurses. DOC does not have information on how many overtime work hours were provided by employees who agreed to work the hours versus the number that were required to work the hours.

If DOC could no longer require overtime in excess of 40 hours per week it is anticipated that the department would initially have to contract for these services with temporary service agencies until additional staff are obtained. Current costs for contract Registered Nurse services is approximately \$40 per hour. Using an average overtime salary for a DOC Registered Nurse the cost is approximately \$37.00 per hour (\$30.50 salary and 6.50 fringe).

This bill limits DOC's ability to apply overtime when needed. The result will be increased costs either due to the hiring of contract staff or due to an increase in the number of inmates having to go to the emergency room for services when DOC staff are not available.

While the department anticipates that the implementation of the provisions of this bill will increase costs, it is impossible to project the full fiscal impact.

The department does not have information on how each of the state's county jails handles overtime for health care. It is reasonable to anticipate that if a county jail currently relies on the use of mandatory overtime to maintain health care staffing that this bill will result in increased costs due to either the hiring of additional staff or through additional contracted staff.

Long-Range Fiscal Implications