

Fiscal Estimate - 2005 Session

Original Updated Corrected Supplemental

LRB Number 05-2135/1		Introduction Number SB-160	
Subject			
Paid leave of absence on Veterans Day for employees in this state			
Fiscal Effect			
State:			
<input type="checkbox"/> No State Fiscal Effect <input checked="" type="checkbox"/> Indeterminate			
<input type="checkbox"/> Increase Existing Appropriations <input type="checkbox"/> Decrease Existing Appropriations <input type="checkbox"/> Create New Appropriations		<input type="checkbox"/> Increase Existing Revenues <input type="checkbox"/> Decrease Existing Revenues <input type="checkbox"/> Increase Costs - May be possible to absorb within agency's budget <input type="checkbox"/> Yes <input type="checkbox"/> No <input type="checkbox"/> Decrease Costs	
Local:			
<input type="checkbox"/> No Local Government Costs <input checked="" type="checkbox"/> Indeterminate			
1. <input type="checkbox"/> Increase Costs <input type="checkbox"/> Permissive <input type="checkbox"/> Mandatory 2. <input type="checkbox"/> Decrease Costs <input type="checkbox"/> Permissive <input type="checkbox"/> Mandatory		3. <input type="checkbox"/> Increase Revenue <input type="checkbox"/> Permissive <input type="checkbox"/> Mandatory 4. <input type="checkbox"/> Decrease Revenue <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			
Agency/Prepared By		Authorized Signature	Date
OSER/ Bob Van Hoesen (608) 267-1003		Susan Crawford (608) 266-2890	4/25/2005

Fiscal Estimate Narratives
OSER 4/25/2005

LRB Number 05-2135/1	Introduction Number SB-160	Estimate Type Original
Subject Paid leave of absence on Veterans Day for employees in this state		

Assumptions Used in Arriving at Fiscal Estimate

SB 160 would require every employer to grant a leave of absence to employees who are veterans for the entire work day on November 11, or the Monday following November 11 if November 11 falls on a Saturday or Sunday.

This estimate applies only to state government employees -- OSER has no data on local government or private sector veterans or their salaries.

Under current law, nonrepresented state employees already receive a personal holiday in recognition for Veterans Day that they may take at any time, including on Veterans' Day depending on workforce needs. Certain represented employees who are covered by new contracts for 2003-05 also have the same additional personal holiday. Employees who are still covered by 2001-03 contracts do not have the additional personal holiday.

As of June 30, 2004, there were 6,300 current state employees who are veterans; 4,803 are classified employees, 759 are unclassified employees—including UW faculty and academic staff—and 709 are limited term employees (LTE's). The rest of the state employees who are veterans are project or seasonal employees. Assuming the usual work day is 8 hours, the latest available average salary for an 8-hour work day for classified state employees is \$157.22. The average 8-hour daily salary for unclassified employees is \$290.87. The Office of State Employment Relations (OSER) does not have hourly average salary data for UW unclassified employees or for LTE's. LTE's are not eligible for other types of paid leave.

The bill provides that represented employees are not eligible for the November 11 leave unless the leave is bargained in the contract covering those employees. The situation might arise where represented employees were required to work but the supervisor of those employees or other staff whose tasks are integral take the leave. An agency might incur compensatory or overtime costs in these circumstances.

The fiscal impact of additional leave for employees can be expressed in two ways (data is for only those state employees for whom OSER has salary data):

1. The value of the employees' work time while they are on leave is not an out-of-pocket cost to the state as the employees would also be paid if they were at work. Rather it is a value for time during which no work is required to be performed. This would not be a direct or increased cost to the state. For purposes of this estimate, it is assumed that the percentage of veterans who are nonrepresented is the same as the overall percentage of state employees who are nonrepresented: 84.6%. Thus, the estimated value of the additional leave for all nonrepresented classified employees and non-UW unclassified employees is \$171,000. If collective bargaining agreements eventually provided a similar leave option for represented employees, the total value for all classified and non-UW unclassified state employed veterans is an estimated \$810,000.

2. Secondly, and in addition, when an employee is on leave, a state agency may incur increased costs if it must pay overtime or use replacement staff to perform the work of the absent employee. This cost can be calculated only if data is available regarding the job functions and pay level of the employees on leave. OSER does not have that data by veteran status. Further, OSER cannot determine whether agencies can absorb increased costs in their budgets, but it will be extremely difficult for agencies to do so in the 2005-07 biennium in light of current fiscal conditions.

Long-Range Fiscal Implications