

Fiscal Estimate - 2005 Session

Original
 Updated
 Corrected
 Supplemental

LRB Number 05-2362/1	Introduction Number SB-168
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Subject
 Close offices of state government in honor of Veterans Day

Fiscal Effect

State:

No State Fiscal Effect
 Indeterminate
 Increase Existing Appropriations
 Increase Existing Revenues
 Increase Costs - May be possible to absorb within agency's budget
 Decrease Existing Appropriations
 Decrease Existing Revenues
 Yes No
 Create New Appropriations
 Decrease Costs

Local:

No Local Government Costs
 Indeterminate

1. <input type="checkbox"/> Increase Costs <input type="checkbox"/> Permissive <input type="checkbox"/> Mandatory	3. <input type="checkbox"/> Increase 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
2. <input type="checkbox"/> Decrease Costs <input type="checkbox"/> Permissive <input type="checkbox"/> Mandatory	4. <input type="checkbox"/> Decrease Revenue <input type="checkbox"/> Permissive <input type="checkbox"/> Mandatory	

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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Fiscal Estimate Narratives

OSER 4/25/2005

LRB Number	05-2362/1	Introduction Number	SB-168	Estimate Type	Original
Subject					
Close offices of state government in honor of Veterans Day					

Assumptions Used in Arriving at Fiscal Estimate

SB 168 would add November 11 to the list of days on which state government offices are closed. If November 11 falls on a Saturday or Sunday, then state government offices are closed the following Monday. The bill also increases the number of paid holidays received by nonrepresented state employees from 9 annually to 10 annually. 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. SB 168 would eliminate the one additional paid personal holiday that was granted in recognition of Veterans Day. Represented employees would continue to have paid holidays as provided by their collective bargaining agreements.

There are two ways of calculating the fiscal impact of additional legal holidays for state employees.

1. There is the "cost" or value to the state of providing paid leave to employees for time during which no work is required to be performed. However, this is not a direct or increased cost to the state. For illustration purposes only, the payroll for one day for nonrepresented employees (excluding UW unclassified staff, but excluding elected officials) is \$1.48 million in salaries and fringe benefits, of which 46% consists of GPR funds. Since the additional paid legal holiday is accompanied by a decrease in personal holidays, the above value would be offset by the loss of the additional personal holiday.

This figure does not include the cost of the paid holiday if it is included in new collective bargaining agreements with represented employees. If an additional paid legal holiday were to be included in all collective bargaining agreements, the "cost" under this methodology for represented employees would be an additional \$5.08 million in salaries and fringe benefits, of which of which 46% consists of GPR funds. If the additional paid legal holiday is accompanied by a decrease in personal holidays, this value would be offset by the loss of the additional personal holiday.

2. There is the additional "out of pocket" cost of a paid legal holiday for certain employees in certain agencies. If an employee is required to work on a paid holiday (e.g., in a correctional or health care institution, or in law enforcement), the agency is required to grant compensatory time or overtime pay at the rate of time and one-half. In addition, the employee receives the holiday off at a later date.

Thus, many agencies would face increased payroll costs to maintain operations on a paid legal holiday. As the bill is drafted, an agency would incur these increased costs every November 11, or on the following Monday if November 11 fell on a weekend. OSER currently does not have data on the number or pay rates of employees who are required to work on holidays, nor whether they are paid overtime or given compensatory time off. Therefore, OSER cannot determine the state's out-of-pocket costs for employees required to work on a legal holiday. Since paid personal holidays are taken at the discretion of the employee and appointing authority and personal days earned each year are non-cumulative, the increased personal holiday was not expected to increase agency costs. Thus, the elimination of the additional personal holiday is not expected to decrease agency costs for overtime to retain staffing levels for critical services. 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