

Fiscal Estimate - 2007 Session

Original
 Updated
 Corrected
 Supplemental

LRB Number 07-1121/1	Introduction Number AB-0491
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Description
 Creating an optional holiday for state employees to observe the birthday of Cesar E. Chavez

Fiscal Effect

State:

No State Fiscal Effect
 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:

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	

Agency/Prepared By	Authorized Signature	Date
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Fiscal Estimate Narratives

OSER 7/12/2007

LRB Number	07-1121/1	Introduction Number	AB-0491	Estimate Type	Original
Description Creating an optional holiday for state employees to observe the birthday of Cesar E. Chavez					

Assumptions Used in Arriving at Fiscal Estimate

This bill requires all state agencies to designate March 31 as an optional paid holiday for state employees that can be taken in lieu of receiving a paid holiday on one of the other nine established paid legal holidays currently provided to state employees, providing a minimum of level of operations can be maintained. If a nonrepresented employee receives March 31 as a paid holiday, the paid legal holiday on which the employee instead chooses to work will not be paid at a rate of time and one half unless required under the Federal Labor Standards Act.

The bill's provisions would impact the state's collective bargaining functions, in that contract language pertaining to observed holidays, as well as payment of premium overtime for working on those holidays exists in the state's 19 bargaining agreements, and holidays are a mandatory subject of bargaining under s. 111.91, Wis. Stats. In addition to having to negotiate the benefit, the State would have to negotiate a system of determining who would be allowed to exercise the benefit and who would not in situations in which a minimum level of operations could not be maintained without denying the benefit to some of employees requesting it. If bargaining efforts were not successful with one or more of the nineteen bargaining units, the prospect of differential treatment of represented state employees, or non-represented state employees as it regards observance of the holiday, would result.

Specific costs cannot be determined because the number of employees who would take advantage of the discretion provided by the bill is unknown. However, it can be assumed that some costs will occur. Maintaining a minimal level of operations will require that holiday overtime be paid, most likely in 24-hour operations, for work normally performed by any employees opting to take March 31 as a paid holiday. It is also likely that employees opting to have March 31 as a paid holiday will require some supervision on the legal holidays that these employees choose to work. This would disrupt the holiday plans of those required to perform the supervision, and in accordance with s. 230.35 (4) (b) 1 Wis. Stats., the supervisory personnel would be paid at a rate of time and one half.

The bill's provisions would generate other indeterminate administrative and operating costs for each agency. Additional agency costs would occur due to scheduling and coordination of the Cesar Chavez holiday hours used by certain employees, and due to the bill's requirements for those same employees to work on any one of the other nine (9) legal holidays on which the employees choose to work. Employees performing strictly customer service functions who choose to work on holidays on which state offices are closed, would have to be paid even though no service to the public would be provided. Additionally, facility costs (lighting, heating/air conditioning, on-call maintenance, etc.) would also increase because many of the office buildings would normally be closed.

The bill's provisions would also require unique computer programming efforts of indeterminate cost to allow pay to be determined at a rate of other than one and one half times the base pay rate for employees taking advantage of the bill's provisions. The Department of Administration (DOA) and the UW Payroll Office would have to modify the payroll systems, the Time and Attendance Collection Systems, leave accounting systems, and the payroll and benefits-related websites. Agencies not on these payroll systems, and those having their own time collection systems would also need to make modifications. Given the variable factors above, a fiscal estimate cannot be provided to include all costs associated with the bill's provisions.

Long-Range Fiscal Implications