

Fiscal Estimate - 2009 Session

Original
 Updated
 Corrected
 Supplemental

LRB Number 09-3274/3	Introduction Number SB-447
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Description
 State contractual services and false claims submitted to state and local governments, requiring the exercise of rule-making authority, and providing penalties

Fiscal Effect

State:

No State Fiscal Effect
 Indeterminate

<input type="checkbox"/> Increase Existing Appropriations	<input type="checkbox"/> Increase Existing Revenues	<input checked="" 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 checked="" 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	3. <input type="checkbox"/> Increase Revenue	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
<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	

Fund Sources Affected	Affected Ch. 20 Appropriations
<input checked="" type="checkbox"/> GPR <input type="checkbox"/> FED <input checked="" type="checkbox"/> PRO <input type="checkbox"/> PRS <input type="checkbox"/> SEG <input type="checkbox"/> SEGS	

Agency/Prepared By OSER/ Yer Vang (608) 266-9820	Authorized Signature Yer Vang (608) 266-9820	Date 1/14/2010
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Fiscal Estimate Narratives

OSER 1/14/2010

LRB Number	09-3274/3	Introduction Number	SB-447	Estimate Type	Original
Description State contractual services and false claims submitted to state and local governments, requiring the exercise of rule-making authority, and providing penalties					

Assumptions Used in Arriving at Fiscal Estimate

SB 447 relates to state contractual services and false claims submitted to state and local governments, requiring the exercise of rule-making authority, and providing penalties. This fiscal estimate focuses specifically on sections (7-9) in the proposed bill relating to the Office of State Employment Relations (OSER).

Section 7 states that, "The director of OSER, prior to award, under conditions established by rule of the department, shall review contracts for contractual services in order to ensure that agencies do all of the following:

1. Properly utilize the services of state employees;
2. Evaluate the feasibility of using limited term appointments prior to entering into a contract for contractual services.

Section 8 states that OSER, "notify all representatives of interested collective bargaining units under subch. V of ch. 111 by providing them with a copy of all documents soliciting bids or proposals."

Section 9 states, "The director of OSER, after the issuance of a letter of intent to contract, under conditions established by rule of the department, shall review contracts for contractual services in order to ensure that agencies have notified all representatives of interested collective bargaining units under subch. V of ch. 111 by providing them with a copy of the letter of intent to contract."

SB 447 would require OSER to promulgate rules and then review all contracts for contractual services to ensure that the contract properly utilizes state employee services and to determine if the use of LTE's instead of contracting out would be feasible. In addition, there are two notification requirements of OSER to distribute documents relating to each contract to appropriate collective bargaining units of the state.

Currently OSER has no oversight responsibility with state agency's decisions as to whether state employees are used on a project or if that project is contracted out. Additionally, OSER does not have current staffing available or with the appropriate expertise to conduct the work required in this bill. It would be necessary for OSER to hire permanent contract specialists. The minimum pay range for a Contract Specialist-Senior is \$16.902/hr.

In FY 2009, there were 402 cost benefit analysis (CBA) reviews plus approximately 350 continued appropriateness reviews (CA), which totaled 752 contracts to review in FY09. Given these numbers, it is anticipated that OSER would need at least 2 FTE contract specialists to review the contracts per fiscal year. The anticipated fiscal impact for OSER would be as follows:

Contract Specialist-Senior (pay schedule 07-04); Minimum pay range starting at \$16.902/hr = \$35,291/yr + \$13,785 (fringe @ 39.06%) = \$49,076/fy/FTE.

\$49,076 x 2 FTEs = \$98,152/ fiscal year

In addition, OSER would have some modest staff time and postage issues that could be absorbed by departmental funds.

Long-Range Fiscal Implications

Indeterminate.