



## Fiscal Estimate Narratives

OSER 3/4/2014

LRB Number	13-2103/1	Introduction Number	AB-0783	Estimate Type	Original
<b>Description</b> 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 "Cesar E. Chavez Day" and offer it as an optional paid holiday for non-represented state employees that can be taken in lieu of receiving a paid holiday on one of the other nine (9) established paid legal holidays currently provided to state employees, providing that a minimum level of agency operations be maintained. If a non-represented 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.

Specific costs cannot be determined because we do not know how many employees would take advantage of the discretion provided by the bill. However, it can be assumed that some costs will occur. Maintaining a minimal level of operations will require holiday overtime be paid, most likely in 24-hour operations (e.g. institutions) 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.

The bill as drafted specifies the optional holiday is for only non-represented employees, and it states that represented employees would only have access to the proposed holiday if so provided in applicable collective bargaining agreements. State employees in bargaining units that have been certified by the WERC for purposes of collective bargaining, however, would have no way to access the option, as the allowable subjects of bargaining set forth in Chapter 111, Wis. Stats., no longer include the subjects of holidays and/or premium overtime pay.

Insofar as the bill's provisions might apply to State employees in the Public Safety bargaining unit under 111.825 (1) (g), Wis. Stats., provisions parallel to those in the bill would have to be negotiated into that unit's collective bargaining agreement. The contract language pertaining to observed holidays, as well as payment of premium overtime for working on those holidays exists in the unit's bargaining agreement, and holidays as well as premium overtime pay are mandatory subjects of bargaining under s. 111.91, Wis. Stats.

In addition to having to negotiate the benefit with the Public Safety unit, the State would have to negotiate a system of determining who would be allowed to exercise the new benefit and what minimum level of operations would necessitate denying the benefit to employees requesting it. If bargaining efforts were not successful with this unit, the prospect of differential treatment of represented and non-represented state employees as it regards observance of the holiday would result.

## Long-Range Fiscal Implications