

Fiscal Estimate Narratives

DWD 1/29/2016

LRB Number	15-0286/1	Introduction Number	AB-0474	Estimate Type	Original
Description Paid sick leave					

Assumptions Used in Arriving at Fiscal Estimate

Current law requires employers, including the State of Wisconsin, who employ 50 or more individuals permanently to permit family leave for up to 8 weeks and medical leave of up to 2 weeks to any individual working at least 1,000 hours in the previous 12-month period. Under the law, family leave may be taken for birth or adoptive placement of a new child, or to care for a child, spouse, or parent with a serious health condition. Medical leave may be used when an employee has a serious health condition that inhibits that individual from performing their work duties. When taking this leave, employees are not entitled to receive wages or their salary; however they may substitute, in lieu of family or medical leave, other types of paid or unpaid leave provided by the employer.

Assembly Bill 474 makes changes existing family and medical leave laws. AB 474 requires employers that employ at least one individual full-time or part-time employee employed for 90 consecutive calendar days to receive paid sick leave at their regular pay rate. Employees would then be able to use this leave for the following; individual physical or mental illness, injury, or impairment; to care for "family members" who have health conditions; in situations where the work absence is necessary to recover from domestic abuse, sexual abuse, or stalking; or in preparation for civil or criminal action relating to domestic abuse, sexual abuse, or stalking.

Under AB 474, all employees would accrue paid sick leave starting on their first day of employment at the rate of one hour per 30 hours worked, capping the total an individual can accrue at 72 in a calendar year. Small businesses that employed an average of fewer than ten employees a week permanently or temporarily during the calendar year would be exempt from this cap. In the case of small businesses, the total hours accrued would be subject to a maximum of 40 hours in a calendar year. AB 474 then creates a process allowing for paid sick leave to be carried over from year to year, however also placing caps on the amount individual may use in a one year period. This leave would have no cash value if an individual is terminated from employment.

AB 474 prohibits restricting or denying the exercise of the rights provided under the bill; requiring individuals to find substitute employees to replace employees on sick leave; imposing barriers to using paid sick leave such as requiring documentation of the health condition or the disclosure of information which necessitated the individuals work absence; discharging or discriminating against an individual; or treating the act of taking leave as a work absence that may cause an adverse employment action. DWD may order individuals violating these prohibitions to take action to remedy the violation. Remedies may include providing the requested leave, two years back pay, and paying reasonable attorney fees. Next, AB 474 requires employers to provide notices to each employee of their rights under this bill. Employers must also keep full records of the number of hours worked and paid sick leave used by their employees, retain these records for five years after the hours are worked or leave is used, and furnish these records to DWD when requested.

Administratively, this legislation would create 300 complaints annually that cannot be absorbed at current staffing levels. To meet this increased workload, two Equal Rights Officers and one Administrative Law Judge would need to be hired at an added annual cost of \$230,000. Additional one-time costs of \$5,000 are needed to update and reprint existing documentation relating to paid sick leave law and comply with the requirement forms be printed in English, Spanish, and Hmong.

Long-Range Fiscal Implications

Fiscal Estimate Worksheet - 2015 Session

Detailed Estimate of Annual Fiscal Effect

Original
 Updated
 Corrected
 Supplemental

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Description Paid sick leave		
I. One-time Costs or Revenue Impacts for State and/or Local Government (do not include in annualized fiscal effect):		
One-time costs of \$5,000 are needed to update and reprint existing documentation relating to paid sick leave law and comply with the requirement forms be printed in English, Spanish, and Hmong.		
II. Annualized Costs:	Annualized Fiscal Impact on funds from:	
	Increased Costs Decreased Costs	
A. State Costs by Category		
State Operations - Salaries and Fringes	\$230,000	\$
(FTE Position Changes)	(3.0 FTE)	
State Operations - Other Costs		
Local Assistance		
Aids to Individuals or Organizations		
TOTAL State Costs by Category	\$230,000	\$
B. State Costs by Source of Funds		
GPR	230,000	
FED		
PRO/PRS		
SEG/SEG-S		
III. State Revenues - Complete this only when proposal will increase or decrease state revenues (e.g., tax increase, decrease in license fee, etc.)		
	Increased Rev	Decreased Rev
GPR Taxes	\$	\$
GPR Earned		
FED		
PRO/PRS		
SEG/SEG-S		
TOTAL State Revenues	\$	\$
NET ANNUALIZED FISCAL IMPACT		
	<u>State</u>	<u>Local</u>
NET CHANGE IN COSTS	\$230,000	\$
NET CHANGE IN REVENUE	\$	\$
Agency/Prepared By	Authorized Signature	Date
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