

Fiscal Estimate - 2003 Session

Original
 Updated
 Corrected
 Supplemental

LRB Number 03-1212/1	Introduction Number SB-144
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Subject
 Professional education collective bargaining agreement

Fiscal Effect

State:

<input type="checkbox"/> No State Fiscal Effect	<input type="checkbox"/> Increase Existing Revenues	<input checked="" type="checkbox"/> Increase Costs - May be possible to absorb within agency's budget
<input type="checkbox"/> Indeterminate	<input type="checkbox"/> Decrease Existing Revenues	<input type="checkbox"/> Yes <input checked="" type="checkbox"/> No
<input type="checkbox"/> Increase Existing Appropriations		<input type="checkbox"/> Decrease Costs
<input type="checkbox"/> Decrease Existing Appropriations		
<input type="checkbox"/> Create New Appropriations		

Local:

<input type="checkbox"/> No Local Government Costs	5. Types of Local Government Units Affected	
<input type="checkbox"/> Indeterminate	<input type="checkbox"/> Towns	<input type="checkbox"/> Village <input type="checkbox"/> Cities
1. <input type="checkbox"/> Increase Costs	<input type="checkbox"/> Counties	<input type="checkbox"/> Others 0
<input type="checkbox"/> Permissive <input type="checkbox"/> Mandatory	<input type="checkbox"/> School Districts	<input type="checkbox"/> WTCS Districts
2. <input type="checkbox"/> Decrease Costs		
<input type="checkbox"/> Permissive <input type="checkbox"/> Mandatory		
3. <input type="checkbox"/> Increase Revenue		
<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 checked="" type="checkbox"/> GPR <input checked="" type="checkbox"/> FED <input checked="" type="checkbox"/> PRO <input checked="" type="checkbox"/> PRS <input checked="" type="checkbox"/> SEG <input checked="" type="checkbox"/> SEGS 20.865 (1)	

Agency/Prepared By DER/ John Vincent (608) 266-1729	Authorized Signature Elizabeth Reinwald (608) 266-0746	Date 1/30/2003
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Fiscal Estimate Narratives

DER 5/5/2003

LRB Number 03-1212/1	Introduction Number SB-144	Estimate Type Original
Subject Professional education collective bargaining agreement		

Assumptions Used in Arriving at Fiscal Estimate

The FISCAL ESTIMATE WORKSHEET reflects the cost of the adjustments from the respective effective date of the adjustments to the end of the 2001-2003 biennium. The annualized fiscal impact of these adjustments for 2003-2005 is provided below.

Paid Annual Leave of Absence: Provides accelerated vacation schedule for all employees. For this reason these employees are not eligible for the 1.0% GWA the first fiscal year. There is no out of pocket costs when the covered employees use the additional vacation but there is a "cost" in that salary will be paid for hours not worked. The average hourly wage of the covered employees is \$22.993 and the average number of additional leave hours for which they are eligible is 40.

In addition, the FLSA Exempt employees with at least 16 years of seniority, may at their option, elect to receive up to forty (40) hours in cash during the year earned. There are 250 FTE employees in the covered group with this seniority as of January 1, 2003. These employees are also eligible to put up to 40 hours of leave each year into a termination/sabbatical accumulation. Termination/sabbatical leave may be keep employees on payroll after actual retirement or be cashed out at retirement or other termination. "

Long-Range Fiscal Implications

2003-2005 per year fiscal impact:
\$2,601,507 State Operations - Salaries and Fringes
\$1,194,872 GPR State Cost

SUBJECT: WAGE INCREASES IN 2001-2003 CONTRACT AGREEMENT

2003 Legislative Session
 LRB-1212/1
 Attachment 2

Wisconsin Education Association Council (13)

SUMMARY TOTALS					
FISCAL YEAR		ALL FUNDS WITHOUT FRINGE	ALL FUNDS WITH FRINGE	GPR WITH FRINGE	OTHER FUNDS WITH FRINGE
Total FTE:	745.21				
Base Payroll:	\$34,526,183				
2001-2002		1st Year Cost \$0	\$0	\$0	\$0
		1st Year Cost \$0	\$0	\$0	\$0
		in 2nd Year			
2002-2003		2nd Year Cost \$1,178,664	\$1,428,542	\$656,129	\$772,413
Biennial Total		\$1,178,664	\$1,428,542	\$656,129	\$772,413

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2003 Legislative Session
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Note: Due to the delay in the implementation of the 2001-2003 Agreement, a lump sum is paid for all hours in pay status from the effective date(s) stated in the description of the pay adjustment, noted below, through the effective date of the Agreement.

I) FISCAL YEAR INCREASES:

- A) **FY03: Effective June 30, 2002, 2.0% general wage adjustment (GWA) for all eligible employees.**
FY03: Effective April 6, 2003, 2.5% GWA for all eligible employees.

FISCAL YEAR	ALL FUNDS WITHOUT FRINGE	ALL FUNDS WITH FRINGE	GPR WITH FRINGE	OTHER FUNDS WITH FRINGE
2001-2002	1st Year Cost \$0 1st Year Cost in 2nd Year \$0	\$0 \$0	\$0 \$0	\$0 \$0
2002-2003	2nd Year Cost \$897,714	\$1,088,030	\$499,732	\$588,298
Biennial Total	<u>\$897,714</u>	<u>\$1,088,030</u>	<u>\$499,732</u>	<u>\$588,298</u>

- B) **Effective December 29, 2002: A market adjustment of \$0.36 per hour for all eligible employees.**

FISCAL YEAR	ALL FUNDS WITHOUT FRINGE	ALL FUNDS WITH FRINGE	GPR WITH FRINGE	OTHER FUNDS WITH FRINGE
2001-2002	1st Year Cost \$0 1st Year Cost in 2nd Year \$0	\$0 \$0	\$0 \$0	\$0 \$0
2002-2003	2nd Year Cost \$280,080	\$339,457	\$155,913	\$183,544
Biennial Total	<u>\$280,080</u>	<u>\$339,457</u>	<u>\$155,913</u>	<u>\$183,544</u>

- C) **Paid Annual Leave of Absence: Provides accelerated vacation schedule for all employees. For this reason these employees are not eligible for the 1.0% GWA the first fiscal year. There is no out of pocket costs when the covered employees use the additional vacation but there is a "cost" in that salary will be paid for hours not worked. The average hourly wage of the covered employees is \$22,993 and the average number of additional leave hours for which they are eligible is 40.**

In addition, the FLSA Exempt employees with at least 16 years of seniority, may at their option, elect to receive up to forty (40) hours in cash during the year earned. There are 250 FTE employees in the covered group with this seniority as of January 1, 2003. These employees are also eligible to put up to 40 hours of leave each year into a termination/sabbatical accumulation. Termination/sabbatical leave may be keep employees on payroll after actual retirement or be cashed out at retirement or other termination.

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D) Effective June 15, 2003, a one-time market equity adjustment for identified employees who were not initially hired above the minimum of the pay range, unless agreed upon by the parties, and who are as of June 15, 2003, below the established threshold of the pay range.

FISCAL YEAR	ALL FUNDS WITHOUT FRINGE	ALL FUNDS WITH FRINGE	GPR WITH FRINGE	OTHER FUNDS WITH FRINGE
2001-2002	1st Year Cost \$0 1st Year Cost \$0 in 2nd Year	\$0 \$0	\$0 \$0	\$0 \$0
2002-2003	2nd Year Cost \$870	\$1,055	\$485	\$570
Biennial Total	\$870	\$1,055	\$485	\$570

2) LENGTH OF SERVICE PAYMENT:

On June 30, 2002 and June 30, 2003, employees receive a length of service payment, prorated by FTE, based on the following seniority schedule: 5-9 years = \$50, 10-14 years = \$100, 15-19 years = \$150, 20-24 years = \$200, 25 or more years = \$250.

FISCAL YEAR	ALL FUNDS WITHOUT FRINGE	ALL FUNDS WITH FRINGE	GPR WITH FRINGE	OTHER FUNDS WITH FRINGE
2001-2002	1st Year Cost \$0 1st Year Cost \$0 in 2nd Year	\$0 \$0	\$0 \$0	\$0 \$0
2002-2003	2nd Year Cost \$0	\$0	\$0	\$0
Biennial Total	\$0	\$0	\$0	\$0

The following are expenses to be funded from agency budgets:

Effective Date	Classification/Change
June 30, 2002	Length of Service Payment
June 30, 2003	Length of Service Payment

Fiscal Estimate Worksheet - 2003 Session

Detailed Estimate of Annual Fiscal Effect

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Subject			
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I. One-time Costs or Revenue Impacts for State and/or Local Government (do not include in annualized fiscal effect):			
II. Annualized Costs:		Annualized Fiscal Impact on funds from:	
		Increased Costs	Decreased Costs
A. State Costs by Category			
State Operations - Salaries and Fringes	\$1,428,542		
(FTE Position Changes)			
State Operations - Other Costs			
Local Assistance			
Aids to Individuals or Organizations			
TOTAL State Costs by Category	\$1,428,542		\$
B. State Costs by Source of Funds			
GPR	656,129		
FED			
PRO/PRS	772,413		
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			
		State	Local
NET CHANGE IN COSTS	\$1,428,542		\$
NET CHANGE IN REVENUE	\$		\$
Agency/Prepared By		Authorized Signature	Date
DER/ John Vincent (608) 266-1729		Elizabeth Reinwald (608) 266-0746	1/30/2003