

Fiscal Estimate - 2007 Session

Original Updated Corrected Supplemental

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|--|--|---|-------------|
| LRB Number 07-3844/1 | | Introduction Number AB-0726 | |
| Description Relating to: collective bargaining process for University of Wisconsin System faculty and academic staff and making appropriations. | | | |
| Fiscal Effect | | | |
| State: | | | |
| <input type="checkbox"/> No State Fiscal Effect | | | |
| <input type="checkbox"/> Indeterminate | | | |
| <input type="checkbox"/> Increase Existing Appropriations | | <input type="checkbox"/> Increase Existing Revenues | |
| <input type="checkbox"/> Decrease Existing Appropriations | | <input type="checkbox"/> Decrease Existing Revenues | |
| <input type="checkbox"/> Create New Appropriations | | <input checked="" type="checkbox"/> Increase Costs - May be possible to absorb within agency's budget | |
| | | <input type="checkbox"/> Yes <input checked="" type="checkbox"/> No | |
| <input type="checkbox"/> Decrease Costs | | | |
| Local: | | | |
| <input type="checkbox"/> No Local Government Costs | | | |
| <input type="checkbox"/> Indeterminate | | | |
| 1. <input type="checkbox"/> Increase Costs | | 3. <input type="checkbox"/> Increase Revenue | |
| <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 | |
| 5. Types of Local Government Units Affected | | | |
| <input type="checkbox"/> Towns | | <input type="checkbox"/> Village | |
| <input type="checkbox"/> Counties | | <input type="checkbox"/> Cities | |
| <input type="checkbox"/> School Districts | | <input type="checkbox"/> Others | |
| | | <input type="checkbox"/> WTCS Districts | |
| 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 |
| UWS/ Leslie Perelman (608) 262-5850 | | Freda Harris (608) 263-5679 | 1/30/2008 |

Fiscal Estimate Narratives

UWS 1/30/2008

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|---|------------------|---------------------|----------------|---------------|-----------------|
| LRB Number | 07-3844/1 | Introduction Number | AB-0726 | Estimate Type | Original |
| Description Relating to: collective bargaining process for University of Wisconsin System faculty and academic staff and making appropriations. | | | | | |

Assumptions Used in Arriving at Fiscal Estimate

This bill would add a chapter to the State Employment Labor Relations Act (SELRA) to extend collective bargaining covering salaries, fringe benefits, hours and conditions of employment to faculty and academic staff of the University of Wisconsin System.

This bill provides for a structure of up to thirty-one (31) bargaining units. The units consist of: one each for faculty at the thirteen four-year universities, one for UW Extension faculty, and one for UW Colleges faculty; and one each for academic staff of each of the thirteen four-year universities, one for UW Extension academic staff, and one for UW Colleges academic staff; finally, academic staff supervisors may choose to form their own labor organization, separate from any academic staff employee union. Employees may vote to merge units or stand alone, and the faculty and academic staff of each institution (including UW-Colleges as a whole and UW Extension) may decide individually whether to participate in bargaining. Visiting professors, deans and faculty serving limited term appointments are also excluded.

The bill designates the Board of Regents as the bargaining agent with responsibility for conducting negotiations, handling the mediation and arbitration proceedings and final stage arbitration cases. Under the bill, the Board would coordinate its collective bargaining activities with the Director of the Office of State Employment Relations (OSER), and maintain close liaison with the Legislature. UW System Administration personnel would conduct contract negotiations with assistance from staff at UW institutions, would establish management positions on bargained issues and negotiate economic conditions within the established budget parameters. The UW System would also have continuing responsibility for day-to-day contract administration. This responsibility would include the processing of grievances and the settlement or other resolution of the large share of grievances that would not be appealed to arbitration.

There is a wide range of potential costs associated with the bill. If only one bargaining unit were created for academic staff supervisors, for example, relatively few UW System staff would be required, and a cost estimate could be as low as \$350,000 annually. Based on the State and UW System experience with classified employees under SELRA, as well as the advice of other state higher education systems that are involved in collective bargaining, it is estimated that up to a total of 38 additional staff positions could be required in the UW System if all thirty-one bargaining units allowed for in the bill are created. This total consists of 26 professional and 12 clerical positions. The total cost of the additional staff, beginning with 2008-09, would be \$2.2 million per year consisting of salaries and fringe benefits for those staff members. The estimate assumes that the responsibility for negotiation and administration of these agreements remains with the Board of Regents. The estimate does not include the time commitment by deans, administrators, and other supervisors to handle grievances participate in training, and other activities related to day-to-day contract administration. The estimate also does not include support costs, including office furniture, equipment, supplies, and travel expenses.

Even though the effective date of any negotiated agreement would occur sometime well after the passage of the bill, there would be a substantial workload increase prior to commencing any negotiations to prepare for unit elections and contract negotiations. This preparation includes training of supervisory and administrative staff, preparing forms and processes for grievances, and setting up other administrative mechanisms for dealing with union representatives. The professional staff who would undertake the functions leading to the implementation of the contracts would be the same people who would assume responsibility for contract administration. The advice of several higher educational systems experienced in collective bargaining, like the State University of New York and the California State University Systems, will be utilized in preparation for management responsibilities in: (1) unit elections including determination of employee inclusions and exclusions in bargaining units; (2) union organization activities and the conduct of elections; (3) preparation for bargaining, including significant time devoted to budget development; (4) contract negotiations; and (5) contract administration.

The bill provides for up to thirty-one (31) bargaining units. Organizational activity would be undertaken and elections would be held in each unit as soon as the bill permits. With unit elections completed and bargaining representatives selected, the UW System would need to begin to develop information, budgets, policies and management positions as preparation for negotiation of the initial contracts. Several authorities on the subject of collective bargaining concur that the first contract is the most important from both a union and management standpoint because the first contract establishes the basis for all subsequent negotiations and management-union employee interaction.

The bill designates the Board of Regents as the bargaining agent for these agreements. In that role, UW personnel will be responsible for establishing budget parameters in discussions with the Department of Administration. Additionally, UW staff will be responsible for presentation of negotiated agreements to the Legislature's Joint Committee on Employment Relations (JCOER).

About 17,000 faculty and academic staff FTE (approximately 19,000 people) would be eligible for coverage in up to thirty-one bargaining units under this bill. This count compares to approximately 8,000 classified UW FTE presently covered in 13 bargaining units under SELRA. In developing the fiscal estimates, it is assumed that collective bargaining activity will be initiated in all 31 statutory bargaining units. There are significant differences in faculty and academic staff practices and policies from those for classified employees among the institutions. In a manner similar to SELRA each institution will handle day-to-day administration of collective bargaining agreements, including the processing and settlement of grievances. Therefore, the estimate assumes that a staffing pattern similar to that of classified staff under SELRA would be required for coverage of faculty and academic staff. For example, each of the four-year universities has a one-half time professional position devoted to SELRA contract administration. For faculty and academic staff it is estimated that a minimum of an additional full-time professional staff position would be required at each of the universities.

The number of additional staff needed will depend on the outcome of unit elections on each respective campus. If any unit election is successful, at any UW institution, there will be a need for more staff at System Administration, and then also at any respective institution that has a successful election. For example, if only one comprehensive institution has faculty that elect union representation, then there would be a need for one professional staff addition on site, two additional System Administration professional staff, and one clerical staff member at System Administration. However, any of the unions created can elect to combine into any number of consolidated unions, and the final number established would determine how much staff is necessary.

The estimated costs for the UW System under this bill are based on the prevailing salary and fringe benefit levels in state service. If all thirty-one (31) bargaining units possible under this bill are created, the estimate of necessary staff would be two Employment Relations staff, one Budget Planner, one IS Senior Professional Confidential, and one Legal Counsel in System Administration; one Employment Relations staff member at UW-Madison; one additional Employment Relations staff member at UW-Milwaukee; and one full-time University Human Resources Manager position at each UW institution including the UW Colleges and UW Extension. A total of ten support positions would be needed to work with these professional staff across the UW System.

Long-Range Fiscal Implications

Fiscal Estimate Worksheet - 2007 Session

Detailed Estimate of Annual Fiscal Effect

Original
 Updated
 Corrected
 Supplemental

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| Description Relating to: collective bargaining process for University of Wisconsin System faculty and academic staff and making appropriations. | | | |
| 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 | \$2,192,900 | | \$ |
| (FTE Position Changes) | (32.0 FTE) | | |
| State Operations - Other Costs | | | |
| Local Assistance | | | |
| Aids to Individuals or Organizations | | | |
| TOTAL State Costs by Category | \$2,192,900 | | \$ |
| B. State Costs by Source of Funds | | | |
| GPR | 2,192,900 | | |
| 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 | | | |
| | State | | Local |
| NET CHANGE IN COSTS | \$2,192,900 | | \$ |
| NET CHANGE IN REVENUE | \$ | | \$ |
| Agency/Prepared By | | Authorized Signature | Date |
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