

Fiscal Estimate Narratives

OSER 5/19/2008

| | | |
|---|-----------------------------------|-------------------------------|
| LRB Number 07-4383/1 | Introduction Number SB-588 | Estimate Type Original |
| Description Ratification of the agreement negotiated between the state of Wisconsin and the Wisconsin State Building Trades Negotiating Committee, AFL-CIO, and its appropriate affiliated locals, for the 2007-09 biennium, covering employees in the building trades crafts collective bargaining unit, and authorizing an expenditure of funds | | |

Assumptions Used in Arriving at Fiscal Estimate

Long-Range Fiscal Implications

2009-2011 Per year fiscal impact:
\$3,038,716 State Operations - Salaries and Fringes
\$1,276,261 GPR Cost

SUBJECT: WAGE INCREASES IN 2007-2009 CONTRACT AGREEMENT

WISCONSIN STATE BUILDING TRADES

| SUMMARY TOTALS | | ALL FUNDS WITHOUT FRINGE | | ALL FUNDS WITH FRINGE | GPR WITH FRINGE | OTHER FUNDS WITH FRINGE |
|-----------------------|--------------|---------------------------------|--------------------|------------------------------|------------------------|--------------------------------|
| Total FTE: | 440.4 | | | | | |
| Base Payroll: | \$31,175,525 | | | | | |
| FISCAL YEAR | | | | | | |
| 2007-2008: | | 1st Year Cost | \$623,511 | \$744,784 | \$312,809 | \$431,975 |
| | | 1st Year Cost in 2nd Year | \$623,511 | \$744,784 | \$312,809 | \$431,975 |
| 2008-2009: | | 2nd Year Cost | \$376,101 | \$449,253 | \$188,686 | \$260,567 |
| Biennial Total | | | <u>\$1,623,123</u> | <u>\$1,938,821</u> | <u>\$814,305</u> | <u>\$1,124,516</u> |

1) FISCAL YEAR INCREASES:

A. Pay adjustments for employees in various classes, effective at the beginning of the first pay period after the date the change in the prevailing rate is received by DWD. The increase dates and amounts vary and are subject to construction sector negotiations. The cost shown here is equal to the General Wage Adjustments (2%, 1%, 2%) received by other state employees. Additional projected costs are charged to agency budgets.

| FISCAL YEAR | ALL FUNDS WITHOUT FRINGE | ALL FUNDS WITH FRINGE | GPR WITH FRINGE | OTHER FUNDS WITH FRINGE |
|-----------------------|---------------------------------|------------------------------|------------------------|--------------------------------|
| 2007-2008: | 1st Year Cost | \$623,511 | \$744,784 | \$312,809 |
| | 1st Year Cost in 2nd Year | \$623,511 | \$744,784 | \$312,809 |
| 2008-2009: | 2nd Year Cost | \$376,101 | \$449,253 | \$188,686 |
| Biennial Total | | <u>\$1,623,123</u> | <u>\$1,938,821</u> | <u>\$814,305</u> |
| | | | | <u>\$431,975</u> |
| | | | | <u>\$431,975</u> |
| | | | | <u>\$260,567</u> |
| | | | | <u>\$1,124,516</u> |

SUBJECT: WAGE INCREASES IN 2007-2009 CONTRACT AGREEMENT

WISCONSIN STATE BUILDING TRADES

B. The following adjustments to be funded from agency budgets:

FY08 and FY09 - Increases to adjusted prevailing rates for Trades occupations above and beyond amounts equivalent to the standard General Wage Adjustments of 2% in FY08, 1% in FY09, and 2% effective June 7, 2009. For the purpose of costing agency funding apart from the GWA's, the average total increases to the adjusted prevailing wage rates are projected to be 4% in FY08 and 4% in FY09.

| <u>Effective Date</u> | <u>Agency Funds Without Fringe</u> |
|------------------------------|------------------------------------|
| Fiscal Year 2007-08 | \$623,511 |
| 1st Year Cost in 2nd Year | \$623,511 |
| | \$920,800 |
| Fiscal Year 2008-09 | <u>\$2,167,822</u> |

Fiscal Estimate Worksheet - 2007 Session

Detailed Estimate of Annual Fiscal Effect

Original
 Updated
 Corrected
 Supplemental

| | | | |
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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 | \$1,938,821 | \$ |
| | (FTE Position Changes) | | |
| | State Operations - Other Costs | | |
| | Local Assistance | | |
| | Aids to Individuals or Organizations | | |
| | TOTAL State Costs by Category | \$1,938,821 | \$ |
| B. State Costs by Source of Funds | | | |
| | GPR | 814,305 | |
| | FED | | |
| | PRO/PRS | 1,124,516 | |
| | 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 | \$1,938,821 | \$ |
| | NET CHANGE IN REVENUE | \$ | \$ |
| Agency/Prepared By | | Authorized Signature | Date |
| OSER/ John Wiesman (608) 266-1418 | | Yer Vang (608) 266-9820 | 5/19/2008 |