

Fiscal Estimate - 2015 Session

Original
 Updated
 Corrected
 Supplemental

LRB Number **15-1738/1** | Introduction Number **AB-0277**

Description
 Ratification of the agreement negotiated between the state of Wisconsin and the Wisconsin Law Enforcement Association, for the 2013-15 biennium, covering employees in the public safety collective bargaining unit, and authorizing an expenditure of funds

Fiscal Effect

State:

- No State Fiscal Effect
- Indeterminate
- Increase Existing Appropriations
- Decrease Existing Appropriations
- Create New Appropriations
- Increase Existing Revenues
- Decrease Existing Revenues
- Increase Costs - May be possible to absorb within agency's budget
 - Yes No
- Decrease Costs

Local:

- No Local Government Costs
- Indeterminate
- 1. Increase Costs
 - Permissive Mandatory
- 2. Decrease Costs
 - Permissive Mandatory
- 3. Increase Revenue
 - Permissive Mandatory
- 4. Decrease Revenue
 - Permissive Mandatory
- 5. Types of Local Government Units Affected
 - Towns Village Cities
 - Counties Others
 - School Districts WTCS Districts

Fund Sources Affected **Affected Ch. 20 Appropriations**
 GPR FED PRO PRS SEG SEGS

Agency/Prepared By	Authorized Signature	Date
OSER/ John Wiesman (608) 266-1418	Paul Hanks (608) 266-1729	6/22/2015

Fiscal Estimate Narratives

OSER 6/22/2015

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Assumptions Used in Arriving at Fiscal Estimate

This fiscal estimate assumes that wage increases will be effective June 28, 2015, and therefore all 2013-15 biennium costs will consist of "back pay" on the wage increases. Costs are estimated based on a snapshot of bargaining unit employees taken in April 2015.

All costs and savings are split as 93.4% SEG funded, and 6.6% FED funded, per State Patrol bargaining unit position funding information provided by the Dept of Transportation. The total 2013-2015 biennium costs and savings are shown on the worksheet, rather than "annualized" amounts as indicated by the headers.

The fiscal estimate for this Agreement incorporates a higher rate for the cost of fringes (25.15%) than the rate used for other labor agreements and general employees (15.75%). The difference reflects the greater contributions by the state to the WRS for this bargaining unit of protective occupation employees.

Savings to the State on health insurance premiums begin after implementation of the labor Agreement. Health insurance premiums savings will begin in July 2015, and therefore will be prospective, only, with no savings within the 2013-15 biennium. Prospective health insurance savings will accrue for both represented and non-represented State Patrol-titled employees, due to s. 40.05 (4)(at), Wis. Stats., which aligns non-represented State Patrol health premiums with the collectively bargained premiums for the public safety unit, for those employed before July 2011. The annualized projected savings for both represented and non-represented State Patrol is \$697,716.

Long-Range Fiscal Implications

2015-2017 Per year fiscal impact:

\$1,386,930 State Operations - Salaries and Fringes

\$0 GPR State Cost

\$697,716 per year savings to the state on health insurance premiums

WAGE INCREASES IN 2013-2015 LABOR AGREEMENT
Wisconsin Law Enforcement Association Unit (63)

<u>SUMMARY TOTALS</u>					
<u>FISCAL YEAR</u>		<u>ALL FUNDS WITHOUT FRINGE</u>	<u>ALL FUNDS WITH FRINGE</u>	<u>GPR WITH FRINGE</u>	<u>OTHER FUNDS WITH FRINGE</u>
Total FTE:	365.00				
Base Payroll:	\$18,133,687				
2013-2014		1st Year Cost \$479,666 1st Year Cost \$542,053 in 2nd Year	\$600,302 \$678,380	\$0 \$0	\$600,302 \$678,380
2014-2015		2nd Year Cost \$561,559	\$702,792	\$0	\$702,792
Biennial Total		<u>\$1,583,278</u>	<u>\$1,981,474</u>	<u>\$0</u>	<u>\$1,981,474</u>

HEALTH INSURANCE SAVINGS TO THE STATE

Beginning with implementation of the labor Agreement, State Patrol-titled represented and nonrepresented employees will pay increased monthly health insurance premiums equal to the premiums paid by general nonrepresented employees, generating savings to the state. Since health insurance savings to the state depend on the date of implementation of the Agreement, the projected savings shown here are per future year beyond the 2013-15 biennium. Calculation detail is provided on the last page.

	<u>Health Insurance Savings Per Future Year</u>
WLEA bargaining unit members:	\$555,780
State Patrol nonrepresented officers:	\$141,936
Total:	<u>\$697,716</u>

WAGE INCREASES IN 2013-2015 LABOR AGREEMENT
Wisconsin Law Enforcement Association Unit (63)

FISCAL YEAR INCREASES:

A) FY14 - General Wage Adjustment of 3.0% for each employee. Includes lump sum payment for all hours in pay status back to June 30, 2013.

FISCAL YEAR	ALL FUNDS WITHOUT FRINGE	ALL FUNDS WITH FRINGE	GPR WITH FRINGE	OTHER FUNDS WITH FRINGE
2013-2014	1st Year Cost \$479,666 1st Year Cost in 2nd Year \$542,053	\$600,302 \$678,380	\$0 \$0	\$600,302 \$678,380
2014-2015	2nd Year Cost \$0	\$0	\$0	\$0
Biennial Total	\$1,021,719	\$1,278,682	\$0	\$1,278,682

B) FY15 - General Wage Adjustment of 3.0% for each employee. Resulting pay rates will be rounded up at the 2nd decimal. Includes lump sum payment for all hours in pay status back to June 29, 2014.

2013-2014	1st Year Cost \$0 1st Year Cost in 2nd Year \$0	\$0 \$0	\$0 \$0	\$0 \$0
2014-2015	2nd Year Cost \$561,559	\$702,792	\$0	\$702,792
Biennial Total	\$561,559	\$702,792	\$0	\$702,792

WAGE INCREASES IN 2013-2015 LABOR AGREEMENT
Wisconsin Law Enforcement Association Unit (63)

HEALTH INSURANCE SAVINGS TO THE STATE

The tentative agreement with the WLEA includes the provision that starting with health insurance premium deductions occurring after implementation of the labor Agreement, all WLEA bargaining unit members will pay the same health insurance premiums as nonrepresented general employees. The same health insurance premiums will also then apply to nonrepresented State Patrol Sergeants, Lieutenants, Captains, Majors and Colonels due to the provisions at s. 40.05 (4)(at), Wis. Stats., which align their premiums with the collectively bargained premiums for the public safety unit.

The higher employee health insurance premiums won't take effect until the Agreement is implemented and are prospective, only. The earlier the implementation, the greater the savings. Regardless of date of implementation, savings to the state will continue to accrue beyond the 2013-2015 biennium so long as the 3-Tier health insurance model continues to be used.

Following is an estimate of annual savings to the state if State Patrol employees begin to pay the higher health insurance premiums.

	Single	Family	State Patrol Health Contracts	State Annual Savings
Current monthly premium for State Patrol	\$31.00	\$78.00	Single - WLEA 79	\$57,828
2015 regular Tier 1 premiums	\$92.00	\$230.00	Family - WLEA 273	\$497,952
Monthly savings to the state (difference)	\$61.00	\$152.00	Single - Nonreps 12	\$8,784
Annual savings to the state (12 months)	\$732.00	\$1,824.00	Family - Nonreps 73	\$133,152
				<u>\$697,716</u>

Note. Actual savings to the state will increase in 2016 and future years if employee health insurance premiums continue to increase.

Subtotal - WLEA	\$555,780
Subtotal - Nonreps	\$141,936

Fiscal Estimate Worksheet - 2015 Session

Detailed Estimate of Annual Fiscal Effect

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Description Ratification of the agreement negotiated between the state of Wisconsin and the Wisconsin Law Enforcement Association, for the 2013-15 biennium, covering employees in the public safety collective bargaining unit, and authorizing an expenditure of funds		
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	\$1,981,474	\$
(FTE Position Changes)		
State Operations - Other Costs		
Local Assistance		
Aids to Individuals or Organizations		
TOTAL State Costs by Category	\$1,981,474	\$
B. State Costs by Source of Funds		
GPR	0	
FED	130,777	
PRO/PRS		
SEG/SEG-S	1,850,697	
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	\$1,981,474	\$
NET CHANGE IN REVENUE	\$	\$
Agency/Prepared By		
Authorized Signature		Date
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Paul Hanks (608) 266-1729		