

APPENDIX

WISCONSIN EMPLOYMENT RELATIONS COMMISSION
MINIMUM QUALIFIED ECONOMIC OFFER CALCULATION

Note: 1993 Wis. Act 16 required the Wisconsin employment relations commission to create forms by which the components of a minimum qualified economic offer could be established and measured. Act 16 does not allow the cost of a qualified economic offer to be based upon the actual cost of such an offer to the employes actually employed during the term of the contract. Instead, the Act requires that the cost of the offer be evaluated by assuming a fixed employe complement is present during the term of the contract.

FORM A

This form and Form B must be provided by the district to the labor organization 60 days prior to contract expiration, or whenever a qualified economic offer is made, whichever is earlier.

Note: If the base year salary and fringe benefit costs cannot be established because the parties have not reached voluntary agreement for the period prior to July 1, 1993, or have not submitted single ultimate final offers for the period prior to July 1, 1993, then Forms A and B must be provided to the labor organization within 60 days of the voluntary agreement or the commission's certification of results of investigation. If the parties have submitted single ultimate final offers, Forms A and B shall be completed for each offer.

DEVELOPING A MINIMUM QUALIFIED ECONOMIC OFFER

Developing Employee Base

1. If you are bargaining a contract with a term commencing July 1, 1993 or after, identify all professional school district employes (as defined by Sec. 111.70 (1) (nc), Stats.) who were represented by the labor organization for the purposes of collective bargaining and contract administration on the 90th day prior to the expiration of the current/most recently expired bargaining agreement. Professional school district employes who were employed on the 90th day but who thereafter retire, resign or are terminated prior to the expiration of the current/most recently expired contract are included. Professional school district employes on layoff, sick leave or leave of absence must be included if they continue to be represented by the labor organization for the purposes of collective bargaining and contract administration. Professional school district employes who are replacing employes who are in leave status are not included unless they are represented by the labor organization for the purposes of collective bargaining and contract administration in the same bargaining unit as the employe being replaced. If you are bargaining a contract with a term commencing anytime from July 1, 1992 through June 30, 1993, use April 2, 1993, as your identification date.

Developing Fringe Base

2. If you are bargaining a contract with a term commencing July 1, 1993 or after, identify all fringe benefits and your percentage contribution toward the cost thereof as such benefits and contributions existed on the 90th day prior to the expiration of the current/most recently expired agreement, or the 90th day prior to the date on which your negotiations actually commenced if there is no previous collective bargaining agreement between the parties. If your fringe benefit contribution level is expressed as a dollar amount, convert

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the dollar amount to a percentage for the purposes of this calculation. If you are bargaining a contract with a term commencing anytime from July 1, 1992 through June 30, 1993, use April 2, 1993, as your identification date.

Total Base Cost Calculation

3. If you are bargaining a contract with a term commencing July 1, 1993, or after, using the employees identified in Step 1 and the fringe benefits and employer percentage contribution levels identified in Step 2, complete Form B to calculate the employer cost of compensation and fringe benefits for the year preceding the expiration date specified in your current/most recently expired contract. For the purposes of this calculation, assume that any cost increase incurred during the year was in effect for the entire year. In your calculation, you must include the cost of any benefits Step 1 employees who retire will receive/received prior to the expiration of your current/most recently expired contract. Do not include the cost of providing benefits to employees who retired before the 90th day prior to the expiration of the current/most recently-expired contract. If you are bargaining a contract with a term commencing anytime from July 1, 1992, through June 30, 1993, perform the calculation for the year preceding July 1, 1993. Enter the total base year salary and fringe benefit costs from Form B here.

Salary _____
 Fringe _____
 Total _____

QEO 1 Dollar Amounts

4. Calculate 3.8%, 2.1% and 1.7% your step 3 total and enter here
 3.8% = _____ 2.1% = _____ 1.7% = _____

For the purposes of the following calculations, *do not* assume any change in: (1) the identity of step 1 employees; (2) the level of service they provide to the district or (3) the fringe benefits step 1 employees received or the applicable employer % contribution level. *Do* assume that any cost increase incurred during the year was in effect for the entire year.

QEO 1 Fringe Benefit Calculation

5. Using the same employees identified in Step 1 and the fringe benefits and employer percentage contribution levels identified in Step 2, calculate the actual employer cost of maintaining the fringe benefits and employer percentage contribution levels for the first 12-month period following the stated expiration date in the current/most recently expired contract. If your contract will have a duration of less than 12 months, prorate your cost calculation to reflect your actual contract duration, if appropriate. Enter this cost here and on Form B, QEO 1, fringe benefit cost. _____
6. Subtract your Step 3 base fringe benefit cost from your Step 5 cost and calculate the result as a percentage of your total Step 3 base year cost. Enter the result here and on Form B, QEO 1, fringe benefit percentage. _____

QEO 1 Step Calculation

7. For the first 12-month period following the stated expiration date in the current/most recently expired contract, calculate the total additional cost of providing each employe identified in Step 1 with any salary increase to which they would be entitled by virtue of an additional year of service on the salary schedule (longevity is to be included if part of salary schedule). Enter this cost here and on Form B, QEO 1, steps _____.
8. Calculate your Step 7 cost as a percentage of the total Step 3 base year cost. Enter the result here. _____

QEO 1 Promotion/Lane Calculation

9. Calculate any increase in salary received by Step 1 employes due to promotions or additional professional qualifications during the year preceding the stated expiration date of the current/most recently expired contract. Enter this cost here and on Form B, QEO 1, lanes/promotions. _____
10. Calculate your Step 9 cost as a percentage of your total Step 3 base year cost. Enter the result here. _____

End of first year QEO calculation

If you are bargaining a contract with a duration of 12 months or less, stop and proceed to the Qualified Economic Offer Instruction, Form C.

Start of second year QEO calculation**Total QEO 1 Base Cost Calculation**

11. Repeat Step 3 for the first 12-month period following the stated expiration date of your current/most recently-expired contract. Enter the total QEO 1 salary and fringe benefit costs from Form B here.

Salary _____

Fringe _____

Total _____

QEO 2 Dollar Amounts

12. Calculate 3.8%, 2.1% and 1.7% of your Step 11 total and enter here:

3.8% = 2.1% = _____ 1.7% = _____

QEO 2 Fringe Benefit Calculation

If your contract will have a duration of less than 24 months, prorate your QEO 2 cost calculation to reflect your actual contract duration, if appropriate.

13. Repeat Step 5 for the second 12-month period following the stated expiration date in the current/most recently-expired contract. Enter this cost here and on Form B, QEO 2, fringe benefit cost.
- _____

14. Subtract your Step 5 fringe benefit cost from your Step 13 cost and calculate the result as a percentage of your Step 11 total QEO 1 cost. Enter the result here and on QEO 2, Form B, fringe benefit percentage.
- _____

QEO 2 Step Calculation

15. Repeat Step 7 step calculation for the second 12-month period following the stated expiration date in the current/most recently-expired contract. Enter the cost here and on Form B, QEO 2, steps
- _____.

16. Calculate your Step 15 cost as a percentage of your Step 11 total QEO 1 cost. Enter the result here _____.

QEO 2 Promotion/Lane Calculation

17. Repeat the amount calculated in Step 9 lane for the second 12-month period following the stated expiration date in the current/most recently-expired contract. Enter this cost here and on Form B, QEO 2, Lanes/Promotions _____.
18. Calculate your Step 17 cost as a percentage of your Step 11 total QEO 1 cost. Enter the result here _____.

Proceed to the qualified economic offer instruction form C.

WISCONSIN EMPLOYMENT RELATIONS COMMISSION

FORM B

This Form and Form A must be provided by the district to the labor organization 60 days prior to contract expiration, or whenever a qualified economic offer is made, whichever is earlier.¹

<u>Salary</u>	<u>Base Year</u>	<u>QEO1²</u>	<u>QEO2²</u>
Salary Scheduled (For the base year, include base year step costs but don't include new lane costs incurred during the base year)		3	4
Additional QEO Salary Schedule Cost	XXXX		
Additional Step Advancement	XXXX		
Additional Lane Advancement/Promotions			
Salary Subtotal			
Longevity (include here if not on salary schedule)			
Extended Contracts			
Co-Curricular Pay			
Extra Duty Pay			
Athletic Events			
Department Head			
Curricular Work			
Overload Pay			
M-Team			
IEP			
Supervision			
Other			
Total Extra Duty Pay			
Summer School			
Severance Pay			
Sick Leave Payout			
Other			
Total Salary Cost			

	<u>Base Year</u>	<u>QE01</u>	<u>QE02</u>
Fringe Benefit Costs			
Credit Reimbursement ⁵	_____	_____	_____
Social Security	_____	_____	_____
Retirement	_____	_____	_____
Health Insurance			
No. S _____ No. F _____	_____	_____	_____
Employer % Contribution			
Level S _____ F _____	_____	_____	_____
Dental Insurance			
No. S _____ No. F _____	_____	_____	_____
Employer % Contribution			
Level S _____ F _____	_____	_____	_____
Vision Insurance			
No. S _____ No. F _____	_____	_____	_____
Employer % Contribution			
Level S _____ F _____	_____	_____	_____
Life Insurance			
Employer % Contribution			
Level _____	_____	_____	_____
Disability Insurance			
Employer % Contribution			
Level _____	_____	_____	_____
Long-Term Care Insurance			
Employer % Contribution			
Level _____	_____	_____	_____
Other _____	_____	_____	_____
Total Fringe Benefit Cost	_____	_____	_____
Total Salary and Fringe Benefit Cost	_____	_____	_____
QE01 Increased/decreased salary cost as a percentage of base year total salary and fringe benefit cost		_____	_____
QE01 Increased/decreased fringe benefit cost as a percentage of base year total salary and fringe benefit cost		_____	_____
QE02 Increased/decreased salary cost as a percentage of QE01 total salary and fringe benefit cost			_____
QE02 Increased/decreased fringe benefit cost as a percentage of QE01 total salary and fringe benefit cost			_____

Attach a chart identifying the number of base year employees at each step and lane on any existing salary schedule

We swear that we completed this form in as accurate a manner as possible.

Superintendent/
Business Manager

Date

Treasurer

Date

¹If the base year salary and fringe benefit costs cannot be established because the parties have not reached voluntary agreement for the period prior to July 1, 1993, or have not submitted single ultimate final offers for the period prior to July 1, 1993, then Forms A and B must be provided to the labor organization within 60 days of the voluntary agreement or the commission's certification of results of investigation. If the parties have submitted single ultimate final offers, Forms A and B shall be completed for each offer.

²The QEO1 and 2 salary costs will remain the same as the base year costs for lane advancement/promotions, longevity (if not a step), extended contracts, co-curricular pay, extra duty pay, summer school, severance pay, sick leave payout, etc. unless the rate of compensation increases due to an increase in the salary schedule or an additional year of service entitles base year employee(s) to additional compensation.

³Enter base year salary subtotal

⁴Enter QEO1 salary subtotal

⁵The QEO1 and QEO2 credit reimbursement costs will remain the same as the base year costs unless the rate of reimbursement increases due to an increase in the salary schedule.

**WISCONSIN EMPLOYMENT RELATIONS COMMISSION
QUALIFIED ECONOMIC OFFER INSTRUCTIONS****FORM C**

Utilize the following instructions to determine the components of a minimum qualified economic offer.¹

Note: If payment of any appropriate salary increase would raise your fringe benefit costs (due to resultant social security and retirement cost increases) above 1.7% of the step 3 (base cost), then reduce the salary increase in the amount necessary to keep the combined cost of fringe benefits, steps, lanes/promotions, and average salary increase at 3.8% of the step 3 (base cost).

When calculating any appropriate salary increase or decrease, include any increased or decreased salary cost in extended contracts, co-curricular pay, extra duty pay, etc., which is produced by salary schedule increases or decreases or payment of steps or lanes.

1. Complete Forms A and B.
2. Using the information on Form A, determine how the law requires you to proceed by identifying the cost combination which applies to the first 12-month period of your offer. If your contract has a duration of less than 12 months, you may need to prorate any salary increases or decreases.
 - A. If the cost identified by Step 6 (fringe benefits) is 1.7% or less than Step 3 (base cost) and the cost identified by Steps 8 (steps) and 10 (promotions/lanes) are less than 2.1% of Step 3 (base cost), you must do the following for all employes who are actually represented by the labor organization for the purposes of collective bargaining and contract administration.
 1. Maintain all fringe benefits identified on Form B and the district's percentage contribution toward the cost thereof.
 2. Pay all eligible employes any salary increase to which they are entitled by virtue of an additional year of service on the salary schedule. Include longevity payments if they are part of the salary schedule.
 3. Pay all eligible employes any salary increase to which they are entitled by virtue of a promotion or additional professional qualifications.
 4. Pay an average salary increase to all employes in an amount determined by the difference between 2.1% of Step 3 (base cost) and the combined cost of Steps 8 (steps) and 10 (promotions/lanes) and in a manner which does not alter the relationship between steps and lanes in your existing salary structure. The options available for distribution of the general salary increase are a uniform dollar amount increase on each salary cell; or a uniform % increase to each salary cell; or an increase in the base which increases each cell in accordance with the existing salary structure. Use the option which does not alter your existing salary structure as reflected by the existing relationship between steps and lanes.

- B. If the cost identified by Step 6 (fringe benefits) is more than 1.7% of the Step 3 (base cost) but the combined cost identified by Steps 6 (fringe benefits), 8 (steps) and 10 (promotions/lanes) is less than 3.8% of the Step 3 (base cost), you must do the following for all employes who are actually represented by the labor organization for the purposes of collective bargaining and contract administration.
1. Maintain all fringe benefits identified on Form B and the district's percentage contribution toward the cost thereof.
 2. Pay all eligible employes any salary increase to which they are entitled by virtue of an additional year of service on the salary schedule. Include longevity payments if they are part of the salary schedule.
 3. Pay all eligible employes any salary increase to which they are entitled by virtue of a promotion or additional professional qualifications.
 4. Pay an average salary increase to all employes in an amount determined by the difference between 3.8% of Step 3 (base cost) and the combined cost of Steps 6 (fringe benefits), 8 (steps) and 10 (promotions/lanes) and in a manner which does not alter the relationship between steps and lanes in your existing salary structure. The options available for distribution of the general salary increase are a uniform dollar amount increase on each salary cell; or a uniform % increase to each salary cell; or an increase in the base which increases each cell in accordance with the existing salary structure. Use the option which does not alter your existing salary structure as reflected by the existing relationship between steps and lanes.
- C. If the combined cost identified by Steps 6 (fringe benefits), 8 (steps) and 10 (promotions/lanes) is 3.8% or less than Step 3 (base cost) and the cost identified by Step 8 (steps) is less than 2.1% of Step 3 (base cost) and the cost of Steps 8 (steps) and 10 (promotions/lanes) is 2.1% of Step 3 (base cost), you must do the following for all employes who are actually represented by the labor organization for the purposes of collective bargaining and contract administration.
1. Maintain all fringe benefits identified on Form B and the district's percentage contribution toward the cost thereof.
 2. Pay all eligible employes any salary increase to which they are entitled by virtue of an additional year of service on the salary schedule. Include longevity payments if they are part of the salary schedule.
 3. Pay all eligible employes any salary increase to which they are entitled by virtue of a promotion or additional professional qualifications.

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D. If the cost identified by Step 6 (fringe benefits) is 1.7% or less than Step 3 (base cost), and the cost identified by Step 8 (steps) is less than 2.1% of Step 3 (base cost) but the cost identified by Steps 8 (steps) and 10 (promotions/lanes) is more than 2.1% of Step 3 (base cost), then you must do the following for all employees who are actually represented by the labor organization for the purposes of collective bargaining and contract administration.

1. Maintain all fringe benefits identified on Form B and the district's percentage contribution toward the cost thereof.
2. Pay all eligible employees any salary increase to which they are entitled by virtue of an additional year of service on the salary schedule. Include longevity payments if they are part of the salary schedule.
3. Calculate the prorated portion of Step 9 (promotions/lanes) which can be funded by 2.1% minus the cost identified in Step 8 (steps). To identify the proration percentage, identify the amount of money available to fund promotions/lanes and divide by the amount of money necessary to fully fund promotions/lanes.

Pay the same prorated salary increase to all eligible employees entitled thereto by virtue of an additional promotion or the additional attainment of professional qualifications. For example, if the foregoing calculation would allow payment of one-half of the Step 9 (promotions/lanes) salary increase to eligible Step 1 employees, you must pay one-half of the salary increase to which your actual employees are entitled by virtue of promotions/additional qualifications during the first 12 months of your offer.

E. If the cost identified by Step 6 (fringe benefits) is 1.7% or less than Step 3 (base cost) and the cost identified by Step 8 (steps) is 2.1% of Step 3 (base cost), you must do the following for all employees who are actually represented by the labor organization for the purposes of collective bargaining and contract administration.

1. Maintain all fringe benefits identified on Form B and the district's percentage contribution toward the cost thereof.
2. Pay all eligible employees any salary increase to which they are entitled by virtue of an additional year of service on the salary schedule. Include longevity payments if they are part of the salary schedule.

F. If the cost identified by Step 8 (steps) is more than 2.1% of Step 3 (base cost) or the combined costs identified by Steps 6 (fringe benefits) and 8 (steps) are more than 3.8% of Step 3 (base cost), then you must do the following for all employees who are actually represented by the labor organization for the purposes of collective bargaining and contract administration.

1. Maintain all fringe benefits identified on Form B and the district's percentage contribution toward the cost thereof.
2. Calculate the prorated portion of the Step 7 (steps) increase which could be funded by the lesser of:

- a. Step 7 cost (steps) minus the amount by which the Step 7 cost (steps) exceeds 2.1% of Step 3 (base costs).

or

- b. 2.1% of Step 3 (base cost) minus the amount by which the Step 5 cost (fringe benefits) exceeds 1.7% of Step 3 (base cost).

To identify the proration percentage, identify the amount of money available to fund steps and divide by the amount of money necessary to fund a full step for all eligible employes.

Pay the same prorated salary increase to all eligible employes entitled thereto by virtue of an additional year of employment on the salary schedule. Include longevity payments if they are part of the salary schedule. For example, if the foregoing calculation would allow payment of half of the Step 7 (steps) salary increase to eligible Step 1 employes, you must pay one-half of the salary increase to which any of your actual employes are entitled by virtue of an additional year of service on the salary schedule during the first 12 months of your offer.

- G. If the cost identified by Step 6 (fringe benefits) is 3.8% of Step 3 (base cost), you must do the following for all employes who are actually represented by the labor organization for the purposes of collective bargaining and contract administration.

1. Maintain all fringe benefits identified on Form B and the district's percentage contribution toward the cost thereof.

- H. If the cost identified by Step 6 (fringe benefits) is more than 3.8% of Step 3 (base cost), then you must do the following for all employes who are actually represented by the labor organization for the purposes of collective bargaining and contract administration.

1. Maintain all fringe benefits identified on Form B and the district's percentage contribution toward the cost thereof.

2. You may decrease the salary of all employes in an amount determined by the difference between the cost identified by Step 6 (fringe benefits) and 3.8% of Step 3 (base cost) and in a manner which does not alter the relationship between steps and lanes on your existing salary structure. The options available for distribution of the average salary decrease are a uniform dollar amount decrease on each salary cell; or a uniform % decrease on each salary cell; or a decrease in the base which decreases each cell in accordance with the existing salary structure.

For the second year or portion thereof, repeat your evaluation of options a-h utilizing the costs identified in steps 13-18 of Form A

FORM D

Pursuant to s. 111.70(4) (cm)8s, stats., the municipal employer shall file a completed copy of this form with the Wisconsin employment relations commission and the labor organization as soon as possible after the effective date of any collective bargaining agreement covering school district professional employees for any period after June 30, 1993.

Name of school district _____

Name of labor organization _____

Date agreement became effective _____

Period after June 30, 1993 covered by the agreement _____

Total increased percentage salary cost for each 12-month period of the post-June 30, 1993 period¹ _____

Total increased percentage fringe benefit cost for each 12-month period of the post-June 30, 1993, period¹ _____

Dated this _____ day of _____, 199__.

By _____
(a)

¹Calculate these costs using the same method and employees used to complete commission Forms A and B.