



## Fiscal Estimate Narratives

DER 5/5/2003

LRB Number	03-1214/1	Introduction Number	SB-142	Estimate Type	Original
<b>Subject</b>					
Professional fiscal and staff services 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 FLSA Exempt employees. For this reason, these employees, along with employees in a classification series that, through the reclassification process, will attain FLSA Exempt status, 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 \$23.720 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 1,575 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:

\$17,284,046 State Operations - Salaries and Fringes

\$7,938,562 GPR State Cost

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<b>SUMMARY TOTALS</b>					
	Total FTE:	4,535.71			
	Base Payroll:	\$205,890,320			
<b>FISCAL YEAR</b>	<b>ALL FUNDS WITHOUT FRINGE</b>	<b>ALL FUNDS WITH FRINGE</b>	<b>GPR WITH FRINGE</b>	<b>OTHER FUNDS WITH FRINGE</b>	
<b>2001-2002</b>	1st Year Cost	\$165,156	\$200,170	\$91,938	\$108,232
	1st Year Cost in 2nd Year	\$193,528	\$234,557	\$107,732	\$126,825
<b>2002-2003</b>	2nd Year Cost	\$7,643,073	\$9,263,410	\$4,254,684	\$5,008,726
<b>Biennial Total</b>		<u>\$8,001,757</u>	<u>\$9,698,137</u>	<u>\$4,454,354</u>	<u>\$5,243,783</u>

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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.

**1) FISCAL YEAR INCREASES:**

- A) **FY02:** Effective July 1, 2001, 1.0% general wage adjustment (GWA), limited to the 2001-2002 pay range maximum, for employees in positions that are both FLSA-nonexempt and not expected to become FLSA-nonexempt within the same classification series. All positions in the Excise Tax Agent series also receive this 1.0% GWA. The amount of the 1.0% GWA not received due to limitation by the pay range maximum is paid as an annualized lump sum, prorated by FTE.
- FY03:** Effective June 30, 2002, 2.0% GWA, limited to the new pay range maximum. The amount of the 2.0% GWA not received due to limitation by the pay range maximum is paid as a lump sum, based on 2000 hours, and prorated by FTE.
- FY03:** Effective April 20, 2003, a 2.5% GWA limited to the new pay range maximum. The amount of the 2.5% GWA not received due to limitation by the pay range maximum is paid as a lump sum, based on 400 hours, and prorated by FTE.

<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>
<b>2001-2002</b>	1st Year Cost \$163,060	\$197,629	\$90,771	\$106,858
	1st Year Cost in 2nd Year \$162,573	\$197,039	\$90,500	\$106,539
<b>2002-2003</b>	2nd Year Cost \$5,000,417	\$6,060,506	\$2,783,590	\$3,276,916
<b>Biennial Total</b>	<u>\$5,326,050</u>	<u>\$6,455,174</u>	<u>\$2,964,861</u>	<u>\$3,490,313</u>

- B) **FY02:** Lump sum payment, equal to 1.0% of base pay multiplied by 2088 hours, prorated by FTE, for employees in the Revenue Field Agent 1 or 2 classifications
- FY03:** Lump sum payment, equal to 1.0% of base pay multiplied by 2088 hours, prorated by FTE, for employees in the Revenue Field Agent 1 or 2 classifications

<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>
<b>2001-2002</b>	1st Year Cost \$2,096	\$2,541	\$1,167	\$1,374
	1st Year Cost in 2nd Year \$0	\$0	\$0	\$0
<b>2002-2003</b>	2nd Year Cost \$2,096	\$2,541	\$1,167	\$1,374
<b>Biennial Total</b>	<u>\$4,192</u>	<u>\$5,082</u>	<u>\$2,334</u>	<u>\$2,748</u>

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**C) FY03: Semi-automatic pay progression for employees in the Excise Tax Agent-Senior or Special Agent-Senior classifications. Includes 1st Year in 2nd Year cost for progression agency-funded in the first year only.**

<b>FISCAL YEAR</b>	<b>ALL FUNDS WITHOUT FRINGE</b>	<b>ALL FUNDS WITH FRINGE</b>	<b>GPR WITH FRINGE</b>	<b>OTHER FUNDS WITH FRINGE</b>
<b>2001-2002</b>	1st Year Cost \$0	\$0	\$0	\$0
	1st Year Cost in 2nd Year	\$30,955	\$17,232	\$20,286
<b>2002-2003</b>	2nd Year Cost	\$12,387	\$6,896	\$8,118
<b>Biennial Total</b>		<u>\$43,342</u>	<u>\$24,128</u>	<u>\$28,404</u>

**D) FY03: Effective July 14, 2002, reassignment of all classifications (except Special Agent and Excise Tax Agent series) to new broadband pay ranges. Pay is increased to the new broadband pay range minimum as necessary.**

<b>FISCAL YEAR</b>	<b>ALL FUNDS WITHOUT FRINGE</b>	<b>ALL FUNDS WITH FRINGE</b>	<b>GPR WITH FRINGE</b>	<b>OTHER FUNDS WITH FRINGE</b>
<b>2001-2002</b>	1st Year Cost \$0	\$0	\$0	\$0
	1st Year Cost in 2nd Year	\$0	\$0	\$0
<b>2002-2003</b>	2nd Year Cost	\$529,755	\$294,900	\$347,164
<b>Biennial Total</b>		<u>\$529,755</u>	<u>\$294,900</u>	<u>\$347,164</u>

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E)

**FY03: Effective July 14, 2002, broadband placement: Employees in classifications formerly assigned to pay ranges 11, 13, or 16 are guaranteed a pay rate at least 8% above the applicable new broadband minimum. Employees in classifications formerly assigned to pay ranges 14 or 17 are guaranteed a pay rate at least 16% above the applicable new broadband minimum. Exceptions: Revenue Agent 4, Revenue Field Agent 4 and Public Utility Financial Analyst-Principal are guaranteed 8% above the new broadband minimum. Revenue Field Agent 5 is guaranteed 16% above the new broadband minimum. Revenue Agent 3, Revenue Field Agent 3, Paralegal-Advanced and Public Utility Financial Analyst-Advanced are guaranteed the minimum of their assigned broadband.**

<b>FISCAL YEAR</b>	<b>ALL FUNDS WITHOUT FRINGE</b>	<b>ALL FUNDS WITH FRINGE</b>	<b>GPR WITH FRINGE</b>	<b>OTHER FUNDS WITH FRINGE</b>
<b>2001-2002</b>	1st Year Cost \$0 1st Year Cost \$0	\$0 \$0	\$0 \$0	\$0 \$0
<b>2002-2003</b>	2nd Year Cost \$301,524	\$365,448	\$167,850	\$197,598
<b>Biennial Total</b>	<u>\$301,524</u>	<u>\$365,448</u>	<u>\$167,850</u>	<u>\$197,598</u>

**F) FY03: Effective December 29, 2002, employees in the Paralegal-Advanced classification with 13 or more years seniority receive a base pay increase of \$1.00/hr, limited by the pay range maximum.**

<b>FISCAL YEAR</b>	<b>ALL FUNDS WITHOUT FRINGE</b>	<b>ALL FUNDS WITH FRINGE</b>	<b>GPR WITH FRINGE</b>	<b>OTHER FUNDS WITH FRINGE</b>
<b>2001-2002</b>	1st Year Cost \$0 1st Year Cost \$0	\$0 \$0	\$0 \$0	\$0 \$0
<b>2002-2003</b>	2nd Year Cost \$6,264	\$7,592	\$3,487	\$4,105
<b>Biennial Total</b>	<u>\$6,264</u>	<u>\$7,592</u>	<u>\$3,487</u>	<u>\$4,105</u>

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G) FY03: Effective December 29, 2002, a pay equity stratification, based on seniority, for employees previously in pay ranges 10 through 19 whose classifications were reassigned to broadband pay ranges on July 14, 2002. Excluded from this adjustment are employees eligible for pay progression. Seniority: 0-7 years=\$0.45/hr; 8-15 yrs=\$0.70/hr; 16-21 yrs=\$0.95/hr; 22 or more years=\$1.20/hr; limited by the pay range maximum.

<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>
2001-2002	1st Year Cost \$0 1st Year Cost in 2nd Year \$0	\$0 \$0	\$0 \$0	\$0 \$0
2002-2003	2nd Year Cost \$1,343,906	\$1,628,815	\$748,115	\$880,700
<b>Biennial Total</b>	<b>\$1,343,906</b>	<b>\$1,628,815</b>	<b>\$748,115</b>	<b>\$880,700</b>

H) FY03: Effective December 29, 2002, a market adjustment for Fiscal and Information Systems employees who were in pay status on July 14, 2002, and in a class assigned to pay range 1, 2, 40, 77, 78, or 79, prior to the implementation of broadbanding. Excluded from this adjustment are employees eligible for pay progression. \$0.10/hr if less than 15 years seniority;\$0.30/hr if 15 or more years of seniority.

<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>
2001-2002	1st Year Cost \$0 1st Year Cost in 2nd Year \$0	\$0 \$0	\$0 \$0	\$0 \$0
2002-2003	2nd Year Cost \$436,844	\$529,455	\$243,179	\$286,276
<b>Biennial Total</b>	<b>\$436,844</b>	<b>\$529,455</b>	<b>\$243,179</b>	<b>\$286,276</b>

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D) FY03: Payable December 29, 2002, a lump sum payment of \$260 for employees in the Special Agent-Senior or Excise Tax Agent-Senior classifications who were at the maximum pay progression rate as of June 30, 2002.

<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>
2001-2002	1st Year Cost \$0	\$0	\$0	\$0
	1st Year Cost \$0	\$0	\$0	\$0
	in 2nd Year			
2002-2003	2nd Year Cost \$9,880	\$11,975	\$5,500	\$6,475
<b>Biennial Total</b>	<b>\$9,880</b>	<b>\$11,975</b>	<b>\$5,500</b>	<b>\$6,475</b>

J) Paid Annual Leave of Absence: Provides accelerated vacation schedule for FLSA Exempt employees. For this reason, these employees, along with employees in a classification series that, through the reclassification process, will attain FLSA Exempt status, 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 \$23.720 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 1,575 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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**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.

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

**The following are expenses to be funded from agency budgets:**

<b>Effective Date</b>	<b>Classification/Change</b>
7/1/01 - 6/29/02	Excise Tax Agent-Senior/Special Agent-Senior semi-automatic progression adjustments
7/1/01 - 6/30/03	Excise Tax Agent/Special Agent semi-automatic progression adjustments
7/1/01 - 7/13/02	Non-broadbanded entry-level Information Systems semi-automatic progression adjustments
7/1/01 - 7/13/02	Non-broadbanded entry-level Fiscal semi-automatic progression adjustments
7/14/02 - 6/30/03	Annual pay progression for many entry-level classifications in broadband pay ranges
6/30/02 - 6/30/03	Any equity adjustment provided upon reassessment of placement of certain Special Agents per contract Memorandum of Understanding
06/30/2002	FY 2001-2002 Length of Service Payment
06/30/2003	FY 2002-2003 Length of Service Payment

## Fiscal Estimate Worksheet - 2003 Session

Detailed Estimate of Annual Fiscal Effect

Original
  Updated
  Corrected
  Supplemental

LRB Number <b>03-1214/1</b>		Introduction Number <b>SB-142</b>	
<b>Subject</b>			
Professional fiscal and staff services collective bargaining agreement			
<b>I. One-time Costs or Revenue Impacts for State and/or Local Government (do not include in annualized fiscal effect):</b>			
<b>II. Annualized Costs:</b>		<b>Annualized Fiscal Impact on funds from:</b>	
		Increased Costs	Decreased Costs
<b>A. State Costs by Category</b>			
State Operations - Salaries and Fringes	\$9,698,137		
(FTE Position Changes)			
State Operations - Other Costs			
Local Assistance			
Aids to Individuals or Organizations			
<b>TOTAL State Costs by Category</b>	<b>\$9,698,137</b>		<b>\$</b>
<b>B. State Costs by Source of Funds</b>			
GPR	4,454,354		
FED			
PRO/PRS	5,243,783		
SEG/SEG-S			
<b>III. State Revenues - Complete this only when proposal will increase or decrease state revenues (e.g., tax increase, decrease in license fee, etc.)</b>			
	Increased Rev	Decreased Rev	
GPR Taxes	\$	\$	
GPR Earned			
FED			
PRO/PRS			
SEG/SEG-S			
<b>TOTAL State Revenues</b>	<b>\$</b>	<b>\$</b>	
<b>NET ANNUALIZED FISCAL IMPACT</b>			
	State	Local	
NET CHANGE IN COSTS	\$9,698,137	\$	
NET CHANGE IN REVENUE	\$	\$	
<b>Agency/Prepared By</b>			
DER/ John Vincent (608) 266-1729		<b>Authorized Signature</b>	
		Elizabeth Reinwald (608) 266-0746	
<b>Date</b>			
1/30/2003			