

Fiscal Estimate - 2003 Session

Original Updated Corrected Supplemental

LRB Number **03-2193/1** **Introduction Number** **AB-218**

Subject
2001-03 collective bargaining agreement covering employees in the professional education collective bargaining unit

Fiscal Effect

State:

No State Fiscal Effect
 Indeterminate
 Increase Existing Appropriations Increase Existing Revenues
 Decrease Existing Appropriations Decrease Existing Revenues
 Create New Appropriations

Increase Costs - May be possible to absorb within agency's budget
 Yes No
 Decrease Costs

Local:

No Local Government Costs
 Indeterminate

1. Increase Costs 3. Increase Revenue
 Permissive Mandatory Permissive Mandatory

2. Decrease Costs 4. Decrease Revenue
 Permissive Mandatory Permissive Mandatory

5. Types of Local Government Units Affected
 Towns Village Cities
 Counties Others 0
 School Districts WTCS Districts

Fund Sources Affected **Affected Ch. 20 Appropriations**

GPR FED PRO PRS SEG SEGS 20.865 (1)

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Fiscal Estimate Narratives

DER 4/1/2003

LRB Number	03-2193/1	Introduction Number	AB-218	Estimate Type	Original
Subject					
2001-03 collective bargaining agreement covering employees in the professional education collective bargaining unit					

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 all employees. For this reason these employees 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 \$22.993 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 250 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:
\$2,601,507 State Operations - Salaries and Fringes
\$1,194,872 GPR State Cost

SUBJECT: WAGE INCREASES IN 2001-2003 CONTRACT AGREEMENT

Wisconsin Education Association Council (13)

SUMMARY TOTALS					
		745.21			
Total FTE:					
Base Payroll:		\$34,526,183			
FISCAL YEAR		ALL FUNDS WITHOUT FRINGE	ALL FUNDS WITH FRINGE	GPR WITH FRINGE	OTHER FUNDS WITH FRINGE
2001-2002	1st Year Cost	\$0	\$0	\$0	\$0
	1st Year Cost in 2nd Year	\$0	\$0	\$0	\$0
2002-2003	2nd Year Cost	\$1,178,664	\$1,428,542	\$656,129	\$772,413
Biennial Total		<u>\$1,178,664</u>	<u>\$1,428,542</u>	<u>\$656,129</u>	<u>\$772,413</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) **FY03: Effective June 30, 2002, 2.0% general wage adjustment (GWA) for all eligible employees.**
- FY03: Effective April 6, 2003, 2.5% GWA for all eligible employees.**

FISCAL YEAR	ALL FUNDS WITHOUT FRINGE	ALL FUNDS WITH FRINGE	GPR WITH FRINGE	OTHER FUNDS WITH FRINGE
2001-2002	1st Year Cost \$0	\$0	\$0	\$0
	1st Year Cost in 2nd Year \$0	\$0	\$0	\$0
2002-2003	2nd Year Cost \$897,714	\$1,088,030	\$499,732	\$588,298
Biennial Total	<u>\$897,714</u>	<u>\$1,088,030</u>	<u>\$499,732</u>	<u>\$588,298</u>

- B) **Effective December 29, 2002: A market adjustment of \$0.36 per hour for all eligible employees.**

FISCAL YEAR	ALL FUNDS WITHOUT FRINGE	ALL FUNDS WITH FRINGE	GPR WITH FRINGE	OTHER FUNDS WITH FRINGE
2001-2002	1st Year Cost \$0	\$0	\$0	\$0
	1st Year Cost in 2nd Year \$0	\$0	\$0	\$0
2002-2003	2nd Year Cost \$280,080	\$339,457	\$155,913	\$183,544
Biennial Total	<u>\$280,080</u>	<u>\$339,457</u>	<u>\$155,913</u>	<u>\$183,544</u>

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- C) **Paid Annual Leave of Absence:** Provides accelerated vacation schedule for all employees. For this reason these employees 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 \$22.993 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 250 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.
- D) **Effective June 15, 2003,** a one-time market equity adjustment for identified employees who were not initially hired above the minimum of the pay range, unless agreed upon by the parties, and who are as of June 15, 2003, below the established threshold of the pay range.

FISCAL YEAR	ALL FUNDS WITHOUT FRINGE	ALL FUNDS WITH FRINGE	GPR WITH FRINGE	OTHER FUNDS WITH FRINGE
2001-2002	1st Year Cost \$0 1st Year Cost in 2nd Year \$0	\$0 \$0	\$0 \$0	\$0 \$0
2002-2003	2nd Year Cost \$870	\$1,055	\$485	\$570
Biennial Total	\$870	\$1,055	\$485	\$570

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.

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

SUBJECT: WAGE INCREASES IN 2001-2003 CONTRACT AGREEMENT

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The following are expenses to be funded from agency budgets:

<u>Effective Date</u>	<u>Classification/Change</u>
June 30, 2002	Length of Service Payment
June 30, 2003	Length of Service Payment

Fiscal Estimate Worksheet - 2003 Session

Detailed Estimate of Annual Fiscal Effect

Original
 Updated
 Corrected
 Supplemental

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Subject			
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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		\$1,428,542	
(FTE Position Changes)			
State Operations - Other Costs			
Local Assistance			
Aids to Individuals or Organizations			
TOTAL State Costs by Category		\$1,428,542	\$
B. State Costs by Source of Funds			
GPR		656,129	
FED			
PRO/PRS		772,413	
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, ets.)			
		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		\$1,428,542	\$
NET CHANGE IN REVENUE		\$	\$
Agency/Prepared By		Authorized Signature	Date
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