

Fiscal Estimate - 2003 Session

Original
 Updated
 Corrected
 Supplemental

LRB Number 03-0467/1	Introduction Number AB-272
Subject School finance proposal	
Fiscal Effect	
State:	
<input type="checkbox"/> No State Fiscal Effect <input checked="" type="checkbox"/> Indeterminate	
<input type="checkbox"/> Increase Existing Appropriations <input type="checkbox"/> Decrease Existing Appropriations <input type="checkbox"/> Create New Appropriations	<input checked="" type="checkbox"/> Increase Existing Revenues <input type="checkbox"/> Decrease Existing Revenues <input checked="" type="checkbox"/> Increase Costs - May be possible to absorb within agency's budget <input checked="" type="checkbox"/> Yes <input type="checkbox"/> No <input type="checkbox"/> Decrease Costs
Local:	
<input type="checkbox"/> No Local Government Costs <input checked="" type="checkbox"/> Indeterminate	
1. <input checked="" type="checkbox"/> Increase Costs <input checked="" type="checkbox"/> Permissive <input type="checkbox"/> Mandatory 2. <input type="checkbox"/> Decrease Costs <input type="checkbox"/> Permissive <input type="checkbox"/> Mandatory	3. <input type="checkbox"/> Increase Revenue <input type="checkbox"/> Permissive <input type="checkbox"/> Mandatory 4. <input type="checkbox"/> Decrease Revenue <input type="checkbox"/> Permissive <input type="checkbox"/> Mandatory
5. Types of Local Government Units Affected <input checked="" type="checkbox"/> Towns <input checked="" type="checkbox"/> Village <input checked="" type="checkbox"/> Cities <input checked="" type="checkbox"/> Counties <input checked="" type="checkbox"/> Others <u>Any other municipal entities</u> <input checked="" type="checkbox"/> School Districts <input checked="" type="checkbox"/> WTCS Districts	
Fund Sources Affected	
<input checked="" type="checkbox"/> GPR <input type="checkbox"/> FED <input checked="" type="checkbox"/> PRO <input type="checkbox"/> PRS <input type="checkbox"/> SEG <input type="checkbox"/> SEGS 101, 134	
Affected Ch. 20 Appropriations	
Agency/Prepared By	Authorized Signature
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Date	
4/28/2003	

Fiscal Estimate Narratives

ERC 4/28/2003

LRB Number	03-0467/1	Introduction Number	AB-272	Estimate Type	Original
Subject					
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Assumptions Used in Arriving at Fiscal Estimate

AB-272 would likely increase the demand for WERC mediation services in labor disputes involving school district professional employees by eliminating the Qualified Economic Offer (QEO) exception to interest arbitration. In contract disputes subject to the QEO, the WERC's "investigation" role, which essentially is a mediation role, has been substantially abbreviated, comprising (1) a largely administrative determination that the employer's offer appears on its face to meet the statutory requirements of a QEO, and (2) a determination as to whether the parties are deadlocked in their negotiations. In many disputes, this relatively constricted role has left little room for mediation. Therefore, if the QEO exception is removed, the WERC would anticipate an increase in the amount of mediation services it provides in teacher contract disputes. We estimate that the increased time would encompass at least two professional FTE positions. If our present professional staff FTE were continued (i.e., 20, including three commissioners), we believe we could accommodate the increase in mediation work by implementing efficiencies in other uses of staff time. If the WERC's FTE is reduced, the agency could not accommodate the increased mediation work without reducing its level of services in all sectors.

AB-272 may also increase the number of interest arbitration petitions filed at the WERC. If the number of petitions were to increase, such increase would produce additional demand for WERC mediation services. An increased case load would produce additional filing fee revenue.

AB-272's elimination of an interest arbitrator's consideration of (1) local economic conditions, and (2) expenditure and revenue limitations may increase the number of interest arbitration cases won by a union and therefore the costs of local governments.

It is beyond this agency's expertise to offer an opinion about whether AB-272's complex changes in the manner in which school districts are financed, including its elimination of revenue limits, its explicit allocation of 41% of state sales and use taxes for public school aid, its regulation of school building projects, and its limitations on school district tax levies and their uses for salaries or benefits, will affect school districts' overall costs.

Long-Range Fiscal Implications