

Fiscal Estimate - 2003 Session

Original
 Updated
 Corrected
 Supplemental

LRB Number 03-3728/1	Introduction Number AB-656
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Subject
 2003-05 collective bargaining agreement covering employees in the professional patient care unit

Fiscal Effect

State:

<input type="checkbox"/> No State Fiscal Effect	<input type="checkbox"/> Increase Existing Revenues	<input checked="" type="checkbox"/> Increase Costs - May be possible to absorb within agency's budget <input type="checkbox"/> Yes <input checked="" type="checkbox"/> No
<input type="checkbox"/> Indeterminate	<input type="checkbox"/> Decrease Existing Revenues	
<input type="checkbox"/> Increase Existing Appropriations		<input type="checkbox"/> Decrease Costs
<input type="checkbox"/> Decrease Existing Appropriations		
<input type="checkbox"/> Create New Appropriations		

Local:

<input type="checkbox"/> No Local Government Costs		
<input type="checkbox"/> Indeterminate		
1. <input type="checkbox"/> Increase Costs	3. <input type="checkbox"/> Increase Revenue	5. Types of Local Government Units Affected <input type="checkbox"/> Towns <input type="checkbox"/> Village <input type="checkbox"/> Cities <input type="checkbox"/> Counties <input type="checkbox"/> Others <input type="checkbox"/> School Districts <input type="checkbox"/> WTCS Districts
<input type="checkbox"/> Permissive <input type="checkbox"/> Mandatory	<input type="checkbox"/> Permissive <input type="checkbox"/> Mandatory	
2. <input type="checkbox"/> Decrease Costs	4. <input type="checkbox"/> Decrease Revenue	
<input type="checkbox"/> Permissive <input type="checkbox"/> Mandatory	<input type="checkbox"/> Permissive <input type="checkbox"/> Mandatory	

Fund Sources Affected	Affected Ch. 20 Appropriations
<input checked="" type="checkbox"/> GPR <input checked="" type="checkbox"/> FED <input checked="" type="checkbox"/> PRO <input checked="" type="checkbox"/> PRS <input checked="" type="checkbox"/> SEG <input checked="" type="checkbox"/> SEGS 20.865(1)	

Agency/Prepared By OSER/ Susan Crawford (608) 266-2890	Authorized Signature Susan Crawford (608) 266-2890	Date 11/12/2003
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Fiscal Estimate Narratives

OSER 11/13/2003

LRB Number 03-3728/1	Introduction Number AB-656	Estimate Type Original
Subject 2003-05 collective bargaining agreement covering employees in the professional patient care 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 2003-2005 biennium. The annualized fiscal impact of these adjustments for 2005-2007 is provided below.

Paid Annual Leave of Absence: Provides accelerated vacation schedule for FLSA Exempt employees. For this reason, these employees are not eligible for the 1.0% GWA the second 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 \$22.135 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 312 FTE employees in the covered group with this seniority as of January 1, 2005. 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

2005-2007 per year fiscal impact:
\$7,450,517 State Operations - Salaries and Fringes
\$3,422,022 GPR State Cost

SUBJECT: WAGE INCREASES IN 2003-2005 CONTRACT AGREEMENT

United Professionals for Quality Health Care (11)

SUMMARY TOTALS					
		899.33			
Total FTE:					
Base Payroll:		\$45,801,739			
FISCAL YEAR		ALL FUNDS WITHOUT FRINGE	ALL FUNDS WITH FRINGE	GPR WITH FRINGE	OTHER FUNDS WITH FRINGE
2003-2004	1st Year Cost	\$343,965	\$416,886	\$0	\$416,886
	1st Year Cost in 2nd Year	\$687,929	\$833,770	\$0	\$833,770
	2nd Year Cost	\$6,060,646	\$7,345,506	\$3,373,791	\$3,971,715
2004-2005 Biennial Total		<u>\$7,092,540</u>	<u>\$8,596,162</u>	<u>\$3,373,791</u>	<u>\$5,222,371</u>

SUBJECT: WAGE INCREASES IN 2003-2005 CONTRACT AGREEMENT

United Professionals for Quality Health Care (11)

1) FISCAL YEAR INCREASES:

A) Anniversary Adjustments FY 03-04

Anniversary Adjustments are limited to the June 27, 2004 pay range maximum: Eligible employees whose base pay rate is below the grid endpoint receive an anniversary adjustment based on their adjusted continuous service date, equal to one grid move, on their anniversary effective date. Those employee's whose base pay rate is over the grid endpoint receive an adjustment equal to 1.5% of their base pay rate, effective on their anniversary effective date. Any adjustment that would cause a base pay rate to exceed the June 27, 2004 pay range maximum is paid as an FTE-annualized lump sum payment for all remaining hours in the fiscal year. A lump sum payment due to the delay in implementation of the Agreement is paid to employees whose pay was at or over the grid endpoint as of July 1, 2003. Annualized Lump Sum payments were not made prior to the contract effective date. This lump sum due to the delay is equal to the amount granted as a anniversary adjustment multiplied by the hours in pay status from July 1, 2003, through the effective date of the employees anniversary adjustment.

FISCAL YEAR	ALL FUNDS WITHOUT FRINGE	ALL FUNDS WITH FRINGE	GPR WITH FRINGE	OTHER FUNDS WITH FRINGE
2003-2004	1st Year Cost \$343,965 1st Year Cost in 2nd Year \$687,929	\$416,886 \$833,770	\$0 \$0	\$416,886 \$833,770
2004-2005	2nd Year Cost \$0	\$0	\$0	\$0
Biennial Total	\$1,031,894	\$1,250,656	\$0	\$1,250,656

B) Annual Leave Effective June 27, 2004

Paid Annual Leave of Absence: Provides accelerated vacation schedule for all employees. For this reason these employees are not receiving the 1.0% GWA in the second 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 \$22.135 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 312 FTE employees in the covered group with this seniority as of June 27, 2004. 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 kept employees on payroll after actual retirement or be cashed out at retirement or other termination.

FISCAL YEAR	ALL FUNDS WITHOUT FRINGE	ALL FUNDS WITH FRINGE	GPR WITH FRINGE	OTHER FUNDS WITH FRINGE
2003-2004	1st Year Cost \$0 1st Year Cost in 2nd Year \$0	\$0 \$0	\$0 \$0	\$0 \$0
2004-2005	2nd Year Cost \$0	\$0	\$0	\$0
Biennial Total	\$0	\$0	\$0	\$0

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C) Equity Adjustment effective June 27, 2004

One-time Equity adjustment for employees whose state service seniority is greater than their grid seniority level within their current pay range on the FY 03-04 grid. Any employee whose state service seniority level is greater than the pay grid level will move to the grid point associated with the seniority limited to grid level E for Non- Nurse Clinician employees and limited to grid level G for Nurse Clinician employees on the FY 03-04 grid.

FISCAL YEAR	ALL FUNDS WITHOUT FRINGE	ALL FUNDS WITH FRINGE	GPR WITH FRINGE	OTHER FUNDS WITH FRINGE
2003-2004	1st Year Cost \$0	\$0	\$0	\$0
	1st Year Cost in 2nd Year \$0	\$0	\$0	\$0
2004-2005	2nd Year Cost \$7,180	\$8,703	\$3,997	\$4,706
Biennial Total	\$7,180	\$8,703	\$3,997	\$4,706

D) One-Time Lump Sum Payment

All employees in bargaining unit in pay status on June 27, 2004, receive a one-time lump sum payment equal to \$2,400.00 prorated by budgeted FTE on June 27 2004.

FISCAL YEAR	WITHOUT FRINGE	FRINGE	GPR WITH FRINGE	FRINGE
2003-2004	1st Year Cost \$0	\$0	\$0	\$0
	1st Year Cost in 2nd Year \$0	\$0	\$0	\$0
2004-2005	2nd Year Cost \$2,158,397	\$2,615,978	\$1,201,519	\$1,414,459
Biennial Total	\$2,158,397	\$2,615,978	\$1,201,519	\$1,414,459

E) Nurse Clinician Reallocation and Grid Implementation Market Adjustments Effective June 27, 2004

Grid Implementation All employees are placed on the new grid implemented effective June 27, 2004. Employees are placed on the June 27, 2004 grid at the grid level in their associated pay range that corresponds to their current grid level. Those employees whose base pay rate is over the grid endpoint receive an adjustment equal either of the following: For Nurse Clinician classifications 6.5%, or for Non-Nurse Clinician classifications 3.0%, and adjustment of their current base pay rate, limited to the June 27, 2004 pay range maximum. Any adjustment that would cause a base pay rate to exceed the June 27, 2004 range maximum is paid as an FTE-annualized lump sum. The lump sum payment equals the hourly amount granted as a grid implementation adjustment, multiplied by the budgeted FTE on June 27, 2004, for the hours remaining in the fiscal year.

FISCAL YEAR	ALL FUNDS WITHOUT FRINGE	ALL FUNDS WITH FRINGE	GPR WITH FRINGE	OTHER FUNDS WITH FRINGE
2003-2004	1st Year Cost \$0	\$0	\$0	\$0
	1st Year Cost in 2nd Year \$0	\$0	\$0	\$0
2004-2005	2nd Year Cost \$2,221,764	\$2,692,778	\$1,236,793	\$1,455,985
Biennial Total	\$2,221,764	\$2,692,778	\$1,236,793	\$1,455,985

SUBJECT: WAGE INCREASES IN 2003-2005 CONTRACT AGREEMENT
United Professionals for Quality Health Care (11)

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F) Market Stratification for certain Non-Nurse Clinicians as follows:

Market Stratification Adjustment equal to a 1 grid level move or 1.5% for those over the grid endpoint (limited to the June 27, 2004 range maximum) for employees in the following classifications with 10 years or more state service seniority years as of June 27, 2004. Dietician Clinical, Nurse Specialist 1 and 2, Nursing Instructor 1 and 2, Nurse Consultant 1 and 2, Public Health Nurse 2 and 3, Therapist and Therapist Senior 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>
2003-2004	1st Year Cost \$0	\$0	\$0	\$0
	1st Year Cost in 2nd Year \$0	\$0	\$0	\$0
2004-2005	2nd Year Cost \$116,191	\$140,824	\$64,680	\$76,144
Biennial Total	\$116,191	\$140,824	\$64,680	\$76,144

G) FY 04-05 Anniversary Adjustments

Anniversary Adjustments limited to the applicable 04-05 pay range maximum: Eligible employees whose base pay rate is below the applicable grid endpoint receive an anniversary adjustment based on their adjusted continuous service date, equal to one grid move, on their anniversary effective date. Those employee's whose base pay is over the grid endpoint receive a adjustment equal to 1.5% of their base pay rate, effective on their anniversary effective date, limited to the applicable range maximum. Any adjustment that would cause a base pay rate to exceed the applicable maximum is paid as an FTE-annualized lump sum for all remaining hours in the fiscal year.

<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>
2003-2004	1st Year Cost \$0	\$0	\$0	\$0
	1st Year Cost in 2nd Year \$0	\$0	\$0	\$0
2004-2005	2nd Year Cost \$366,702	\$444,443	\$204,133	\$240,310
Biennial Total	\$366,702	\$444,443	\$204,133	\$240,310

SUBJECT: WAGE INCREASES IN 2003-2005 CONTRACT AGREEMENT

United Professionals for Quality Health Care (11)

H) Grid Implementation Market Adjustment Effective December 26, 2004
 Grid Implementation All employees are placed on the new grid implemented effective December 26, 2004. Employees are placed on the new December 26, 2004 grid, at the grid level in the associated pay range that corresponds to their current grid level. Those employees whose base pay rate is over the grid endpoint receive an adjustment equal either of the following: For Nurse Clinician classifications 6.5%, and for Non-Nurse Clinician classifications 3.0%, of their current base pay rate, limited to the December 26, 2004 pay range maximum. Any adjustment that would cause a base pay rate to exceed the December 26, 2004 range maximum is paid as an FTE-annualized lump sum. The lump sum payment equals the hourly amount granted as a market adjustment, multiplied by the budgeted FTE on December 26, 2004 for the hours remaining in the fiscal year.

FISCAL YEAR	ALL FUNDS		GPR WITH FRINGE	OTHER FUNDS WITH FRINGE
	WITHOUT FRINGE	ALL FUNDS WITH FRINGE		
2003-2004	1st Year Cost \$0	\$0	\$0	\$0
	1st Year Cost in 2nd Year \$0	\$0	\$0	\$0
2004-2005	2nd Year Cost \$1,190,412	\$1,442,780	\$662,669	\$780,111
Biennial Total	\$1,190,412	\$1,442,780	\$662,669	\$780,111

Fiscal Estimate Worksheet - 2003 Session

Detailed Estimate of Annual Fiscal Effect

Original
 Updated
 Corrected
 Supplemental

LRB Number 03-3728/1		Introduction Number AB-656	
Subject			
2003-05 collective bargaining agreement covering employees in the professional patient care unit			
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	\$8,596,162		
(FTE Position Changes)			
State Operations - Other Costs			
Local Assistance			
Aids to Individuals or Organizations			
TOTAL State Costs by Category	\$8,596,162		\$
B. State Costs by Source of Funds			
GPR	3,373,791		
FED			
PRO/PRS	5,222,371		
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	\$8,596,162	\$	
NET CHANGE IN REVENUE	\$	\$	
Agency/Prepared By		Authorized Signature	Date
OSER/ Susan Crawford (608) 266-2890		Susan Crawford (608) 266-2890	11/12/2003