



## Fiscal Estimate Narratives

OSER 1/23/2012

LRB Number	11-3060/1	Introduction Number	SB-233	Estimate Type	Original
<b>Description</b> Collective bargaining for public employees, granting rule-making authority, and making appropriations					

### Assumptions Used in Arriving at Fiscal Estimate

The cost of this bill is indeterminate because it does not necessarily cause a return to applicable contract provisions which were in place prior to enactment of 2011 Wisconsin Act 10. In other words, this bill's provisions only reinstate the statutory foundation for collective bargaining, but do not mandate that any particular provisions find their way into any new agreements resulting from this bill's provisions.

For example, re-establishing a four percent employer payment of state employee contributions toward the Wisconsin Retirement System (WRS) could result in an annual State cost of \$78 million to the general fund, or \$155.9 million all funds, based on savings figures provided for Act 10 by the State Budget Office. However, since WRS contributions would once again be subject to bargaining, it is not possible to tell if these would indeed be the final costs.

There are other costs savings that were allowed by 2011 Act 10, such as the removal of pay status-based overtime (versus work-status based overtime), and the removal of some professional development provisions. It is too early to determine either the savings from these changes, or the increased costs to the State under the bill's provisions, if in fact new provisions identical to the previous provisions were re-bargained.

Finally, it can be assumed that the cost of the bargaining process itself would be significantly more than normal because the base collective bargaining agreements no longer exist. Therefore, any new bargaining efforts under this bill's provisions would start anew, but the costs are still indeterminate.

The Office of State Employment Relations is responsible for personnel and employment relations policies for state government employees. We do not have the expertise or resources necessary to estimate the fiscal impact of this bill on local units of government.

### Long-Range Fiscal Implications