

Fiscal Estimate - 2021 Session

Original
 Updated
 Corrected
 Supplemental

LRB Number 21-5536/1	Introduction Number AB-0876
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Description
 ratification of the agreement negotiated between the University of Wisconsin–Madison and the Wisconsin State Building Trades Negotiating Committee, for the 2021-22 fiscal year, covering employees in the building trades crafts collective bargaining unit, and authorizing an expenditure of funds

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"/> Decrease Costs
<input type="checkbox"/> Indeterminate	<input type="checkbox"/> Decrease Existing Revenues	
<input type="checkbox"/> Increase Existing Appropriations	<input type="checkbox"/> Decrease Existing Appropriations	
<input type="checkbox"/> Create New Appropriations		

Local:

<input type="checkbox"/> No Local Government Costs	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"/> Indeterminate		
1. <input type="checkbox"/> Increase Costs 3. <input type="checkbox"/> Increase Revenue		
<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 type="checkbox"/> FED <input checked="" type="checkbox"/> PRO <input type="checkbox"/> PRS <input type="checkbox"/> SEG <input type="checkbox"/> SEGS	

Agency/Prepared By UWS/ Jennifer Goytowski (608) 263-3307	Authorized Signature Renee Stephenson (608) 263-4422	Date 12/20/2021
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Fiscal Estimate Narratives

UWS 12/20/2021

LRB Number	21-5536/1	Introduction Number	AB-0876	Estimate Type	Original
Description ratification of the agreement negotiated between the University of Wisconsin–Madison and the Wisconsin State Building Trades Negotiating Committee, for the 2021-22 fiscal year, covering employees in the building trades crafts collective bargaining unit, and authorizing an expenditure of funds					

Assumptions Used in Arriving at Fiscal Estimate

The agreement negotiated between the University of Wisconsin-Madison and the Wisconsin State Building Trades Negotiating Committee assumes a 1.23% increase effective January 2, 2022.

The tentative agreement's fiscal impact can be considered on both a fiscal year basis which corresponds to the time period covered by the collective bargaining agreement, and an annualized basis. In terms of the former, the tentative agreement has no impact during the first half of the fiscal year (July 1, 2021 – January 1, 2022) because the wage increase is not effective until January 2, 2022. The total cost for all funds for FY22 is estimated to be \$132,499 (\$114,718 Salary and \$17,781 Fringe). Approximately 55% of the amounts listed above would come from general purpose revenue.

Long-Range Fiscal Implications



Fiscal Impact of FY 22 Tentative Collective Bargaining Agreement (UW–Madison and Wisconsin State Building Trades Union)

This memorandum outlines the estimated fiscal impact of the tentative agreement (TA) that UW–Madison and the Wisconsin State Building Trades Union have reached on the 2021-22 collective bargaining agreement (CBA). The CBA covers the time period from July 1, 2021 through June 30, 2022, and the TA proposes a 1.23% increase in wages effective January 2, 2022.

The TA’s fiscal impact can be considered on both (1) a fiscal year basis--which corresponds to the time period covered by the CBA--and (2) an annualized basis. In terms of the former, the TA has no impact during the first half of the fiscal year (July 1, 2021 – January 1, 2022) because the wage increase is not effective until January 2, 2022. The following chart outlines the anticipated cost increases across all funding sources:

Fiscal Impact of TA on All Funding Sources (214.25 FTE)			
	Increase in Wages	Increase in Fringe Costs ¹	Total Increase
Fiscal Year 2021-22 ²	\$114,718	\$17,781	\$132,500
Annualized	\$229,437	\$35,563	\$264,999

Approximately 55% of the amounts listed above would come from general purpose revenue (GPR).

Pursuant to relevant provisions of the Wisconsin Statutes,³ UW–Madison is submitting the TA to the Joint Committee on Employment Relations (JCOER). Approval of the TA and, consequently, any fiscal impact outlined in this memorandum are dependent on JCOER’s approval.

¹ The variable fringe rate is 15.5%.

² For purposes of this analysis, the fiscal year increases are based on one-half of the annualized impact.

³ See Wis. Stat. § 111.92(1)(a)3 (“Any tentative agreement reached between the University of Wisconsin-Madison, acting for the state, and any labor organization representing a collective bargaining unit specified in s. 111.825 (1t) shall, after official ratification by the labor organization, be submitted by the University of Wisconsin-Madison to the joint committee on employment relations, which shall hold a public hearing before determining its approval or disapproval.”); Wis. Stat. § 111.825(1t)(c) (“Except as provided in sub. (2), collective bargaining units for employees employed by the University of Wisconsin System and assigned to the University of Wisconsin-Madison are structured with one collective bargaining unit for each of the following occupational groups: . . . Building trades crafts.”).