Chapter ERC 33

APPENDIX A

WISCONSIN EMPLOYMENT RELATIONS COMMISSION QUALIFIED ECONOMIC OFFER CALCULATION RELATING TO COLLECTIVE BARGAINING AGREEMENTS EXPIRING BEFORE JULY 1, 2009, AFFECTING SCHOOL DISTRICT PROFESSIONAL EMPLOYEES

Note: 1993 Wis. Act 16 required the Wisconsin employment relations commission to create forms by which the components of a minimum qualified economic offer could be established and measured. Act 16 does not allow the cost of a qualified economic offer to be based upon the actual cost of such an offer to the employees actually employed during the term of the contract. Instead, the Act requires that the cost of the offer be evaluated by assuming a fixed employee complement is present during the term of the contract.

FORM A

This form and Form B must be provided by the district to the labor organization 60 days prior to contract expiration, or whenever a qualified economic offer is made, whichever is earlier.

DEVELOPING A QUALIFIED ECONOMIC OFFER

Developing Employee Base

1. Identify all school district professional employees (as defined by Sec. 111.70 (1) (ne), Stats.) who were represented by the labor organization for the purposes of collective bargaining and contract administration on the 90th day prior to the expiration of the current/most recently expired bargaining agreement. School district professional employees who were employed on the 90th day but who thereafter retire, resign or are terminated prior to the expiration of the current/most recently expired contract are included. School district professional employees on layoff, sick leave or leave of absence must be included if they continue to be represented by the labor organization for the purposes of collective bargaining and contract administration. School district professional employees who are replacing employees who are in leave status are not included unless they are represented by the labor organization for the purposes of collective bargaining and contract administration in the same bargaining unit as the employee being replaced.

Developing Fringe Base

2. Identify all fringe benefits and your percentage contribution toward the cost thereof as such benefits and contributions existed on the 90th day prior to the expiration of the current/most recently expired agreement, or the 90th day prior to the date on which your negotiations actually commenced if there is no previous collective bargaining agreement between the parties. If your fringe benefit contribution level is expressed as a dollar amount, convert the dollar amount to a percentage for the purposes of this calculation.

Total Base Cost Calculation

3. Using the employees identified in Step 1 and the fringe benefits and employer percentage contribution levels identified in Step 2, complete Form B to calculate the employer cost of compensation and fringe benefits for the year preceding the expiration date specified in your current/most recently expired contract. For the purposes of this calculation, assume that any cost increase incurred during the year was in effect for the entire year. In your calculation, you must include the cost of any benefits Step 1 employees who retire will receive/received prior to the expiration of your current/most recently expired contract. Do not include the cost of providing benefits to employees who retired before the 90th day prior to the expiration of the current/most recently–expired contract.

Enter the total base year salary and fringe benefit costs from Form B here.

Salary ________

Fringe ________

Total ________

QEO 1 Dollar Amounts

4. Calculate 3.8%, 2.1% and 1.7% of your Step 3 total and enter here

3.8% = _______ 2.1% = ________ 1.7%= ________.

For the purposes of the following calculations, *do not* assume any change in: (1) the identity of Step 1 employees; (2) the level of service they provide to the district or (3) the fringe benefits Step 1 employees received or the applicable employer % contribution level. *Do* assume that any cost increase incurred during the year was in effect for the entire year.

QEO 1 Fringe Benefit Calculation

5. Using the same employees identified in Step 1 and the fringe benefits and employer percentage contribution levels identified in Step 2, calculate the actual employer cost of maintaining the fringe benefits and employer percentage contribution levels for the first 12–month period following the stated expiration date in the current/most recently expired contract. If your contract will have a duration of less than 12 months, prorate your cost calculation to reflect your actual contract duration, if appropriate. **Enter this cost here and on Form B, QEO 1, fringe benefit cost.** ________

6. Subtract your Step 3 base fringe benefit cost from your Step 5 cost and calculate the result as a percentage of your total Step 3 base year cost. **Enter the result here and on Form B, QEO 1, fringe benefit percentage.** ________

QEO 1 Step Calculation

7. For the first 12–month period following the stated expiration date in the current/most recently expired contract, calculate the total additional cost of providing each employee identified in Step 1 with any salary increase to which they would be entitled by virtue of an additional year of service on the salary schedule (longevity is to be included if part of salary schedule). **Enter this cost here and on Form B, QEO 1, Step Advancement** ___________.

8. Calculate your Step 7 cost as a percentage of the total Step 3 base year cost. **Enter the result here**. ________

End of first year QEO calculation

If you are bargaining a contract with a duration of 12 months or less, stop and proceed to the Qualified Economic Offer Instruction, Form C.

Start of second year QEO calculation

Total QEO 1 Base Cost Calculation

9. Repeat Step 3 for the first 12–month period following the stated expiration date of your current/most recently–expired contract. **Enter the total QEO** 1 **salary and fringe benefit costs from Form B here**.

Salary ________

Fringe ________

Total ________

QEO 2 Dollar Amounts

10. Calculate 3.8%, 2.1% and 1.7% of your Step 9 total and enter here:

3.8% = ________ 2.1% = ________ 1.7% = ________.

QEO 2 Fringe Benefit Calculation

If your contract will have a duration of less than 24 months, prorate your QEO 2 cost calculation to reflect your actual contract duration, if appropriate.

11. Repeat Step 5 for the second 12–month period following the stated expiration date in the current/most recently expired contract. **Enter this cost here and on Form** B, **QEO 2, fringe benefit cost** ________.

12. Subtract your Step 9 fringe benefit cost from your Step 11 cost and calculate the result as a percentage of your Step 9 total QEO 1 cost. **Enter the result here and on QEO 2, Form B**, **fringe benefit percentage** ________.

13. Repeat Step 7 calculation for the second 12–month period following the stated expiration date in the current/most recently–expired contract. **Enter the cost here and on Form B, QEO 2, Step Advancement.** ________.

14. Calculate your Step 13 cost as a percentage of your Step 9 total QEO 1 cost. **Enter the result here** ________.

Proceed to the qualified economic offer instruction Form C.