



Legislative Fiscal Bureau

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Joint Committee on Finance

Paper #420

Advanced Labor Management Training Costs (Employment Relations)

[LFB 2001-03 Budget Summary: Page 281, #3 (part b)]

CURRENT LAW

Among the training courses offered to state employees by the Department of Employment Relations (DER) is a series on advanced labor management (ALM). Currently, staff in the Bureau of Collective Bargaining in DER, who are funded from GPR funds, serve as instructors for the ALM courses which are offered to supervisory state employees. Other costs of the training program are recovered from fees assessed course participants.

GOVERNOR

Provide additional PR funding of \$22,600 annually for increased course expenses and for the hiring of LTEs to serve as instructors in lieu of permanent employees for a portion of the ALM courses to be offered.

DISCUSSION POINTS

1. Currently, staff from DER offer the advanced labor management courses approximately eight times a year when labor negotiations are not underway and approximately five times a year when state labor contracts are being re-negotiated. The course is a five day program held at various sites around the state. The current tuition cost for the course is \$495 per participant and covers all of the course costs except for the salary and fringe benefit costs of the instructors who currently are full-time DER employees paid from the Department's GPR budget.

2. Under the Governor's budget, additional PR funding would be provided for the ALM program (to be funded from increased course fees) to allow the following: (a) an offering of a total of nine sessions per year using a combination of LTE and permanent staff as instructors (the

budget would provide PR funding of \$10,600 annually for the new LTE staff); (b) additional supplies expenses for the existing targeted eight courses per year (\$8,000 PR annually) and for one additional course session per year (\$4,000 PR annually)

3. Given the increased demand for these courses (DER indicates that course sessions, limited to 30 enrollees per session, are filled up as much as one year in advance), the increased funding seems warranted. The Department indicates that it expects that retired state employees with experience in these areas would be available to be hired as LTE instructors.

4. This request does, however, raise the issue as to whether the estimated GPR cost of the permanent employees in DER who will continue to teach the other sessions of the ALM courses should not also be recovered from the course fees just as the salaries for the proposed LTE instructors salaries will be. It would seem reasonable to charge the full costs of the training courses to the participants, especially since the costs will normally be paid by the employee's agency. In some cases, these agencies will be GPR-funded, but in other cases the agencies will be PR or SEG-funded and in those cases the cost of those employees' training should be borne by those fund sources and not by GPR. If the estimated remaining hours required annually for the teaching of these ALM courses by the DER staff who will be serving as instructors were to be charged to PR funding for this activity rather than against the Department's GPR appropriation, the current base GPR budget could be reduced by \$13,000 annually and the current base PR budget would be increased by a like amount.

ALTERNATIVES TO BASE

1. Approve the Governor's recommendation to provide additional PR funding of \$22,600 annually for increased course expenses and for the hiring of LTEs to serve as instructors in lieu of permanent employees for a portion of the ALM courses to be offered.

Alternative 1	PR
2001-03 FUNDING (Change to Base)	\$45,200
<i>[Change to Bill]</i>	<i>[\$0]</i>

2. Provide additional PR funding of \$22,600 annually for increased course expenses and for the hiring of LTEs to serve as instructors in lieu of permanent employees for a portion of the ALM courses to be offered. Also, provide PR funding for ALM courses of \$13,000 annually and decrease GPR funding by \$13,000 annually to reflect the transfer of all instructors' salary and fringe benefit costs for ALM courses to funding that will be recovered from participant fees.

Alternative 2	GPR	PR	TOTAL
2001-03 FUNDING (Change to Base)	- \$26,000	\$71,200	\$45,200
<i>[Change to Bill]</i>	- \$26,000	\$26,000	<i>[\$0]</i>

3. Take no action.

Alternative 3	PR
2001-03 FUNDING (Change to Base)	\$0
<i>[Change to Bill</i>	<i>- \$45,200]</i>

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