



## Legislative Fiscal Bureau

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May, 2021

Joint Committee on Finance

Paper #285

### **Retirement of Staff (Employment Relations Commission)**

[LFB 2021-23 Budget Summary: Page 177, #2]

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#### **CURRENT LAW**

The Employment Relations Commission is responsible for administering processes established in statute for state and local government employment relations, including conducting elections to determine bargaining units and bargaining representatives, issuing decisions, mediating collective bargaining disputes, and providing arbitration services for grievances arising over the interpretation and application of existing collective bargaining agreements. The Commission has base funding of \$920,200 GPR and \$145,600 PR and 6.0 GPR positions annually.

#### **DISCUSSION POINTS**

1. In its 2021-23 agency budget request, the Commission indicated that one of its senior attorneys planned to retire in the coming year, and the employee's payroll would need to be continued through December, 2021, associated with accumulated leave. The agency requested \$33,700 GPR annually for this purpose.

2. In executive session on May 6, 2021, the Joint Committee on Finance directed that the general program operations appropriation of the Commission be reduced by \$52,800 GPR annually. The reduction to the agency's appropriation constitutes 90% of the DOA required 2020-21 lapse target for the agency (\$58,700).

3. The 2020-21 lapse target for the Commission may be met from funding associated with 1.0 attorney position (20% of the agency's classified position authority), which has been vacant since January 31, 2018. The Commission indicated in its 2021-23 budget request that the planned retirement of the experienced staff attorney in 2021 may require employment of two attorneys with less

experience. As such, circumstances may warrant that this long-term vacancy be filled to support the Commission's existing workload in the 2021-23 biennium.

4. The administration indicates that the amounts calculated in the budget request, which were included in 2021 AB 68/SB 111, included a calculation error. Prior to the May 6, 2021, executive session, the recalculated need for funding was a one-time increase to expenditure authority of \$22,000 GPR in 2021-22, assuming the existing long-term attorney vacancy would be filled to help distribute the workload of the retiring attorney with 40 years of experience. The recalculated amount reflects the difference between projected expenditures for salaries and fringe benefits, not including any compensation adjustments budgeted in compensation reserves, and the agency's budget for salaries and fringe benefits in 2021-22. The calculation takes into account that the attorney replacing the current employee would likely be paid a lower salary.

5. The Commission must pay the expenses associated with continuing the retiring employee's payroll through the end of 2021, and projects that there will not be sufficient expenditure authority to meet its other obligations without an increase. Taking into account the \$52,800 reduction, the Commission may need funding of \$74,800 GPR in 2021-22 to meet its obligations and maintain its current workload. Given that the attorney replacing the current employee would likely be paid a lower salary, if the \$52,800 reduction were maintained in 2022-23, it is anticipated that the Commission would have sufficient expenditure authority in 2022-23 to meet its obligations. If the Committee provides this funding, the one-time increase in 2021-22 would not remain in the agency's base for the 2023-25 biennium. [Alternative 1]

6. If no action is taken, the Commission would likely need to continue holding vacant the existing vacancy of 1.0 attorney position in 2021-22. As a result, given the retirement of the experienced attorney, the agency may not have the capacity to cover its current workload in 2021-22. [Alternative 2]

## ALTERNATIVES

1. Provide one-time funding of \$74,800 GPR in 2021-22 to continue payroll for a retiring employee through December, 2021, and to maintain the Commission's current workload.

ALT 1	Change to Base
GPR	\$74,800

2. Take no action.

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