

### Fiscal Estimate - 2001 Session

Original       Updated       Corrected       Supplemental

<b>LRB Number</b> 01-2705/1		<b>Introduction Number</b> SB-145	
<b>Subject</b> Employment relations for members of the University of Wisconsin System faculty and academic staff			
<b>Fiscal Effect</b>			
<b>State:</b>			
<input type="checkbox"/> No State Fiscal Effect		<input type="checkbox"/> Indeterminate	
<input type="checkbox"/> Increase Existing Appropriations		<input type="checkbox"/> Increase Existing Revenues	
<input type="checkbox"/> Decrease Existing Appropriations		<input type="checkbox"/> Decrease Existing Revenues	
<input type="checkbox"/> Create New Appropriations		<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	
<b>Local:</b>			
<input type="checkbox"/> No Local Government Costs		<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	
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	
<b>Fund Sources Affected</b>		<b>Affected Ch. 20 Appropriations</b>	
<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			
<b>Agency/Prepared By</b>		<b>Authorized Signature</b>	
UWS/ Leslie Perelman (608) 262-5850		Freda Harris (608) 263-5679	
		<b>Date</b>	
		4/30/01	

Fiscal Estimate Narratives

UWS 5/1/01

LRB Number 01-2705/1	Introduction Number SB-145	Estimate Type Original
<b>Subject</b> Employment relations for members of the University of Wisconsin System faculty and academic staff		

**Assumptions Used in Arriving at Fiscal Estimate**

This bill amends the State Employment Labor Relations Act (SELRA) to extend collective bargaining covering salaries, fringe benefits, hours and conditions of employment to faculty and academic staff of the University of Wisconsin System. This bill provides for a structure of eight bargaining units--four faculty and four academic staff. The units consist of: one each for faculty of UW-Madison, UW-Milwaukee, UW-Extension and the combination of the eleven four-year universities and the UW Colleges; and one each for academic staff of UW-Madison, UW-Milwaukee, UW-Extension, and the combination of the eleven four-year universities and the UW-Colleges. Employees may vote to merge or separate units, and the faculty and academic staff of each institution (including UW-Colleges) may decide individually whether to participate in bargaining. Management employees and confidential employees are not covered. The bill designates the Department of Employment Relations (DER) as the employer bargaining agent with responsibility for conducting negotiations, handling the mediation and arbitration proceedings and final stage arbitration cases. Under the bill, DER would coordinate its collective bargaining activities with the Board of Regents. The UW System would participate in contract negotiations by providing the basic data for bargaining and helping to establish management positions on issues negotiated in the initial contracts. The UW System would also have continuing responsibility for day-to-day contract administration. This responsibility would include the processing of grievances and the settlement of that large share of grievances that would not be appealed to arbitration.

It can be expected that the negotiations and administration of contracts would be extensive and complex, requiring special new staff at the System and institution levels. This staff is not now available in the UW System. The staff initially would be responsible for advising institutional and System administrations on their obligations prior to and during elections. They would direct the preparation of the UW System's management positions prior to the bargaining process and be the continuing liaison with DER. The scope of the bargaining defined in the bill is different and broader than under SELRA and this broad definition can be expected to create a heavy workload for staff and would be a time-consuming function. Finally, this staff would be responsible for the day-to-day administration of the collective bargaining agreements at the covered institutions.

**Fiscal Estimate**

Based on the State and UW System experience with classified employees under SELRA as well as the advice of several state higher education systems which are involved in collective bargaining, it is estimated that a total of 35 additional staff positions would be required in the UW System to implement this bill. This total consists of 25 professional and 10 clerical positions. The total cost would be \$2.55 million per year beginning in 2001-02. This amount consists of \$2.28 million for salaries and fringe benefits and \$0.27 million for support costs, including furniture, equipment, supplies, and travel. This estimate is based upon the assumption that additional professional staff experienced in higher education matters will be added in the DER. The estimate does not include the time commitment by deans, administrators, and other supervisors to handle grievances, participate in training and other activities related to day-to-day contract administration.

**UW System Responsibilities**

Even though the effective date of any negotiated agreement would occur after July 1, 2001, there would be a substantial workload increase in 2001-02 to prepare for unit elections and contract negotiations. The advice of several higher educational systems experienced in collective bargaining is to be prepared early to handle the management responsibilities for a variety of functions and processes associated with: (1) unit elections including determination of employee inclusions and exclusions in bargaining units; (2) union organization activities and the conduct of elections; (3) preparation for bargaining; (4) contract negotiations; and (5) contract administration.

The bill provides for eight (8) bargaining units. It is assumed that organizational activity would be undertaken and elections would likely be held in each unit as soon as the bill permits. With unit elections completed and bargaining representatives selected, the UW System would need to begin to develop information, policies and management positions as preparation for negotiation of the initial contracts. All authorities on the subject of collective bargaining concur that the first contract is the most important from both a union and management standpoint because the first contract establishes the basis for all subsequent negotiations and management-union employee interaction. Therefore, it would be necessary for the additional staff to be hired and to work on bargaining preparation well in advance of the start of actual bargaining.

Finally, while negotiation agreements cannot become effective before July 1, 2001, preparations for their administration would begin sooner. This preparation includes training of supervisory and administrative staff, preparing forms and processes for grievances, and setting up other administrative mechanisms for dealing with union representatives. The professional staff who would undertake the functions leading to the implementation of the contracts would be the same people who would assume responsibility for contract administration.

#### Estimated Workload--Bargaining Units and Employees

About 15,000 faculty and academic staff would be eligible for coverage in eight bargaining units under this bill. This count compares to 9,735 classified employees presently covered in 13 bargaining units under SELRA. In developing the fiscal estimates, it is assumed that collective bargaining activity will be initiated in all eight statutory bargaining units. There are significant differences in faculty and academic staff practices and policies from those for classified employees among the institutions. In a manner similar to SELRA, however, each institution will handle day-to-day administration of collective bargaining agreements, including the processing and settlement of grievances. Under the provisions of this bill, it is anticipated that the number of grievances will be considerably greater than under SELRA. Faculty and academic staff grievances would be more frequent and complex because fewer "rules" would be spelled out; in addition, decisions on faculty and academic staff matters are more subjective and thus likely to be appealed more readily.

Therefore, the estimate assumes that a staffing pattern similar to that of classified staff under SELRA would be required for coverage of faculty and academic staff. For example, each of the four-year universities has a one-half time professional position devoted to SELRA contract administration. For faculty and academic staff it is estimated that a minimum of an additional full-time professional staff position would be required at each of the universities.

#### Cost Summary

The estimated costs for the UW System under this bill are based on the prevailing salary and fringe benefit levels in state service. The estimate provides for three Employment Relations staff, one Senior Academic Planner, and one Legal Counsel in System Administration; four Employment Relations staff at UW-Madison; three Employment Relations staff at UW-Milwaukee; one Employment Relations staff at UW-Extension; and one Employment Relations staff at each of the other covered institutions including the UW Colleges. A total of ten clerical positions would be needed to support these professional staff.

In summary, the enactment of this measure would require additional funds of \$2.55 million annually for costs directly related to 35 additional staff members and their expenses. The total costs would be considerably greater than the request for additional funds because of increased workload for present staff and the related reallocations that would be required.

#### Long-Range Fiscal Implications

## Fiscal Estimate Worksheet - 2001 Session

Detailed Estimate of Annual Fiscal Effect

Original     
  Updated     
  Corrected     
  Supplemental

<b>LRB Number</b> 01-2705/1		<b>Introduction Number</b> SB-145	
<b>Subject</b>			
Employment relations for members of the University of Wisconsin System faculty and academic staff			
<b>I. One-time Costs or Revenue Impacts for State and/or Local Government (do not include in annualized fiscal effect):</b>			
<b>II. Annualized Costs:</b>		<b>Annualized Fiscal Impact on funds from:</b>	
		Increased Costs	Decreased Costs
<b>A. State Costs by Category</b>			
State Operations - Salaries and Fringes		\$2,283,400	
(FTE Position Changes)		(35.0 FTE)	
State Operations - Other Costs		271,800	
Local Assistance			
Aids to Individuals or Organizations			
<b>TOTAL State Costs by Category</b>		<b>\$2,555,200</b>	<b>\$</b>
<b>B. State Costs by Source of Funds</b>			
GPR		2,044,170	
FED			
PRO/PRS		511,030	
SEG/SEG-S			
<b>III. State Revenues - Complete this only when proposal will increase or decrease state revenues (e.g., tax increase, decrease in license fee, etc.)</b>			
		Increased Rev	Decreased Rev
GPR Taxes		\$	\$
GPR Earned			
FED			
PRO/PRS			
SEG/SEG-S			
<b>TOTAL State Revenues</b>		<b>\$</b>	<b>\$</b>
<b>NET ANNUALIZED FISCAL IMPACT</b>			
		<u>State</u>	<u>Local</u>
NET CHANGE IN COSTS		\$2,555,200	\$
NET CHANGE IN REVENUE		\$	\$
<b>Agency/Prepared By</b>		<b>Authorized Signature</b>	<b>Date</b>
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