

## **Proposed Budget Correction Bill Would Make Significant Changes to Collective Bargaining and Employee Benefits**

To help reduce the state's budget deficit for 2009–11 and to preemptively address the over \$3 billion deficit for the 2011-13 biennium, Governor Walker has proposed a budget correction bill that could make monumental reforms to collective bargaining with employees of local governmental units.

The proposed bill would eliminate all collective bargaining except on base wages for “general municipal employees.” Collective bargaining for “public safety employees” remains generally intact. “Public safety employees” include police officers, firefighters, and deputy sheriffs who are classified as Wisconsin Retirement System (“WRS”) protective occupation participants. Neither general municipal employees nor public safety employees would have the right to strike.

These provisions would apply to general municipal employees covered by a collective bargaining agreement after the current agreement expires or is extended, modified, or renewed, whichever occurs first. Below are some additional changes in the proposal.

### Collective Bargaining

“General municipal employees” include all employees who are not classified as public safety employees. Changes for general municipal employees would include:

- Wages Only. The bill would limit the right of general municipal employees to engage in collective bargaining on the topic of *base wages only*. The bill prohibits municipal employers from collectively bargaining on any other factor or condition of employment, including any other form of compensation, such as overtime, premium pay, merit pay, performance pay, supplemental compensation, pay schedules, and automatic pay progressions. This would result in a collective bargaining agreement which only establishes rates.
- Wage Increases. Wage increases in a collective bargaining unit could not be greater than the percentage change in the consumer price index for all urban consumers, U.S. city average, unless a referendum authorizes a greater increase.
- Term of Agreement. Collective bargaining agreements would be limited to one year.
- Dispute Resolution. Mediation and grievance arbitration would be available for dispute resolution; interest arbitration would not.
- Dues Deduction and Fair-Share. Employers could not deduct union dues from employee pay checks and employees could not be required to pay fair share fees in order to retain any benefits of being in a bargaining unit.
- Union Certification Elections. Starting in April 2011, bargaining units would be required to hold an annual certification election.

## Benefits

These provisions would affect both general municipal employees and all non-union employees:

- WRS Contribution. Municipal employers would be prohibited from paying any of the employee required contribution.
- Health Insurance Contribution for State Plan. A municipal employer who participates in the state plan would not be permitted to pay more than 88% of the health insurance premium for employees.

The labor and employment law attorneys at Weld, Riley, Prens & Ricci, S.C., will continue to monitor this bill. It could be voted on as early as Thursday, February 17, 2011.

*This article should not be construed as legal advice and is intended for general information purposes only. If you have any questions regarding this article, you should consult your legal counsel.*