



122 W. Washington Avenue
Suite 300
Madison, Wisconsin 53703-2715

608/267-2380
800/991-5502
Fax: 608/267-0645

E-mail: league@lwm-info.org
www.lwm-info.org

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To: Joint Committee on Finance
From: Dan Thompson, Executive Director
League of Wisconsin Municipalities
Re: Budget Repair Bill

Last month, the League presented an eight-point proposal for reforming collective bargaining in cities and villages. I've attached a copy. The thrust of our proposal was to give local officials greater flexibility in controlling labor costs. Our hope was to implement these changes in a deliberate manner over time.

Gov. Walker warns us that we need to move very quickly because the upcoming state budget will include large shared revenue reductions, and local officials will need tools to offset these cuts.

If it is the intention of the Governor and the Legislature to require cities and villages to make sharp reductions in the wages and benefits of our employees, we have two requests:

First, if we are going to ask municipal employees to shoulder the impact of the state's budget deficit, then the burden should fall equally to all municipal employees, including police officers and fire fighters.

Second, municipal governments need to compete with the private sector for technical and professional employees. Please do not restrict the ability of local governments to offer competitive salaries and fringe benefits for engineers, accountants, attorneys, sewage treatment operators, water utility technicians, and the other professionals we need to run our communities effectively.

Thank you for considering our comments, and we urge you to review our eight-point proposal for reforming collective bargaining as you debate the budget repair bill.

League of Wisconsin Municipalities'
Local Government Labor Relations Reform
Package -- 2011

The League of Wisconsin Municipalities urges state legislators to introduce and enact the following package of changes to the state's collective bargaining laws:

- ◆ Prohibit final offers submitted by unions under the Municipal Employment Relations Act from exceeding the community's allowable increase in the property tax levy limit. (2009 AB 450)
- ◆ Prohibit local government employers participating in the Wisconsin Retirement System from paying the first 3 percent of the employee's required contributions under the WRS on behalf of any newly hired employees. (2007 AB 449)
- ◆ Under binding interest arbitration, prohibit an arbitrator from taking into account wage and benefit increases in other jurisdictions when choosing between the employer and the union's final offer.
- ◆ Require an arbitrator to favor the offer that most closely matches the local economic conditions and the budget of the local government.
- ◆ Prohibit an arbitrator from giving consideration to a local government's fund balance (e.g., the existence and size of a community's reserve fund) when choosing between competing offers.
- ◆ Make a municipal employer's decision to contract out for the provision of municipal services a permissive subject of collective bargaining. (2007 AB 447).
- ◆ Allow either party to unilaterally open up contracted compensation settlements until 2014.
- ◆ Enact legislation similar to 2007 SB 46/AB 110 allowing local governments to choose, without the need to collectively bargain, the Wisconsin Employee Trust Fund's health insurance program or a substantially similar plan for their employees.

For more information contact:

Curt Witynski

Assistant Director, League of Wisconsin Municipalities (608) 267-2380