

## 2005 DRAFTING REQUEST

### Assembly Substitute Amendment (ASA-AB515)

Received: 01/18/2006

Received By: **chanaman**

Wanted: **As time permits**

Identical to LRB:

For: **Terri McCormick (608) 266-7500**

By/Representing: **Dave**

This file may be shown to any legislator: **NO**

Drafter: **chanaman**

May Contact:

Addl. Drafters:

Subject: **Insurance - health  
Employ Pub - collective bargain**

Extra Copies:

Submit via email: **YES**

Requester's email: **Rep.McCormick@legis.state.wi.us**

Carbon copy (CC:) to:

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#### Pre Topic:

No specific pre topic given

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#### Topic:

Collective bargaining over health care coverage for municipal employees

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#### Instructions:

See Attached--one piece of s0423

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#### Drafting History:

<u>Vers.</u>	<u>Drafted</u>	<u>Reviewed</u>	<u>Typed</u>	<u>Proofed</u>	<u>Submitted</u>	<u>Jacketed</u>	<u>Required</u>
/?	chanaman 01/18/2006	jdyer 01/18/2006		_____			
/1			rschlue 01/18/2006	_____	sbasford 01/18/2006	sbasford 01/18/2006	
/2	chanaman 01/24/2006	wjackson 01/24/2006	chaugen 01/24/2006	_____	lemery 01/24/2006	lemery 01/24/2006	

FE Sent For:

<END>

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/?	chanaman 01/18/2006	jdyer 01/18/2006		_____			
/1		12wij 1/24	rschluet 01/18/2006	_____	sbasford 01/18/2006	sbasford 01/18/2006	

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*Ch 1-24*  
*Def 1-24*

<END>

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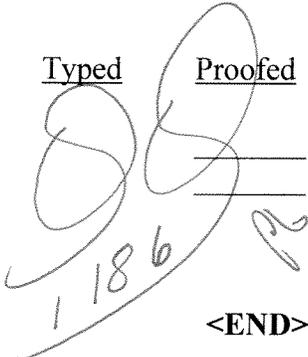
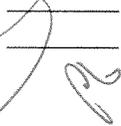
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/?	chanaman	1/18 jcd					
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FE Sent For:

<END>

50468/1

TODAY

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**ASSEMBLY SUBSTITUTE AMENDMENT ,  
TO 2005 ASSEMBLY BILL 519**

refer act

1 AN ACT *to renumber and amend* 62.61 and 66.0137 (5); *to amend* 66.0137 (1),  
2 111.70 (1) (a), 111.70 (4) (cm) 7r. d., 111.70 (4) (cm) 7r. e., 111.70 (4) (cm) 7r. f.,  
3 111.70 (4) (cm) 7r. g., 111.70 (4) (cm) 7r. h. and 632.797 (5); and *to create* 16.971  
4 (2) (o), 16.971 (2) (p), 62.61 (2), 62.61 (3), 66.0137 (5) (b) and (c), 111.70 (4) (c)  
5 2m., 111.70 (4) (jm) 4m., 111.70 (4) (n), 111.70 (4) (o), 111.77 (6) (dm), 601.41 (10),  
6 601.41 (11), 601.41 (12), 610.66, 632.797 (1) (d) and 632.797 (1) (e) and (f) of the  
7 statutes; **relating to:** disclosure of health insurance claims experience of local  
8 governmental units; bids submitted to local governmental units for health  
9 insurance; requiring the commissioner of insurance to promulgate rules  
10 establishing uniform forms for local government health care coverage requests  
11 for proposals and health care claims experience and summarizing benefits  
12 provided under health care benefit plans; collective bargaining over health care  
13 coverage for municipal employees and allowing municipal employers to change

1 health care coverage plan providers; factors considered in rendering a collective  
2 bargaining arbitration decision; and granting rule-making authority.

***The people of the state of Wisconsin, represented in senate and assembly, do enact as follows:***

3 **SECTION 1.** 16.971 (2) (o) of the statutes is created to read:

4 16.971 (2) (o) Make available to the public without charge to local  
5 governmental units, the information received from local governmental units under  
6 s. 66.0137 (5) (c) in a manner determined by the department to enable the general  
7 public to make meaningful comparisons of the bids received. The department shall  
8 specify the format that local governmental units shall use in submitting the  
9 information and shall make information about the format readily available to local  
10 governmental units.

11 **SECTION 2.** 16.971 (2) (p) of the statutes is created to read:

12 16.971 (2) (p) Make available to the public the aggregate group health care  
13 claims experience information received from insurers under s. 632.797 (1) (d) in the  
14 manner determined by the department.

15 **SECTION 3.** 62.61 of the statutes is renumbered 62.61 (1) and amended to read:

16 62.61 (1) The common council of a 1st class city may, by ordinance or resolution,  
17 provide for, including the payment of premiums of, general hospital, surgical and  
18 group insurance for both active and retired city officers and city employees and their  
19 respective dependents in private companies, or may, by ordinance or resolution, elect  
20 to offer to all of its employees a health care coverage plan through a program offered  
21 by the group insurance board under ch. 40. Municipalities which elect to participate  
22 under s. 40.51 (7) are subject to the applicable sections of ch. 40 instead of this section  
23 subsection. Contracts for insurance under this section subsection may be entered

1 into for active officers and employees separately from contracts for retired officers  
2 and employees. Appropriations may be made for the purpose of financing insurance  
3 under this section subsection. Moneys accruing to a fund to finance insurance under  
4 this section subsection, by investment or otherwise, may not be diverted for any other  
5 purpose than those for which the fund was set up or to defray management expenses  
6 of the fund or to partially pay premiums to reduce costs to the city or to persons  
7 covered by the insurance, or both.

8 **SECTION 4.** 62.61 (2) of the statutes is created to read:

9 62.61 (2) If a 1st class city solicits bids to provide health care coverage under  
10 sub. (1), the 1st class city shall use the uniform local government health care  
11 coverage request-for-proposals form developed by the commissioner of insurance  
12 under s. 601.41 (10) to solicit the bids.

13 **SECTION 5.** 62.61 (3) of the statutes is created to read:

14 62.61 (3) A 1st class city shall submit information about a bid it receives to the  
15 department of administration in the format specified under s. 16.971 (2) (o) no later  
16 than 30 days after the bid is received or, in the case of a sealed bid, no later than 30  
17 days after the bid is opened. At the time the information is submitted to the  
18 department of administration, the 1st class city shall do at least one of the following:

19 (a) Post the same information on the city's Internet site, if any.

20 (b) Post notice on the city's Internet site, if any, that the information has been  
21 submitted to the department of administration.

22 (c) Post or publish as a class 1 notice under ch. 985 a statement that the  
23 information has been submitted to the department of administration and will be  
24 available on the state's Internet site, if any, or a statement that the information may  
25 be viewed at a specified location in the 1st class city, or both.

1           **SECTION 6.** 66.0137 (1) of the statutes is amended to read:

2           66.0137 **(1)** DEFINITION. In this section, "local governmental unit" means a city,  
3 village, town, county, school district (as enumerated in s. 67.01 (5)), sewerage  
4 district, drainage district, and, without limitation because of enumeration, any other  
5 political subdivision of the state.

6           **SECTION 7.** 66.0137 (5) of the statutes is renumbered 66.0137 (5) (a) amended  
7 to read:

8           66.0137 **(5)** (a) The state or a local governmental unit may provide for the  
9 payment of premiums for hospital, surgical and other health and accident insurance  
10 and life insurance for employees and officers and their spouses and dependent  
11 children. A local governmental unit may also provide for the payment of premiums  
12 for hospital and surgical care for its retired employees. In addition, a local  
13 governmental unit may, by ordinance or resolution, elect to offer to all of its  
14 employees a health care coverage plan through a program offered by the group  
15 insurance board under ch. 40. A local governmental unit that elects to participate  
16 under s. 40.51 (7) is subject to the applicable sections of ch. 40 instead of this  
17 subsection paragraph.

18           **SECTION 8.** 66.0137 (5) (b) and (c) of the statutes are created to read:

19           66.0137 **(5)** (b) If a local governmental unit solicits bids to provide health care  
20 coverage under par. (a), the local governmental unit shall use the uniform local  
21 government health care coverage request-for-proposals form developed by the  
22 commissioner of insurance under s. 601.41 (10) to solicit the bids.

23           (c) A local governmental unit shall submit information about a bid it receives  
24 to the department of administration in the format specified under s. 16.971 (2) (o) no  
25 later than 30 days after the bid is received or, in the case of a sealed bid, no later than

1 30 days after the bid is opened. At the time the information is submitted to the  
2 department of administration, the local governmental unit shall do at least one of the  
3 following:

- 4 1. Post the same information on the local government's Internet site, if any.
- 5 2. Post notice on the local government's Internet site, if any, that the  
6 information has been submitted to the department of administration and will be  
7 available on the state's Internet site, if any.
- 8 3. Post or publish as a class 1 notice under ch. 985 a statement that the  
9 information has been submitted to the department of administration and will be  
10 available on the state's Internet site, if any, or a statement that the information may  
11 be viewed at a specified location in the local governmental unit, or both.

12 **SECTION 9.** 111.70 (1) (a) of the statutes is amended to read:

13 111.70 (1) (a) "Collective bargaining" means the performance of the mutual  
14 obligation of a municipal employer, through its officers and agents, and the  
15 representative of its municipal employees in a collective bargaining unit, to meet and  
16 confer at reasonable times, in good faith, with the intention of reaching an  
17 agreement, or to resolve questions arising under such an agreement, with respect to  
18 wages, hours, and conditions of employment, and with respect to a requirement of  
19 the municipal employer for a municipal employee to perform law enforcement and  
20 fire fighting services under s. 61.66, except as provided in sub. (4) (m), (n), and (o) and  
21 s. 40.81 (3) and except that a municipal employer shall not meet and confer with  
22 respect to any proposal to diminish or abridge the rights guaranteed to municipal  
23 employees under ch. 164. The duty to bargain, however, does not compel either party  
24 to agree to a proposal or require the making of a concession. Collective bargaining  
25 includes the reduction of any agreement reached to a written and signed document.

1 The municipal employer shall not be required to bargain on subjects reserved to  
2 management and direction of the governmental unit except insofar as the manner  
3 of exercise of such functions affects the wages, hours, and conditions of employment  
4 of the municipal employees in a collective bargaining unit. In creating this  
5 subchapter the legislature recognizes that the municipal employer must exercise its  
6 powers and responsibilities to act for the government and good order of the  
7 jurisdiction which it serves, its commercial benefit, and the health, safety and  
8 welfare of the public to assure orderly operations and functions within its  
9 jurisdiction, subject to those rights secured to municipal employees by the  
10 constitutions of this state and of the United States and by this subchapter.

11 **SECTION 10.** 111.70 (4) (c) 2m. of the statutes is created to read:

12 111.70 (4) (c) 2m. 'Factors used in arbitration to settle disputes.' If the parties  
13 to a dispute agree to have the commission or any other appropriate agency serve as  
14 arbitrator to resolve the dispute and if the commission or any other appropriate  
15 agency compares the wages, hours, and conditions of employment of the municipal  
16 employees involved in the arbitration proceedings with the wages, hours, and  
17 conditions of employment of any other employees, the commission or other  
18 appropriate agency shall compare the wages, hours, and conditions of employment  
19 as a whole, rather than as individual elements.

20 **SECTION 11.** 111.70 (4) (cm) 7r. d. of the statutes is amended to read:

21 111.70 (4) (cm) 7r. d. Comparison of wages, hours and conditions of employment  
22 of the municipal employees involved in the arbitration proceedings with the wages,  
23 hours and conditions of employment of other employees performing similar services.  
24 In making this comparison, the arbitrator or arbitration panel shall consider wages,  
25 hours, and conditions of employment as a whole, rather than as individual elements.

1           **SECTION 12.** 111.70 (4) (cm) 7r. e. of the statutes is amended to read:

2           111.70 (4) (cm) 7r. e. Comparison of the wages, hours and conditions of  
3 employment of the municipal employees involved in the arbitration proceedings with  
4 the wages, hours and conditions of employment of other employees generally in  
5 public employment in the same community and in comparable communities. In  
6 making this comparison, the arbitrator or arbitration panel shall consider wages,  
7 hours, and conditions of employment as a whole, rather than as individual elements.

8           **SECTION 13.** 111.70 (4) (cm) 7r. f. of the statutes is amended to read:

9           111.70 (4) (cm) 7r. f. Comparison of the wages, hours and conditions of  
10 employment of the municipal employees involved in the arbitration proceedings with  
11 the wages, hours and conditions of employment of other employees in private  
12 employment in the same community and in comparable communities. In making  
13 this comparison, the arbitrator or arbitration panel shall consider wages, hours, and  
14 conditions of employment as a whole, rather than as individual elements.

15           **SECTION 14.** 111.70 (4) (cm) 7r. g. of the statutes is amended to read:

16           111.70 (4) (cm) 7r. g. The average consumer prices for goods and services,  
17 commonly known as the cost of living, including specifically average housing costs  
18 and other costs significantly affecting the quality of life.

19           **SECTION 15.** 111.70 (4) (cm) 7r. h. of the statutes is amended to read:

20           111.70 (4) (cm) 7r. h. The overall compensation presently received by the  
21 municipal employees, including direct wage compensation, vacation, holidays and  
22 excused time, insurance and pensions, medical and hospitalization benefits, the  
23 continuity and stability of employment, and all other benefits received. In making  
24 this comparison, the arbitrator or arbitration panel shall consider wages, hours, and  
25 conditions of employment as a whole, rather than as individual elements.

1           **SECTION 16.** 111.70 (4) (jm) 4m. of the statutes is created to read:

2           111.70 (4) (jm) 4m. For the purpose of setting wages and determining hours and  
3 conditions of employment under subd. 4., if the arbitrator compares the wages,  
4 hours, and conditions of employment with the wages, hours, and conditions of  
5 employment of other employees performing similar services or in the same  
6 community or comparable communities, the arbitrator shall consider wages, hours,  
7 and conditions of employment as a whole, rather than as individual elements.

8           **SECTION 17.** 111.70 (4) (n) of the statutes is created to read:

9           111.70 (4) (n) *Municipal employer–initiated change in health care coverage*  
10 *plan provider.* 1. Notwithstanding the terms of a collective bargaining agreement,  
11 a municipal employer may unilaterally change its employees' health care coverage  
12 plan provider without the consent of any affected employee in the collective  
13 bargaining unit if the benefits provided by the new health care coverage plan  
14 provider are substantially similar to those provided by the former health care  
15 coverage plan provider and if either the persons who provide health care coverage  
16 under the new plan are the same as under the former plan or cost savings will result  
17 from changing the health care coverage plan provider. Any such unilateral change  
18 in health care coverage plan provider is not a violation of a collective bargaining  
19 agreement or a prohibited practice under sub. (3) (a) and, for purposes of a qualified  
20 economic offer, satisfies the requirement to maintain fringe benefits under sub. (1)  
21 (nc).

22           2. A municipal employer shall use 50 percent of the net savings that accrue to  
23 the municipal employer as a result of a change in health care coverage plan provider  
24 under subd. 1. to increase the wages paid to the affected municipal employees and  
25 to pay wage–related costs incurred by the municipal employer for those municipal

1 employees during the 12-month period following the effective date of the change.  
2 The payment of any such increase in wages and wage-related costs by the municipal  
3 employer is not a prohibited practice under sub. (3) (a).

4 **SECTION 18.** 111.70 (4) (o) of the statutes is created to read:

5 111.70 (4) (o) *Prohibited subject of collective bargaining.* A municipal employer  
6 is prohibited from bargaining collectively with respect to the employer's selection of  
7 a health care coverage plan if the municipal employer offers to enroll the employees  
8 in a health care coverage plan under s. 40.51 (7) or in a health care coverage plan that  
9 is substantially similar to a plan offered under s. 40.51 (7). The commission shall use  
10 the criteria in rules promulgated by the commissioner of insurance under s. 601.41  
11 (12) to determine if health care coverage plans are substantially similar.

12 **SECTION 19.** 111.77 (6) (dm) of the statutes is created to read:

13 111.77 (6) (dm) In making the comparison of wages, hours, and conditions of  
14 employment under par (d), the arbitrator shall consider wages, hours, and conditions  
15 of employment as a whole, rather than as individual elements.

16 **SECTION 20.** 601.41 (10) of the statutes is created to read:

17 601.41 (10) LOCAL GOVERNMENT HEALTH CARE COVERAGE REQUEST-FOR-PROPOSALS  
18 FORM. The commissioner shall by rule develop a uniform local government health  
19 care coverage request-for-proposals form that a local governmental unit must use  
20 under s. 66.0137 (5) (b) if the local governmental unit solicits bids for health care  
21 coverage. The commissioner shall publish a notice in the Wisconsin administrative  
22 register that states the effective date of the rule required under this subsection.

23 **SECTION 21.** 601.41 (11) of the statutes is created to read:

24 601.41 (11) LOCAL GOVERNMENT HEALTH CARE CLAIMS EXPERIENCE FORM. The  
25 commissioner shall by rule develop a uniform local government health care claims

1 experience form that an insurer must use under s. 632.797 (1) (d). The form shall  
2 require the insurer to include information about the bid process and classify the  
3 types of benefits the health care claims experience contains. The form may not  
4 require the disclosure of information that identifies an individual or that is  
5 confidential under s. 51.30, 146.82, or 252.15 or any applicable federal law. The  
6 commissioner shall publish a notice in the Wisconsin administrative register that  
7 states the effective date of the rule required under this subsection.

8 **SECTION 22.** 601.41 (12) of the statutes is created to read:

9 **601.41 (12) SUBSTANTIALLY SIMILAR HEALTH CARE COVERAGE PLAN.** The  
10 commissioner shall promulgate rules that set out a standardized summary of  
11 benefits provided under health care coverage plans, including plans offered under  
12 s. 40.51 (7), for use in determining whether a health care coverage plan is  
13 substantially similar to a plan offered under s. 40.51 (7).

14 **SECTION 23.** 610.66 of the statutes is created to read:

15 **610.66 Local government health care coverage request-for-proposals**  
16 **form.** Every insurer shall use the uniform local government health care coverage  
17 request-for-proposals form developed by the commissioner under s. 601.41 (10)  
18 when submitting a bid to a local governmental unit under s. 66.0137 (5) (b).

19 **SECTION 24.** 632.797 (1) (d) of the statutes is created to read:

20 **632.797 (1) (d) 1.** In this paragraph, "local governmental unit" has the meaning  
21 given in s. 66.0137 (1).

22 2. A policyholder or employer that is a local governmental unit and that  
23 requests information under par. (a) that an insurer is required to provide under this  
24 section shall notify the department of administration when it makes the request for  
25 the information.

1       3. An insurer that is required to provide the information under par. (a) to a local  
2 governmental unit shall also provide the information to the department of  
3 administration at the same time as the insurer provides the information to the local  
4 governmental unit.

5       4. The insurer shall use the uniform local government health care claims  
6 experience form developed by the commissioner under s. 601.41 (11) to submit the  
7 claims experience information to the local governmental unit and to the department  
8 of administration.

9       5. If the insurer fails to provide the information to the department of  
10 administration by the deadline specified in par. (b), the department of  
11 administration may report the failure to the commissioner.

12       **SECTION 25.** 632.797 (1) (e) and (f) of the statutes are created to read:

13       632.797 (1) (e) The insurer may not impose any consequence on the  
14 policyholder or the employer for providing the information under par. (a).

15       (f) The rights provided under this subsection may not be waived.

16       **SECTION 26.** 632.797 (5) of the statutes is amended to read:

17       632.797 (5) An insurer is not required under sub. (1) to provide information  
18 that identifies an individual or that is confidential under s. 51.30, 146.82, or 252.15.

19       **SECTION 27. Initial applicability.**

20       (1) The treatment of section 111.70 (1) (a) and (4) (n) and (o) of the statutes first  
21 applies to collective bargaining agreements entered into, extended, modified, or  
22 renewed, whichever occurs first, on the effective date of this subsection.

23       (2) The treatment of sections 111.70 (4) (c) 2m., (cm) 7r. d., 7r. e., 7r. f., 7r. g.,  
24 and 7r. h., and (jm) 4m. and 111.77 (6) (dm) of the statutes first applies to an

1 arbitration decision that results from a petition for arbitration submitted on the  
2 effective date of this subsection.

3 (3) The treatment of section 610.66 of the statutes and the creation of sections  
4 62.61 (2) and (3) and 66.0137 (5) (b) and (c) of the statutes first apply to bids solicited  
5 by a local governmental unit on the first day of the 3rd month beginning after the  
6 date stated in the notice published by the commissioner of insurance in the  
7 Wisconsin administrative register under section 601.41 (10) of the statutes, as  
8 created by this act.

9 (4) The treatment of section 632.797 (1) (d) of the statutes first applies to  
10 requests for health care claims experience information made by a local governmental  
11 unit on the first day of the 3rd month beginning after the date stated in the notice  
12 published by the commissioner of insurance in the Wisconsin administrative register  
13 under section 601.41 (11) of the statutes, as created by this act.

14 (END)



State of Wisconsin  
2005 - 2006 LEGISLATURE

LRBs0468/1  
CMH:wlj&jld:rs

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ASSEMBLY SUBSTITUTE AMENDMENT ,  
TO 2005 ASSEMBLY BILL 515

negotiat

1 AN ACT to amend 111.70 (1) (a), 111.70 (4) (cm) 7r. d., 111.70 (4) (cm) 7r. e., 111.70  
2 (4) (cm) 7r. f., 111.70 (4) (cm) 7r. g. and 111.70 (4) (cm) 7r. h.; and to create 111.70  
3 (4) (c) 2m., 111.70 (4) (jm) 4m., 111.70 (4) (n), 111.70 (4) (o), 111.77 (6) (dm) and  
4 601.41 (12) of the statutes; relating to: collective bargaining over health care  
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6 health care coverage plan providers; factors considered in rendering a collective  
7 bargaining arbitration decision; and granting rule-making authority.

*The people of the state of Wisconsin, represented in senate and assembly, do enact as follows:*

8 SECTION 1. 111.70 (1) (a) of the statutes is amended to read:  
9 111.70 (1) (a) "Collective bargaining" means the performance of the mutual  
10 obligation of a municipal employer, through its officers and agents, and the  
11 representative of its municipal employees in a collective bargaining unit, to meet and

1 confer at reasonable times, in good faith, with the intention of reaching an  
2 agreement, or to resolve questions arising under such an agreement, with respect to  
3 wages, hours, and conditions of employment, and with respect to a requirement of  
4 the municipal employer for a municipal employee to perform law enforcement and  
5 fire fighting services under s. 61.66, except as provided in sub. (4) (m), (n), and (o) and  
6 s. 40.81 (3) and except that a municipal employer shall not meet and confer with  
7 respect to any proposal to diminish or abridge the rights guaranteed to municipal  
8 employees under ch. 164. The duty to bargain, however, does not compel either party  
9 to agree to a proposal or require the making of a concession. Collective bargaining  
10 includes the reduction of any agreement reached to a written and signed document.  
11 The municipal employer shall not be required to bargain on subjects reserved to  
12 management and direction of the governmental unit except insofar as the manner  
13 of exercise of such functions affects the wages, hours, and conditions of employment  
14 of the municipal employees in a collective bargaining unit. In creating this  
15 subchapter the legislature recognizes that the municipal employer must exercise its  
16 powers and responsibilities to act for the government and good order of the  
17 jurisdiction which it serves, its commercial benefit, and the health, safety and  
18 welfare of the public to assure orderly operations and functions within its  
19 jurisdiction, subject to those rights secured to municipal employees by the  
20 constitutions of this state and of the United States and by this subchapter.

21 **SECTION 2.** 111.70 (4) (c) 2m. of the statutes is created to read:

22 111.70 (4) (c) 2m. 'Factors used in arbitration to settle disputes.' If the parties  
23 to a dispute agree to have the commission or any other appropriate agency serve as  
24 arbitrator to resolve the dispute and if the commission or any other appropriate  
25 agency compares the wages, hours, and conditions of employment of the municipal

1 employees involved in the arbitration proceedings with the wages, hours, and  
2 conditions of employment of any other employees, the commission or other  
3 appropriate agency shall compare the wages, hours, and conditions of employment  
4 as a whole, rather than as individual elements.

5 **SECTION 3.** 111.70 (4) (cm) 7r. d. of the statutes is amended to read:

6 111.70 (4) (cm) 7r. d. Comparison of wages, hours and conditions of employment  
7 of the municipal employees involved in the arbitration proceedings with the wages,  
8 hours and conditions of employment of other employees performing similar services.  
9 In making this comparison, the arbitrator or arbitration panel shall consider wages,  
10 hours, and conditions of employment as a whole, rather than as individual elements.

11 **SECTION 4.** 111.70 (4) (cm) 7r. e. of the statutes is amended to read:

12 111.70 (4) (cm) 7r. e. Comparison of the wages, hours and conditions of  
13 employment of the municipal employees involved in the arbitration proceedings with  
14 the wages, hours and conditions of employment of other employees generally in  
15 public employment in the same community and in comparable communities. In  
16 making this comparison, the arbitrator or arbitration panel shall consider wages,  
17 hours, and conditions of employment as a whole, rather than as individual elements.

18 **SECTION 5.** 111.70 (4) (cm) 7r. f. of the statutes is amended to read:

19 111.70 (4) (cm) 7r. f. Comparison of the wages, hours and conditions of  
20 employment of the municipal employees involved in the arbitration proceedings with  
21 the wages, hours and conditions of employment of other employees in private  
22 employment in the same community and in comparable communities. In making  
23 this comparison, the arbitrator or arbitration panel shall consider wages, hours, and  
24 conditions of employment as a whole, rather than as individual elements.

25 **SECTION 6.** 111.70 (4) (cm) 7r. g. of the statutes is amended to read:

1           111.70 (4) (cm) 7r. g. The average consumer prices for goods and services,  
2 commonly known as the cost of living, including specifically average housing costs  
3 and other costs significantly affecting the quality of life.

4           **SECTION 7.** 111.70 (4) (cm) 7r. h. of the statutes is amended to read:

5           111.70 (4) (cm) 7r. h. The overall compensation presently received by the  
6 municipal employees, including direct wage compensation, vacation, holidays and  
7 excused time, insurance and pensions, medical and hospitalization benefits, the  
8 continuity and stability of employment, and all other benefits received. In making  
9 this comparison, the arbitrator or arbitration panel shall consider wages, hours, and  
10 conditions of employment as a whole, rather than as individual elements.

11           **SECTION 8.** 111.70 (4) (jm) 4m. of the statutes is created to read:

12           111.70 (4) (jm) 4m. For the purpose of setting wages and determining hours and  
13 conditions of employment under subd. 4., if the arbitrator compares the wages,  
14 hours, and conditions of employment with the wages, hours, and conditions of  
15 employment of other employees performing similar services or in the same  
16 community or comparable communities, the arbitrator shall consider wages, hours,  
17 and conditions of employment as a whole, rather than as individual elements.

18           **SECTION 9.** 111.70 (4) (n) of the statutes is created to read:

19           111.70 (4) (n) *Municipal employer–initiated change in health care coverage*  
20 *plan provider.* 1. Notwithstanding the terms of a collective bargaining agreement,  
21 a municipal employer may unilaterally change its employees' health care coverage  
22 plan provider without the consent of any affected employee in the collective  
23 bargaining unit if the benefits provided by the new health care coverage plan  
24 provider are substantially similar to those provided by the former health care  
25 coverage plan provider and if either the persons who provide health care coverage

1 under the new plan are the same as under the former plan or cost savings will result  
2 from changing the health care coverage plan provider. Any such unilateral change  
3 in health care coverage plan provider is not a violation of a collective bargaining  
4 agreement or a prohibited practice under sub. (3) (a) and, for purposes of a qualified  
5 economic offer, satisfies the requirement to maintain fringe benefits under sub. (1)  
6 (nc).

7 2. A municipal employer shall use 50 percent of the net savings that accrue to  
8 the municipal employer as a result of a change in health care coverage plan provider  
9 under subd. 1. to increase the wages paid to the affected municipal employees and  
10 to pay wage-related costs incurred by the municipal employer for those municipal  
11 employees during the 12-month period following the effective date of the change.  
12 The payment of any such increase in wages and wage-related costs by the municipal  
13 employer is not a prohibited practice under sub. (3) (a).

14 **SECTION 10.** 111.70 (4) (o) of the statutes is created to read:

15 111.70 (4) (o) *Prohibited subject of collective bargaining.* A municipal employer  
16 is prohibited from bargaining collectively with respect to the employer's selection of  
17 a health care coverage plan if the municipal employer offers to enroll the employees  
18 in a health care coverage plan under s. 40.51 (7) or in a health care coverage plan that  
19 is substantially similar to a plan offered under s. 40.51 (7). The commission shall use  
20 the criteria in rules promulgated by the commissioner of insurance under s. 601.41  
21 (12) to determine if health care coverage plans are substantially similar.

22 **SECTION 11.** 111.77 (6) (dm) of the statutes is created to read:

23 111.77 (6) (dm) In making the comparison of wages, hours, and conditions of  
24 employment under par (d), the arbitrator shall consider wages, hours, and conditions  
25 of employment as a whole, rather than as individual elements.

