

2001 DRAFTING REQUEST

Assembly Amendment (AA-ASA1-SB55)

Received: 06/24/2001

Received By: **champra**

Wanted: **Today**

Identical to LRB:

For: **Assembly Republican Caucus**

By/Representing: **Emerson**

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

Drafter: **champra**

May Contact:

Addl. Drafters:

Subject: **Employ Pub - collective bargain
Employ Pub - employee benefits**

Extra Copies:

Submit via email: **NO**

Requester's email:

Pre Topic:

ARC:.....Emerson - AM83,

Topic:

Selection of health insurer by school district and subjects of collective bargaining

Instructions:

See Attached.

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> |
|--------------|-----------------------|------------------------|------------------------|----------------|----------------------------|-----------------|-----------------|
| /? | champra 06/24/2001 | csicilia 06/24/2001 | | _____ | | | |
| /1 | | | rschluet 06/25/2001 | _____ | lrb_docadmin 06/25/2001 | | |
| /2 | champra 06/26/2001 | csicilia 06/26/2001 | rschluet 06/26/2001 | _____ | lrb_docadmin 06/26/2001 | | |

Vers. Drafted Reviewed Typed Proofed Submitted Jacketed Required

FE Sent For:

<END>

2001 DRAFTING REQUEST

Assembly Amendment (AA-ASA1-SB55)

Received: **06/24/2001**

Received By: **champra**

Wanted: **Today**

Identical to LRB:

For: **Assembly Republican Caucus**

By/Representing: **Emerson**

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

Drafter: **champra**

May Contact:

Addl. Drafters:

Subject: **Employ Pub - collective bargain**
Employ Pub - employee benefits

Extra Copies:

Submit via email: **NO**

Requester's email:

Pre Topic:

ARC:.....Emerson - AM83,

Topic:

Selection of health insurer by school district and subjects of collective bargaining

Instructions:

See Attached.

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> |
|--------------|-----------------------|------------------------|------------------------|----------------|----------------------------|-----------------|-----------------|
| /? | champra 06/24/2001 | csicilia 06/24/2001 | | _____ | | | |
| /1 | | /1 cjs 6/26 01 | rschluet 06/25/2001 | _____ | lrb_docadmin 06/25/2001 | | |

FE Sent For:

[Handwritten signatures and initials]
6-25-1

<END>

2001 DRAFTING REQUEST

Assembly Amendment (AA-ASA1-SB55)

Received: **06/24/2001**

Received By: **champra**

Wanted: **Today**

Identical to LRB:

For: **Assembly Republican Caucus**

By/Representing: **Emerson**

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

Drafter: **champra**

May Contact:

Addl. Drafters:

Subject: **Employ Pub - collective bargain**
Employ Pub - employee benefits

Extra Copies:

Submit via email: **NO**

Requester's email:

Pre Topic:

ARC:.....Emerson - AM83,

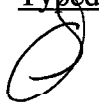

Topic:

Selection of health insurer by school district and subjects of collective bargaining

Instructions:

See Attached.

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> |
|--------------|----------------|------------------|---|---|------------------|-----------------|-----------------|
| 1? | champra | 1 gjs 6/24 01 |  |  6-25-1 | | | |

FE Sent For:

<END>

2001

Date (time) needed

8:00 AM

LRB b 1719 / 1

**ARC CAUCUS BUDGET AMENDMENT
[ONLY FOR CAUCUS]**

RAC+PJK / 1 :
egs

See form **AMENDMENTS — COMPONENTS & ITEMS.**

**CAUCUS AMENDMENT
TO ASSEMBLY SUBSTITUTE AMENDMENT 1
TO 2001 SENATE BILL 55**

>>FOR CAUCUS SUPERAMENDMENT — NOT FOR INTRODUCTION<<

At the locations indicated, amend the substitute amendment as follows:

~~#. Page , line :~~

~~#. Page , line :~~

~~#. Page , line :~~

~~#. Page , line :~~

~~#. Page , line :~~

~~#. Page , line :~~

(Handwritten scribble/arrow pointing down)

DOA:.....Maternowski – Selection of health insurer by school districts and subjects of collective bargaining

FOR 2001-03 BUDGET — NOT READY FOR INTRODUCTION

1719

1 AN ACT ...; relating to: the budget.

Analysis by the Legislative Reference Bureau

EMPLOYMENT

Under the municipal employment relations act (MERA), the selection of any group health care benefits provider for municipal employees, including school district employees, is treated as a mandatory subject of collective bargaining if the selection of the provider primarily relates to the wages, hours, and working conditions of the employees. Generally, the selection of the provider is a mandatory subject of collective bargaining whenever the provider offers health care benefits coverage that differs in any way from that offered by other providers.

This bill provides that the selection of any group health care benefits provider for school district professional employees is treated as a permissive subject of collective bargaining under MERA (which means that the employer is not required to bargain with respect to the subject) if the provider offers health care benefits coverage that is "substantially similar" to that offered by other providers in bids submitted to school districts. Under the bill, OCI must promulgate rules that set out a standardized summary of health care benefits for use in determining whether coverage offered by different providers that submit bids to school districts is "substantially similar."

Under MERA, in local government employment other than law enforcement and fire fighting employment, if a dispute relating to the terms of a proposed

collective bargaining agreement has not been settled after a reasonable period of negotiation and after mediation by the Wisconsin employment relations commission (WERC), either party, or the parties jointly, may petition WERC to initiate compulsory, final, and binding arbitration with respect to any dispute relating to wages, hours, and conditions of employment. If WERC determines that an impasse exists and that arbitration is required, WERC must submit to the parties a list of seven arbitrators, from which the parties alternately strike names until one arbitrator is left. As an alternative to a single arbitrator, WERC may provide for an arbitration panel that consists of one person selected by each party and one person selected by WERC. As a further alternative, WERC may also provide a process that allows for a random selection of a single arbitrator from a list of seven names submitted by WERC. Under current law, an arbitrator or arbitration panel must adopt the final offer of one of the parties on all disputed issues, which is then incorporated into the collective bargaining agreement.

This process, however, does not apply to a dispute over economic issues involving a collective bargaining unit consisting of school district professional employes if WERC determines that the employer has submitted a qualified economic offer (QEO). Under current law, a QEO consists of a proposal to maintain the percentage contribution by the employer to the employees' existing fringe benefit costs and to maintain all of the employees' existing fringe benefits and to provide for an annual average salary increase having a cost to the employer at least equal to 2.1% of the existing total compensation and fringe benefit costs for the employees in the collective bargaining unit plus any fringe benefit savings.

This bill provides that a QEO need only provide substantially similar health care benefits, not all of the health care benefits.

For further information see the *state and local* fiscal estimate, which will be printed as an appendix to this bill.

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

#. Page 912, line 20: after the law insert:

- 1 SECTION ~~111.70~~ ²⁶⁰⁷ (1) (a) of the statutes is amended to read:
- 2 111.70 (1) (a) "Collective bargaining" means the performance of the mutual
- 3 obligation of a municipal employer, through its officers and agents, and the
- 4 representative of its municipal employees in a collective bargaining unit, to meet and
- 5 confer at reasonable times, in good faith, with the intention of reaching an
- 6 agreement, or to resolve questions arising under such an agreement, with respect to
- 7 wages, hours, and conditions of employment, and with respect to a requirement of

renumbered 111.70(4)(cm) 8s. a.

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

→ SECTION 2608b - 111.70 (4) (cm) 8s. (title) is amended to read:

→ SECTION 111.70 (4) (cm) 8s. of the statutes is ~~amended to read:~~

LPS:
Fix
Component

~~111.70(4)(cm) 8s.~~ 2608c
Forms for determining costs; determination of fringe
benefits coverage. a. The commission shall prescribe forms for calculating the total
increased cost to the municipal employer of compensation and fringe benefits
provided to school district professional employees. The cost shall be determined
based upon the total cost of compensation and fringe benefits provided to school
district professional employees who are represented by a labor organization on the
90th day before expiration of any previous collective bargaining agreement between

111.70(4)(cm) 8s. (title)

1 the parties, or who were so represented if the effective date is retroactive, or the 90th
 2 day prior to commencement of negotiations if there is no previous collective
 3 bargaining agreement between the parties, without regard to any change in the
 4 number, rank or qualifications of the school district professional employees. For
 5 purposes of such determinations, any cost increase that is incurred on any day other
 6 than the beginning of the 12-month period commencing with the effective date of the
 7 agreement or any succeeding 12-month period commencing on the anniversary of
 8 that effective date shall be calculated as if the cost increase were incurred as of the
 9 beginning of the 12-month period beginning on the effective date or anniversary of
 10 the effective date in which the cost increase is incurred. In each collective bargaining
 11 unit to which subd. 5s. applies, the municipal employer shall transmit to the
 12 commission and the labor organization a completed form for calculating the total
 13 increased cost to the municipal employer of compensation and fringe benefits
 14 provided to the school district professional employees covered by the agreement as
 15 soon as possible after the effective date of the agreement.

16 SECTION 3. 111.70 (4) (cm) 8s. b. of the statutes is created to read:

17 111.70 (4) (cm) 8s. b. For the purpose of determining whether fringe benefits
 18 provided to municipal employees are maintained by a municipal employer under a
 19 qualified economic offer, the commission shall consider substantially similar health
 20 care benefits to be identical to existing health care benefits. Rules promulgated by
 21 the office of the commissioner of insurance under s. 601.415 (13) shall be used to
 22 determine if the health care benefits are substantially similar. ←

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

24 111.70 (4) (o) *Permissive subjects of collective bargaining.* In a school district,
 25 the municipal employer is not required to bargain collectively with respect to the

#. Page 913, line 2: after that line insert:

1 selection of any group health care benefits provider for school district professional
2 employees if the provider offers health care benefits coverage that is substantially
3 similar to that offered by other providers in bids submitted under s. 120.12 (24).
4 Rules promulgated by the office of the commissioner of insurance under s. 601.415
5 (13) shall be used to determine if health care benefits coverage offered by different
6 providers is substantially similar.

#. Page 1180, line 15: after that line insert:

7 " SECTION 5. 601.415 (13) of the statutes is created to read:

8 601.415 (13) SUBSTANTIALLY SIMILAR HEALTH CARE BENEFITS COVERAGE RULES. The
9 commissioner shall promulgate the rules required under s. 111.70 (4) (cm) 8s. b. and
10 (o), setting out a standardized summary of benefits provided under health care
11 coverage policies and plans for use in determining benefit similarities and
12 differences among policies and plans. "

13 ~~SECTION 9317. Initial applicability; employment relations commission~~

14 (1) SCHOOL DISTRICTS; PERMISSIVE SUBJECTS OF BARGAINING. The treatment of
15 sections 111.70 (1) (a) and (4) (o) and 601.415 (13) of the statutes, the ^{renumbering} ~~amendment~~ of
16 section 111.70 (4) (cm) 8s. of the statutes, and the creation of section 111.70 (4) (cm)
17 8s. b. of the statutes first apply to collective bargaining agreements that expire or are
18 extended, modified, or renewed, whichever occurs first, on the effective date of this
19 subsection.

the amendment of section
111.70(4)(cm)8s. (title)
of the statutes

(END)

INIT
APP

*#. Page 1397, line 18: after that
line insert:*



State of Wisconsin
2001 - 2002 LEGISLATURE

LRBb1719/22
RAC&PJK:cjs:rs

RMR

ARC:.....Emerson – AM83, Selection of health insurer by school district and subjects of collective bargaining

FOR 2001-03 BUDGET — NOT READY FOR INTRODUCTION

CAUCUS ASSEMBLY AMENDMENT

TO ASSEMBLY SUBSTITUTE AMENDMENT 1,

TO 2001 SENATE BILL 55

1 At the locations indicated, amend the substitute amendment as follows:

2 1. Page 912, line 20: after that line insert:

3 “SECTION 2607. 111.70 (1) (a) of the statutes is amended to read:

4 111.70 (1) (a) “Collective bargaining” means the performance of the mutual
5 obligation of a municipal employer, through its officers and agents, and the
6 representative of its municipal employees in a collective bargaining unit, to meet and
7 confer at reasonable times, in good faith, with the intention of reaching an
8 agreement, or to resolve questions arising under such an agreement, with respect to
9 wages, hours, and conditions of employment, and with respect to a requirement of
10 the municipal employer for a municipal employee to perform law enforcement and

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

17 **SECTION 2608b.** 111.70 (4) (cm) 8s. (title) of the statutes is amended to read:

18 111.70 (4) (cm) 8s. (title) 'Forms for determining costs; determination of fringe
19 benefits coverage.'

20 **SECTION 2608c.** 111.70 (4) (cm) 8s. of the statutes is renumbered 111.70 (4) (cm)
21 8s. a.

22 **SECTION 2609.** 111.70 (4) (cm) 8s. b. of the statutes is created to read:

23 111.70 (4) (cm) 8s. b. For the purpose of determining whether fringe benefits
24 provided to municipal employees are maintained by a municipal employer under a
25 qualified economic offer, the commission shall consider substantially similar health

1 care benefits to be identical to existing health care benefits. Rules promulgated by
2 the office of the commissioner of insurance under s. 601.415 (13) shall be used to
3 determine if the health care benefits are substantially similar.”

4 **2.** Page 913, line 2: after that line insert: ^{l.c.}

5 “SECTION 2615. 111.70 (4) (a) ^{OM} of the statutes is created to read:

6 111.70 (4) (a) ^{OM} *Permissive subjects of collective bargaining.* In a school district,
7 the municipal employer is not required to bargain collectively with respect to the
8 selection of any group health care benefits provider for school district professional
9 employees if the provider offers health care benefits coverage that is substantially
10 similar to that offered by other providers in bids submitted under s. 120.12 (24).
11 Rules promulgated by the office of the commissioner of insurance under s. 601.415
12 (13) shall be used to determine if health care benefits coverage offered by different
13 providers is substantially similar.”

14 **3.** Page 1180, line 15: after that line insert:

15 “SECTION 3734. 601.415 (13) of the statutes is created to read:

16 601.415 (13) SUBSTANTIALLY SIMILAR HEALTH CARE BENEFITS COVERAGE RULES. The
17 commissioner shall promulgate the rules required under s. 111.70 (4) (cm) 8s. b. and
18 (a) ^{OM}, setting out a standardized summary of benefits provided under health care
19 coverage policies and plans for use in determining benefit similarities and
20 differences among policies and plans.”

21 **4.** Page 1397, line 18: after that line insert:

22 “(1q) SCHOOL DISTRICTS; PERMISSIVE SUBJECTS OF BARGAINING. The treatment of
23 sections 111.70 (1) (a) and (4) (a) ^{OM} and 601.415 (13) of the statutes, the renumbering
24 of section 111.70 (4) (cm) 8s. of the statutes, the amendment of section 111.70 (4) (cm)

1 8s. (title) of the statutes, and the creation of section 111.70 (4) (cm) 8s. b. of the
2 statutes first apply to collective bargaining agreements that expire or are extended,
3 modified, or renewed, whichever occurs first, on the effective date of this
4 subsection.”.

5 (END)

D-Note
This draft simply changes the section number of s. 111.70 (4) (c) to s. 111.70 (4) (cm). ← l.c.
RAC

**DRAFTER'S NOTE
FROM THE
LEGISLATIVE REFERENCE BUREAU**

LRBb1719/2dn
RAC:cjs:rs

June 26, 2001

This draft simply changes the section number of s. 111.70 (4) (o) to s. 111.70 (4) (om).

Rick A. Champagne
Senior Legislative Attorney
Phone: (608) 266-9930
E-mail: rick.champagne@legis.state.wi.us



State of Wisconsin
2001 - 2002 LEGISLATURE

LRBb1719/2
RAC&PJK:cjs:rs

ARC:.....Emerson – AM83, Selection of health insurer by school district and
subjects of collective bargaining

FOR 2001-03 BUDGET — NOT READY FOR INTRODUCTION

CAUCUS ASSEMBLY AMENDMENT

TO ASSEMBLY SUBSTITUTE AMENDMENT 1,

TO 2001 SENATE BILL 55

1 At the locations indicated, amend the substitute amendment as follows:

2 1. Page 912, line 20: after that line insert:

3 “SECTION 2607. 111.70 (1) (a) of the statutes is amended to read:

4 111.70 (1) (a) “Collective bargaining” means the performance of the mutual
5 obligation of a municipal employer, through its officers and agents, and the
6 representative of its municipal employees in a collective bargaining unit, to meet and
7 confer at reasonable times, in good faith, with the intention of reaching an
8 agreement, or to resolve questions arising under such an agreement, with respect to
9 wages, hours, and conditions of employment, and with respect to a requirement of
10 the municipal employer for a municipal employee to perform law enforcement and

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

17 **SECTION 2608b.** 111.70 (4) (cm) 8s. (title) of the statutes is amended to read:

18 111.70 (4) (cm) 8s. (title) 'Forms for determining costs; determination of fringe
19 benefits coverage.'

20 **SECTION 2608c.** 111.70 (4) (cm) 8s. of the statutes is renumbered 111.70 (4) (cm)

21 8s. a.

22 **SECTION 2609.** 111.70 (4) (cm) 8s. b. of the statutes is created to read:

23 111.70 (4) (cm) 8s. b. For the purpose of determining whether fringe benefits
24 provided to municipal employees are maintained by a municipal employer under a
25 qualified economic offer, the commission shall consider substantially similar health

1 care benefits to be identical to existing health care benefits. Rules promulgated by
2 the office of the commissioner of insurance under s. 601.415 (13) shall be used to
3 determine if the health care benefits are substantially similar.”.

4 **2.** Page 913, line 2: after that line insert:

5 “SECTION 2615. 111.70 (4) (om) of the statutes is created to read:

6 111.70 (4) (om) *Permissive subjects of collective bargaining.* In a school district,
7 the municipal employer is not required to bargain collectively with respect to the
8 selection of any group health care benefits provider for school district professional
9 employees if the provider offers health care benefits coverage that is substantially
10 similar to that offered by other providers in bids submitted under s. 120.12 (24).
11 Rules promulgated by the office of the commissioner of insurance under s. 601.415
12 (13) shall be used to determine if health care benefits coverage offered by different
13 providers is substantially similar.”.

14 **3.** Page 1180, line 15: after that line insert:

15 “SECTION 3734. 601.415 (13) of the statutes is created to read:

16 601.415 (13) SUBSTANTIALLY SIMILAR HEALTH CARE BENEFITS COVERAGE RULES. The
17 commissioner shall promulgate the rules required under s. 111.70 (4) (cm) 8s. b. and
18 (om), setting out a standardized summary of benefits provided under health care
19 coverage policies and plans for use in determining benefit similarities and
20 differences among policies and plans.”.

21 **4.** Page 1397, line 18: after that line insert:

22 “(1q) SCHOOL DISTRICTS; PERMISSIVE SUBJECTS OF BARGAINING. The treatment of
23 sections 111.70 (1) (a) and (4) (om) and 601.415 (13) of the statutes, the renumbering
24 of section 111.70 (4) (cm) 8s. of the statutes, the amendment of section 111.70 (4) (cm)

1 8s. (title) of the statutes, and the creation of section 111.70 (4) (cm) 8s. b. of the
2 statutes first apply to collective bargaining agreements that expire or are extended,
3 modified, or renewed, whichever occurs first, on the effective date of this
4 subsection.”.

5 (END)