

**ASSEMBLY SUBSTITUTE AMENDMENT 1,
TO 2005 ASSEMBLY BILL 515**

January 25, 2006 – Offered by Representative McCORMICK.

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
5 coverage for municipal employees and allowing municipal employers to change
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.

