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(FORM UPDATED: 08/11/2010)

WISCONSIN STATE LEGISLATURE ... PUBLIC HEARING - COMMITTEE RECORDS

2005-06

(session year)

Senate

(Assembly, Senate or Joint)

Committee on Labor and Election Process Reform...

COMMITTEE NOTICES ...

- Committee Reports ... **CR**
- Executive Sessions ... **ES**
- Public Hearings ... **PH**

INFORMATION COLLECTED BY COMMITTEE FOR AND AGAINST PROPOSAL

- Appointments ... **Appt** (w/Record of Comm. Proceedings)
- Clearinghouse Rules ... **CRule** (w/Record of Comm. Proceedings)
- Hearing Records ... bills and resolutions (w/Record of Comm. Proceedings)
 - (**ab** = Assembly Bill) (**ar** = Assembly Resolution) (**ajr** = Assembly Joint Resolution)
 - (**sb** = Senate Bill) (**sr** = Senate Resolution) (**sjr** = Senate Joint Resolution)
- Miscellaneous ... **Misc**

* Contents organized for archiving by: Stefanie Rose (LRB) (June 2012)

Senate

Record of Committee Proceedings

Committee on Labor and Election Process Reform

Assembly Bill 857

Relating to: final offer limits under the Municipal Employment Relations Act.

By Representatives Gottlieb, Nischke, Albers, Gielow, Hines, F. Lasee, LeMahieu, Musser, Nass, Towns, Underheim, Vos, Wood and Nerison; cosponsored by Senators Darling and Reynolds.

February 03, 2006 Referred to Committee on Labor and Election Process Reform.

March 1, 2006 **PUBLIC HEARING HELD**

Present: (4) Senators Reynolds, Lazich, Hansen and Carpenter.

Absent: (1) Senator Kanavas.

Appearances For

- Denise Solie — Office of Rep. Mark Gottlieb
- Ed Huck, Madison — WI Alliance of Cities

Appearances Against

- Bob Chybowski, Madison — AFSME Council 40
- John Gabel, Madison — AFSCME
- Don Garner-Gerhardt, Wausau — Wisconsin Teamsters-Joint Council 39

Appearances for Information Only

- None.

Registrations For

- Sheri Krause — WI Assn of School Boards
- Alberta Darling — Senator
- Mark Wadium, Appleton — Outagamie County
- Joseph Murray, Greendale — Village of Greendale
- Jeff Schoepke — WMC
- Curt Witynski, Madison — League of WI Municipalities
- Anthony Fiori, Lemont — Teamsters

Registrations Against

- Joanne Ricca, Milwaukee — WI State AFL-CIO
- Mike Bormett, Madison — WI Dept. of Public Instruction
- Deb Sybell — WEAC
- Susan McMurray — AFSCME

- Shirley Haidinger, Madison

March 1, 2006

EXECUTIVE SESSION - POLLING

Moved by Senator Reynolds, seconded by Senator Lazich that **Assembly Bill 857** be recommended for concurrence.

Ayes: (3) Senators Reynolds, Lazich and Kanavas.

Noes: (2) Senators Hansen and Carpenter.

CONCURRENCE RECOMMENDED, Ayes 3, Noes 2

Patrick Henneger
Committee Clerk

SENATE COMMITTEE ON LABOR AND ELECTION PROCESS
REFORM

Paper Ballot: Senator Carpenter

Please return your vote via ballot to Senator Reynolds' office (306 South) by 10:00 a.m., Thursday, March 2nd, 2006.

Any questions on the attached amendments can be directed to Russ Whitesel, Legislative Council for the committee. His direct line is 6-0922.

Thank you.

MOTION

Recommend confirmation of **Sue Bauman** of Madison, as a member of the Wisconsin Employment Relations Commission, to serve for the term ending March 1, 2011.

Aye _____ Nay _____

MOTION

Recommend confirmation of **Kathryn Daley** of Green Bay, as a member of the Auctioneer Board, to serve for the term ending May 1, 2007.

Aye _____ Nay _____

MOTION

Recommend concurrence of **Assembly Bill 268** relating to mandatory and permissive subjects of collective bargaining under the Municipal Employment Relations Act.

Aye _____ Nay _____

MOTION

Recommend concurrence of **Assembly Bill 736** relating to drug and alcohol testing of employees who are required to be paid the prevailing wage rate for work performed on projects of public works, other than state highway projects, and providing a penalty..

Aye _____ Nay _____

MOTION

Recommend concurrence of **Assembly Bill 857** relating to final offer limits under the Municipal Employment Relations Act.

Aye _____ Nay _____

MOTION

Recommend concurrence of **Assembly Joint Resolution 36** relating to requiring a photographic identification to vote, or register to vote, at the polls on election day (first consideration).

Aye _____ Nay _____

MOTION

Recommend introduction and adoption of LRB a2564/1 (copy attached) to **Senate Bill 564** relating to the number of ballots authorized to be printed at an election.

Aye _____ Nay _____

MOTION (Answer both alternatives)

Recommend **Senate Bill 564** for passage as amended (if amendment passes)

Aye _____ Nay ✓

Recommend **Senate Bill 564** for passage (if amendment fails)

Aye _____ Nay ✓

MOTION

Recommend adoption of **Senate Amendment 1** (attached) to **Senate Bill 612** relating to administration of elections; providing exemptions from and extending the time limit for emergency rule procedures; granting rule-making authority; and providing penalties.

Aye ✓ Nay _____

MOTION

Recommend introduction and adoption of LRB a2489/1 (copy attached) to **Senate Bill 612**

Aye _____ Nay ✓

~~NA~~ Changed to Aye per
the Senator's request
3-6-06

MOTION (Answer all alternatives)

Recommend **Senate Bill 612** for passage as amended (if both SA 1 and LRB a2489 pass)

Aye _____ Nay ✓

Recommend **Senate Bill 612** for passage as amended (if SA 1 passes but LRB a2489 fails)

Aye _____ Nay _____

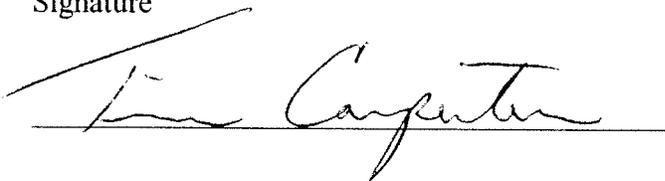
Recommend **Senate Bill 612** for passage as amended (if LRB a2489 passes but SA 1 fails)

Aye _____ Nay _____

Recommend **Senate Bill 612** for passage (if both SA1 and LRB a2489 fail)

Aye _____ Nay _____

Signature

 _____

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SENATE COMMITTEE ON LABOR AND ELECTION PROCESS
REFORM

Paper Ballot: Senator Hansen

Please return your vote via ballot to Senator Reynolds' office (306 South) by 10:00 a.m., Thursday, March 2nd, 2006.

Any questions on the attached amendments can be directed to Russ Whitesel, Legislative Council for the committee. His direct line is 6-0922.

Thank you.

MOTION

Recommend confirmation of **Sue Bauman** of Madison, as a member of the Wisconsin Employment Relations Commission, to serve for the term ending March 1, 2011.

Aye X Nay _____

MOTION

Recommend confirmation of **Kathryn Daley** of Green Bay, as a member of the Auctioneer Board, to serve for the term ending May 1, 2007.

Aye X Nay _____

MOTION

Recommend concurrence of **Assembly Bill 268** relating to mandatory and permissive subjects of collective bargaining under the Municipal Employment Relations Act.

Aye _____ Nay X

MOTION

Recommend concurrence of **Assembly Bill 736** relating to drug and alcohol testing of employees who are required to be paid the prevailing wage rate for work performed on projects of public works, other than state highway projects, and providing a penalty..

Aye X Nay

MOTION

Recommend concurrence of **Assembly Bill 857** relating to final offer limits under the Municipal Employment Relations Act.

Aye Nay X

MOTION

Recommend concurrence of **Assembly Joint Resolution 36** relating to requiring a photographic identification to vote, or register to vote, at the polls on election day (first consideration).

Aye Nay X

MOTION

Recommend introduction and adoption of LRB a2564/1 (copy attached) to **Senate Bill 564** relating to the number of ballots authorized to be printed at an election.

Aye X Nay

MOTION (Answer both alternatives)

Recommend **Senate Bill 564** for passage as amended (if amendment passes)

Aye _____ Nay X _____

Recommend **Senate Bill 564** for passage (if amendment fails)

Aye _____ Nay X _____

MOTION

Recommend adoption of **Senate Amendment 1** (attached) to **Senate Bill 612** relating to administration of elections; providing exemptions from and extending the time limit for emergency rule procedures; granting rule-making authority; and providing penalties.

Aye X _____ Nay _____

MOTION

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Aye _____ Nay X _____

MOTION (Answer all alternatives)

Recommend **Senate Bill 612** for passage as amended (if both SA 1 and LRB a2489 pass)

Aye X _____ Nay _____

Recommend **Senate Bill 612** for passage as amended (if SA 1 passes but LRB a2489 fails)

Aye X Nay

Recommend **Senate Bill 612** for passage as amended (if LRB a2489 passes but SA 1 fails)

Aye X Nay

Recommend **Senate Bill 612** for passage (if both SA1 and LRB a2489 fail)

Aye X Nay

Signature
 Dave Hansen

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SENATE COMMITTEE ON LABOR AND ELECTION PROCESS
REFORM

Paper Ballot: Senator Kanavas

Please return your vote via ballot to Senator Reynolds' office (306 South) by 10:00 a.m., Thursday, March 2nd, 2006.

Any questions on the attached amendments can be directed to Russ Whitesel, Legislative Council for the committee. His direct line is 6-0922.

Thank you.

MOTION

Recommend confirmation of **Sue Bauman** of Madison, as a member of the Wisconsin Employment Relations Commission, to serve for the term ending March 1, 2011.

Aye ✓ Nay _____

MOTION

Recommend confirmation of **Kathryn Daley** of Green Bay, as a member of the Auctioneer Board, to serve for the term ending May 1, 2007.

Aye ✓ Nay _____

MOTION

Recommend concurrence of **Assembly Bill 268** relating to mandatory and permissive subjects of collective bargaining under the Municipal Employment Relations Act.

Aye ✓ Nay _____

MOTION

Recommend concurrence of **Assembly Bill 736** relating to drug and alcohol testing of employees who are required to be paid the prevailing wage rate for work performed on projects of public works, other than state highway projects, and providing a penalty..

Aye _____ Nay _____

MOTION

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Aye _____ Nay _____

MOTION

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Aye _____ Nay _____

MOTION

Recommend introduction and adoption of LRB a2564/1 (copy attached) to **Senate Bill 564** relating to the number of ballots authorized to be printed at an election.

Aye _____ Nay _____

MOTION (Answer both alternatives)

Recommend **Senate Bill 564** for passage as amended (if amendment passes)

Aye _____ Nay _____

Recommend **Senate Bill 564** for passage (if amendment fails)

Aye _____ Nay _____

MOTION

Recommend adoption of **Senate Amendment 1** (attached) to **Senate Bill 612** relating to administration of elections; providing exemptions from and extending the time limit for emergency rule procedures; granting rule-making authority; and providing penalties.

Aye _____ Nay _____

MOTION

Recommend introduction and adoption of LRB a2489/1 (copy attached) to **Senate Bill 612**

Aye _____ Nay _____

MOTION (Answer all alternatives)

Recommend **Senate Bill 612** for passage as amended (if both SA 1 and LRB a2489 pass)

Aye _____ Nay _____

Recommend **Senate Bill 612** for passage as amended (if SA 1 passes but LRB a2489 fails)

Aye _____ Nay _____

Recommend **Senate Bill 612** for passage as amended (if LRB a2489 passes but SA 1 fails)

Aye _____ Nay _____

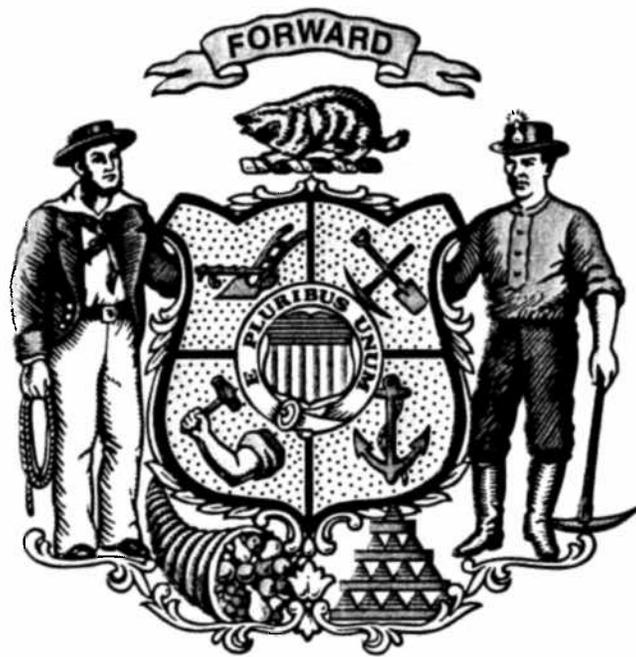
Recommend **Senate Bill 612** for passage (if both SA1 and LRB a2489 fail)

Aye _____ Nay _____

Signature

 _____

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SENATE COMMITTEE ON LABOR AND ELECTION PROCESS
REFORM

Paper Ballot: Senator Lazich

Please return your vote via ballot to Senator Reynolds' office (306 South) by 10:00 a.m., Thursday, March 2nd, 2006.

Any questions on the attached amendments can be directed to Russ Whitesel, Legislative Council for the committee. His direct line is 6-0922.

Thank you.

MOTION

Recommend confirmation of **Sue Bauman** of Madison, as a member of the Wisconsin Employment Relations Commission, to serve for the term ending March 1, 2011.

Aye X Nay _____

MOTION

Recommend confirmation of **Kathryn Daley** of Green Bay, as a member of the Auctioneer Board, to serve for the term ending May 1, 2007.

Aye X Nay _____

MOTION

Recommend concurrence of **Assembly Bill 268** relating to mandatory and permissive subjects of collective bargaining under the Municipal Employment Relations Act.

Aye X Nay _____

MOTION

Recommend concurrence of **Assembly Bill 736** relating to drug and alcohol testing of employees who are required to be paid the prevailing wage rate for work performed on projects of public works, other than state highway projects, and providing a penalty..

Aye X Nay _____

MOTION

Recommend concurrence of **Assembly Bill 857** relating to final offer limits under the Municipal Employment Relations Act.

Aye X Nay _____

MOTION

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Aye X Nay _____

MOTION

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Aye X Nay _____

MOTION (Answer both alternatives)

Recommend **Senate Bill 564** for passage as amended (if amendment passes)

Aye X Nay _____

Recommend **Senate Bill 564** for passage (if amendment fails)

Aye X Nay _____

MOTION

Recommend adoption of **Senate Amendment 1** (attached) to **Senate Bill 612** relating to administration of elections; providing exemptions from and extending the time limit for emergency rule procedures; granting rule-making authority; and providing penalties.

Aye X Nay _____

MOTION

Recommend introduction and adoption of LRB a2489/1 (copy attached) to **Senate Bill 612**

Aye X Nay _____

MOTION (Answer all alternatives)

Recommend **Senate Bill 612** for passage as amended (if both SA 1 and LRB a2489 pass)

Aye X Nay _____

Recommend **Senate Bill 612** for passage as amended (if SA 1 passes but LRB a2489 fails)

Aye X Nay _____

Recommend **Senate Bill 612** for passage as amended (if LRB a2489 passes but SA 1 fails)

Aye X Nay _____

Recommend **Senate Bill 612** for passage (if both SA1 and LRB a2489 fail)

Aye X Nay _____

Signature

 Mary H. Ayich

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SENATE COMMITTEE ON LABOR AND ELECTION PROCESS
REFORM

Paper Ballot: Senator Reynolds

Please return your vote via ballot to Senator Reynolds' office (306 South) by 10:00 a.m., Thursday, March 2nd, 2006.

Any questions on the attached amendments can be directed to Russ Whitesel, Legislative Council for the committee. His direct line is 6-0922.

Thank you.

MOTION

Recommend confirmation of **Sue Bauman** of Madison, as a member of the Wisconsin Employment Relations Commission, to serve for the term ending March 1, 2011.

Aye Nay _____

MOTION

Recommend confirmation of **Kathryn Daley** of Green Bay, as a member of the Auctioneer Board, to serve for the term ending May 1, 2007.

Aye Nay _____

MOTION

Recommend concurrence of **Assembly Bill 268** relating to mandatory and permissive subjects of collective bargaining under the Municipal Employment Relations Act.

Aye Nay _____

MOTION

Recommend concurrence of **Assembly Bill 736** relating to drug and alcohol testing of employees who are required to be paid the prevailing wage rate for work performed on projects of public works, other than state highway projects, and providing a penalty..

Aye ~~_____~~ Nay _____

MOTION

Recommend concurrence of **Assembly Bill 857** relating to final offer limits under the Municipal Employment Relations Act.

Aye ~~_____~~ Nay _____

MOTION

Recommend concurrence of **Assembly Joint Resolution 36** relating to requiring a photographic identification to vote, or register to vote, at the polls on election day (first consideration).

Aye ~~_____~~ Nay _____

MOTION

Recommend introduction and adoption of LRB a2564/1 (copy attached) to **Senate Bill 564** relating to the number of ballots authorized to be printed at an election.

Aye ~~_____~~ Nay _____

MOTION (Answer both alternatives)

Recommend **Senate Bill 564** for passage as amended (if amendment passes)

Aye X Nay _____

Recommend **Senate Bill 564** for passage (if amendment fails)

Aye _____ Nay _____

MOTION

Recommend adoption of **Senate Amendment 1** (attached) to **Senate Bill 612** relating to administration of elections; providing exemptions from and extending the time limit for emergency rule procedures; granting rule-making authority; and providing penalties.

Aye X Nay _____

MOTION

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Aye X Nay _____

MOTION (Answer all alternatives)

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Aye X Nay _____

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Aye _____ Nay _____

Recommend **Senate Bill 612** for passage as amended (if LRB a2489 passes but SA 1 fails)

Aye _____ Nay _____

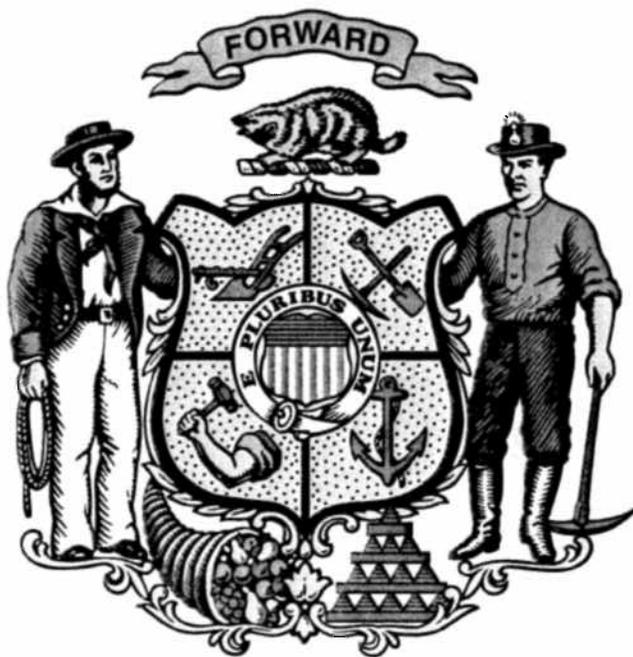
Recommend **Senate Bill 612** for passage (if both SA1 and LRB a2489 fail)

Aye _____ Nay _____

Signature



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**WISCONSIN LEGISLATIVE COUNCIL
AMENDMENT MEMO**

2005 Assembly Bill 857

**Assembly Substitute
Amendment 1**

Memo published: January 19, 2006

Contact: Robert J. Conlin, Senior Staff Attorney

CURRENT LAW

Generally, under the Municipal Employment Relations Act (MERA), when an impasse occurs in collective bargaining between a municipal employer and its represented employees, final and binding arbitration may be initiated. If this occurs, each side is then required to submit to the Wisconsin Employment Relations Commission (WERC) its single final offer containing its final proposals on all issues in dispute. Once an arbitrator is appointed, the arbitrator, after a hearing on the matter, and after considering several statutory factors, must choose one of the final offers. Generally, current law does not place any restrictions on the allowable increases in the expenditures for compensation in fringe benefits included in the final offers.

ASSEMBLY BILL 857

Assembly Bill 857 provides that if state law places *expenditure or revenue limitations* on the municipal employer, a final offer submitted to WERC may not require the expenditure for compensation and fringe benefits per employee to be more than the amount spent under the previously negotiated contract for those items increased by the allowable percentage increase in expenditures or revenue *between the last year of the previously negotiated contract and the first year of the contract that is being negotiated*. If WERC determines that a final offer requires greater expenditure, WERC must return the offer to the party for revision. If the last written position of a party requires greater expenditure than allowed by the bill, the party will be considered to have not submitted an offer. Finally, the bill provides that the "greatest weight" factor that the arbitrator must consider must include the expenditure limit described above.

ASSEMBLY SUBSTITUTE AMENDMENT 1

Assembly Substitute Amendment 1 makes the following changes to the bill:

- Assembly Substitute Amendment 1 provides that the bill's final offer provisions only apply if a municipal employer is subject to limitations on "**available revenue**," rather than limitations on "expenditures or revenue" under the bill.
- Assembly Substitute Amendment 1 defines "available revenue" as follows:
 - For a municipal employer that is a school district, "available revenue" means "revenue" as defined for purposes of the school district revenue limit law, i.e., the sum of state aid and the property tax levy.
 - For a municipal employer that is a technical college district, "available revenue" means the sum of the allowable property tax levy and general state aid.
 - For other municipal employers, "available revenue" means the sum of the allowable property tax levy, payments received for general transportation aids under s. 86.30 and connecting highway aids under s. 86.32, and shared revenue payments under subch. 1 of ch. 79.
- Assembly Substitute Amendment 1 specifies that the limitation created by the bill limits expenditures for compensation and fringe benefits per employee **in any year of the contract being negotiated** to be more than the amount expended in the previous year increased by the **allowable percentage increase in available revenue**.

Legislative History

Assembly Substitute Amendment 1 was offered on January 13, 2006 by Representative Gottlieb. The amendment was recommended for adoption by the Assembly Committee on Labor on January 18, 2006 on a vote of Ayes, 5; Noes, 3. The bill was then recommended for passage, as amended, by the same vote.

RJC:rv





MARK GOTTLIEB

STATE REPRESENTATIVE • 60TH DISTRICT

Co-Chair • Joint Committee for Review of Administrative Rules
Vice-Chair • Assembly Republican Caucus

**Testimony of Rep. Mark Gottlieb
Assembly Bill 857
Senate Committee on Labor and Election Process Reform
February 16, 2006**

Chairperson Reynolds and senators:

Thank you for holding this public hearing on Assembly Bill 857, which would link final arbitration offers to the employer's ability to pay.

The bill prohibits a final arbitration offer where the percentage increase in total compensation per employee is greater than the percentage increase in expenditures or revenues allowed under state law.

This proposal would only apply to those contract disputes that go to arbitration under Section 111.70, of the Statutes. Municipal employers can still negotiate and reach a voluntary settlement with the collective bargaining unit that exceeds this limit, if they choose.

Because labor accounts for more than 70 percent of local government expenditures, employers need the means to keep cost increases within state-imposed spending and revenue limits. This bill provides for consistency between those limits and state imposed arbitration decisions.

<http://www.jsonline.com/>[Return to regular view](#)Original URL: <http://www.jsonline.com/news/wauk/jan06/385433.asp>

32 teaching positions recommended to be cut in Waukesha

Waukesha School District needs to cover \$3 million for 2006-'07

By AMY HETZNER
ahetzner@journalsentinel.com

Posted: Jan. 16, 2006

Waukesha - Elementary band and orchestra could face the music this year, along with environmental education and classroom teachers at all grade levels, according to administrative recommendations on how the School District can avoid a \$3 million shortfall in 2006-'07.

Although only eight items long, the list of administrative recommendations on program and service reductions in the district could affect nearly every student.

Under the proposal, which was developed after discussions with about 50 administrators as well as teacher leaders, about half of the potential shortfall would be covered by eliminating 32 full-time classroom teaching positions. That move would increase the average class-size ratio by one student in first- through sixth-grade classrooms, to 25-to-1, and by two students in the middle and high schools, to 27-to-1.

"It's the most teachers that have ever been on the reductions list," Waukesha Superintendent David Schmidt said, referring to previous years of budget cutbacks.

In the past, the School Board has avoided classroom teacher reductions and class-size increases. But School Board President William Baumgart said potential deficits in future years could make such action inevitable.

"I don't think we can avoid that forever, because what we're dealing with is large numbers," he said. "The biggest part of our budget, as you know, is staff."

District officials have blamed the school system's shortfalls on conflicts between two state laws - one that restricts how much revenue school districts can raise annually and another that regulates teacher contracts. While the district's revenue has risen about 2% under the state-imposed revenue caps, the state's qualified economic offer law nearly guarantees teacher compensation will increase by 3.8%, they say.

Because of the difference, the district projects it will face budget shortfalls of \$2.4 million in 2007-'08 and \$2.1 million in 2008-'09.

"This is an ongoing, systematic, what I call structural gap between several bills at the legislative level," Schmidt said. "And, until that's fixed, we will continue to be reducing programs and services."

In addition to the classroom teacher reductions, district administrators have recommended the following actions for the 2006-'07 budget:

- Eliminate the district's environmental education program.
- Eliminate the middle school skills enrichment program, with individual and group tutoring by teachers to be replaced by study halls supervised by aides.
- Eliminate the two full-time gifted and talented teachers serving the middle and high schools.

- Eliminate the six full-time reading resource teachers in the middle and high schools.
- Reduce the district's annual technology purchases by \$250,000.
- Reduce staffing of the elementary band and orchestra program by three full-time teachers, pushing back the start of orchestra lessons to fifth grade and band lessons to sixth grade, one year later than currently.

The School Board will begin holding meetings on the proposed cutbacks at the beginning of next month.

In addition to outlining recommendations for the 2006-'07 budget, administrators also provided board members with reductions that could be made in the two following years. Board members could choose to move up some of those cuts and postpone others, Schmidt said.

Joe Smogor, chairman of the environmental education department, said he was frustrated his program continues to come up when the district talks of cutting back.

At a time when the federal No Child Left Behind law is causing schools to focus more on core content areas such as math and science, some might not see the benefits of environmental education, he said.

"The program has been in the district for 30 years now, and over the years, we've had some significant reductions in my operating budget, staff budget, etcetera, but we have managed to survive in some shape or form," Smogor said. "I don't know if this year we can continue to get the community support that we've had or the staff support that we've had."

From the Jan. 17, 2006, editions of the Milwaukee Journal Sentinel
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Original URL: <http://www.jsonline.com/news/metro/nov05/374212.asp>

School District seeks budget help

Glendale-River Hills faces \$681,191 deficit

By JAMAAL ABDUL-ALIM
jabdul-alim@journalsentinel.com

Posted: Nov. 29, 2005

Glendale - Faced with a deficit of more than a half-million dollars for the coming school year, Glendale-River Hills School District officials are turning to the community for ideas on how to make ends meet.

Suggestions at a town hall meeting this week ranged from the relatively simple, such as better informing the public of the bottom line and what's at stake, to the more controversial and complex, such as tinkering with teacher salaries and how much teachers pay for health insurance.

District Business Manager Candace Drury said the district is in a "financial bind," mainly because teachers pay and benefits packages must go up 3.8% annually, while state revenue caps have prevented the district from raising revenue by more than 2.4% in recent years.

"We're not the only district in this situation," Drury said, citing the flat enrollment growth and 10% increase in other costs - such as building insurance and heating - as factors.

In order to illustrate what the district has done so far to tighten its belt, Drury recounted various cost-cutting measures that have been taken recently. Those measures include downsizing through attrition, decreasing maintenance services, eliminating teachers aides and scrapping fourth-grade orchestra.

She said there are three options to deal with the looming deficit: increase revenue, decrease expenditures or a combination of those two.

Some at the meeting wanted School Board members to take a serious look at modifying teacher salaries and benefits - a suggestion that drew consternation from various teachers in the audience, several of whom indicated their support for a referendum to deal with budget constraints. The district is facing a \$681,191 shortfall for the 2006-'07 school year.

But for residents such as Jennifer Peltz, it makes sense to rethink what kinds of packages are being offered to teachers, because compensation and benefits represent the biggest chunk - 81% - of the district budget.

"No one is talking about salaries here," Peltz said during the meeting, held Monday at Glen Hills Middle School.

School Board member Nick Hassler said it is warranted to search for creative ways to "manage" teacher compensation but the state's qualified economic offer law makes such creativity involving teacher pay difficult to achieve. The law guarantees teachers a 3.8% annual raise in salaries and benefits and is meant to enable districts to steer clear of costly arbitration when negotiating contracts.

Hassler also said it's important to keep teacher salaries at a level that allows the district to remain competitive.

In 2004, the average teacher salary in the district was \$49,646, the 22nd highest of 426 school districts, according to an analysis of figures compiled by the state Department of Public Instruction. The average fringe benefit amount for teachers in the district was \$21,390, 94th highest in the state.





AFSCME®

WISCONSIN OFFICE • 8033 Excelsior Drive, Suite A • Madison, Wisconsin 53717-1903 • Telephone 608/836-6666

To: Members of the Senate Labor and Election Process Reform Committee
From: John Gabel
Re: AFSCME Testimony in Opposition to AB 857
Date: February 16, 2006

Chairman Reynolds, members of the committee, thank you for the opportunity to speak before you today.

AFSCME urges all members of the Senate Labor and Election Process Reform Committee to oppose AB 857. AB 857 essentially places a Qualified Economic Offer on county and municipal employees, circumventing the highly successful Municipal Employment Relations Act (MERA) in resolving labor disputes in Wisconsin.

This legislation amounts to a QEO on public employees. If AB 857 were to become law it would cap the financial portion of final offers submitted to an arbitrator under MERA by both the employer and the employee to a percent increase equal to or less than any revenue limits placed on the employer by Wisconsin state law (i.e., property tax freeze or TABOR). Basically if the state places a revenue limit on a local government which equates to a 2% increase in revenue, then its employees may only ask for a combined increase in wages and benefits that is equal to or less than 2% in final offers submitted to an arbitrator.

However, the impacts of this legislation may be greater than simply placing a cap on wages and benefits for public employees. Given the rising costs of health care it is easy to imagine a scenario in which public employees are required to take a cut in wages to maintain their coverage in health care plans. AFSCME believes wages and benefits should be determined at the bargaining table, using the same formula that has kept labor peace for nearly three decades.

Additionally, the existence of greater and greatest weight factor in the mediation arbitration process renders this legislation unnecessary. Under current law an arbitrator would have to take into consideration any and all revenue limits placed on a local unit of government in arbitrating a labor dispute. These limits would constitute the greatest weight factor in any mediation arbitration case, and would most likely result in a favorable ruling for the employer.

Finally, we have been told that legislation like AB 857 and AB 268 are necessary to provide local governments the tools they will need to operate under the current property tax freeze and potentially the proposed constitutional amendment TABOR. AFSCME believes that legislation like this demonstrates the short comings of these artificial revenue limits. The primary cause of stress on local government budgets, and therefore the property tax burden of Wisconsin residents, is the escalating cost of health care.

Property tax freezes and TABOR offer only band aids to increasing property tax rates, but fail to get to the root of the problem. These 'solutions' in turn only result in creating more problems that result in

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American Federation of State, County and Municipal Employees, AFL-CIO



legislation like what you have before you today. AB 857 and AB 268 will not solve the budget problems of local governments. But real health care reform will make a real impact. There are several proposals before the Wisconsin State Legislature to reform health care in Wisconsin, one of which, a proposal offered by Wisconsin's AFL-CIO, has received AFSCME's endorsement. AFSCME encourages the state legislature to direct its efforts towards reforming Wisconsin's health care system and reduce health care costs for all Wisconsin residents. Significant health care reform in Wisconsin will have a substantially greater impact on relieving the stress on local government budgets than AB 857 or AB 268 ever will.

For these reasons, AFSCME again urges all members of the Senate Labor and Election Process Reform Committee oppose AB 857. Thank you for your consideration, and I will be happy to answer any questions you may have.



WISCONSIN EDUCATION ASSOCIATION COUNCIL

Affiliated with the National Education Association

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MEMO

TO: Members of the Senate Committee on Labor and Election Process Reform
FR: Mike McNett, Director of Collective Bargaining and Research
DA: February 16, 2006
RE: Opposition to AB 857 (Final Offer Limits under the Municipal Employment Relations Act)

The Wisconsin Education Association Council (WEAC) urges you to oppose AB 857 because it is not needed and it takes away local control.

This legislation is unnecessary because current law already provides multiple safeguards for public employers. The interest arbitration process contained in the Municipal Employment Relations Act contains a number of criteria an arbitrator must take into consideration when determining which of the two final offers is more reasonable. Within these criteria, greatest weight is given to state limits on employer spending or revenue. If revenue controls make it too difficult for an employer to afford a particular final offer, that factor alone can determine the outcome of the arbitration. Arbitrators then give consideration to the interests and welfare of the public, the employer's ability to pay, and comparisons with other employees performing similar services in the public and private sectors. AB 857 would give the employer yet another advantage in a system that is currently weighted in the employer's favor.

In our school system, Education Support Professionals (ESP), such as school secretaries, paraeducators, custodians, bus drivers and cooks, would be the most harmed by AB 857. Teachers offered a qualified economic offer cannot compel interest arbitration. It is therefore more common that ESP contracts go to interest arbitration. School support staff often earn wages that put them near or below the federal poverty level. Were AB 857 to become law, these essential school employees would not be able to take an offer to arbitration that would increase their total pay and benefit costs beyond the increase in the school revenue caps-- approximately 2.3%. This amount would be completely consumed by even a small increase in insurance costs. Teachers forced into arbitration under this proposed system would be treated even more harshly than under the Qualified Economic Offer (QEO), limited by the percent increase in district revenue caps versus 3.8% under the QEO law.

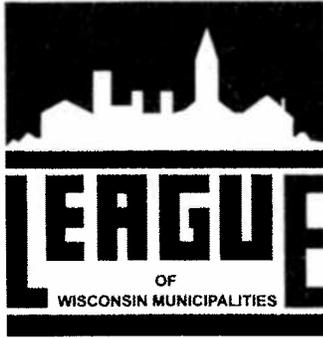
Assembly Bill 857 would also erode local control and flexibility. Under the bill, arbitrators would not be allowed to consider final offers that exceed the percentage increase in revenue caps, despite the wishes of the parties and any mutual desire for a resolution that provides a fair cost of living increase.

For these reasons, WEAC urges you to oppose AB 857.

If you have any questions, contact Deb Sybell, WEAC Legislative Program Coordinator, at (608) 298-2327.

Stan Johnson, President
Dan Burkhalter, Executive Director





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To: Senate Committee on Labor and Election Process Reform
From: Curt Witynski, Assistant Director, League of Wisconsin Municipalities
Date: February 16 , 2006
Re: Support for AB 857, Limiting Collective Bargaining Final Offers When Local Governments Face Revenue Limits

The League of Wisconsin Municipalities supports AB 857, placing limits on collective bargaining final offers when municipalities face revenue limits. The League appreciates Rep. Gottlieb and Senator Darling's efforts to provide local governments with more flexibility in the area of collective bargaining. The Assembly passed AB 857 earlier this month by a vote of 52-44.

AB 857 provides that when a municipality is subject to state imposed limitations on available revenue, any final offer submitted to the Wisconsin Employment Relations Commission for compensation and fringe benefits per employee cannot exceed the amount spend under the previous agreement plus the allowable percentage increase in available revenue.

We urge you to support AB 857 and provide municipalities with more flexibility under the Municipal Employment Relations Act. Thank you for considering our comments on this important bill.



A QUALITY
EDUCATION
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State of Wisconsin Department of Public Instruction

Elizabeth Burmaster, State Superintendent

March 1, 2006

The Honorable Tom Reynolds
Chair, Senate Committee on Labor and Election Process Reform
P.O. Box 7882
Madison, WI 53707

Dear Senator Reynolds:

I am writing to express my concerns with 2005 Assembly Bill 857, relating to final offer limits under the state's Municipal Employment Relations Act. I fear this bill, if passed as introduced, could further erode our ability to recruit, hire, and retain quality teachers and support staff in all our state's schools.

Wisconsin has the highest percentage of qualified teachers, which has led to outstanding student performance. Yet, Wisconsin teacher salaries have slipped below the national average. This is not sustainable, and I believe this bill is another blow to the teachers and other educators in our public schools, when salaries and fringe benefits have already been restricted under the Qualified Economic Offer law and revenue caps. To subject educators to even more restrictive criteria flies directly in the face of our need to encourage the best and brightest of our citizens to enter and stay in education.

Simply put, Wisconsin's public school teachers and educators need our enhanced respect and support in these difficult financial times, not an additional restriction on their ability to earn and bargain fair compensation. I believe AB 857 would have a negative effect on our state's teachers and the labor-management relationship in our school districts.

Please contact me if you have any questions.

Sincerely,

A handwritten signature in black ink that reads 'Elizabeth Burmaster'.

Elizabeth Burmaster
State Superintendent

cc: Senator Alberta Darling





MARK GOTTLIEB

STATE REPRESENTATIVE • 60TH DISTRICT

Co-Chair • Joint Committee for Review of Administrative Rules
Vice-Chair • Assembly Republican Caucus

**Testimony of Rep. Mark Gottlieb
Assembly Bill 857
Senate Committee on Labor and Election Process Reform
March 1, 2006**

Chairperson Reynolds and senators:

Thank you for holding this public hearing on Assembly Bill 857, which would link final arbitration offers to the employer's ability to pay.

The bill prohibits a final arbitration offer where the percentage increase in total compensation per employee is greater than the percentage increase in expenditures or revenues allowed under state law.

This proposal would only apply to those contract disputes that go to arbitration under Section 111.70, of the Statutes. Municipal employers can still negotiate and reach a voluntary settlement with the collective bargaining unit that exceeds this limit, if they choose.

Because labor accounts for more than 70 percent of local government expenditures, employers need the means to keep cost increases within state-imposed spending and revenue limits. This bill provides for consistency between those limits and state imposed arbitration decisions.

School District seeks budget help

Glendale-River Hills faces \$681,191 deficit

By JAMAAL ABDUL-ALIM
jabdul-alim@journalsentinel.com

Posted: Nov. 29, 2005

Glendale - Faced with a deficit of more than a half-million dollars for the coming school year, Glendale-River Hills School District officials are turning to the community for ideas on how to make ends meet.

Suggestions at a town hall meeting this week ranged from the relatively simple, such as better informing the public of the bottom line and what's at stake, to the more controversial and complex, such as tinkering with teacher salaries and how much teachers pay for health insurance.

District Business Manager Candace Drury said the district is in a "financial bind," mainly because teachers pay and benefits packages must go up 3.8% annually, while state revenue caps have prevented the district from raising revenue by more than 2.4% in recent years.

"We're not the only district in this situation," Drury said, citing the flat enrollment growth and 10% increase in other costs - such as building insurance and heating - as factors.

In order to illustrate what the district has done so far to tighten its belt, Drury recounted various cost-cutting measures that have been taken recently. Those measures include downsizing through attrition, decreasing maintenance services, eliminating teachers aides and scrapping fourth-grade orchestra.

She said there are three options to deal with the looming deficit: increase revenue, decrease expenditures or a combination of those two.

Some at the meeting wanted School Board members to take a serious look at modifying teacher salaries and benefits - a suggestion that drew consternation from various teachers in the audience, several of whom indicated their support for a referendum to deal with budget constraints. The district is facing a \$681,191 shortfall for the 2006-'07 school year.

But for residents such as Jennifer Peltz, it makes sense to rethink what kinds of packages are being offered to teachers, because compensation and benefits represent the biggest chunk - 81% - of the district budget.

"No one is talking about salaries here," Peltz said during the meeting, held Monday at Glen Hills Middle School.

School Board member Nick Hassler said it is warranted to search for creative ways to "manage" teacher compensation but the state's qualified economic offer law makes such creativity involving teacher pay difficult to achieve. The law guarantees teachers a 3.8% annual raise in salaries and benefits and is meant to enable districts to steer clear of costly arbitration when negotiating contracts.

Hassler also said it's important to keep teacher salaries at a level that allows the district to remain competitive.

In 2004, the average teacher salary in the district was \$49,646, the 22nd highest of 426 school districts, according to an analysis of figures compiled by the state Department of Public Instruction. The average fringe benefit amount for teachers in the district was \$21,390, 94th highest in the state.

Original URL: <http://www.jsonline.com/news/wauk/jan06/385433.asp>

32 teaching positions recommended to be cut in Waukesha

Waukesha School District needs to cover \$3 million for 2006-'07

By AMY HETZNER
ahetzner@journalsentinel.com

Posted: Jan. 16, 2006

Waukesha - Elementary band and orchestra could face the music this year, along with environmental education and classroom teachers at all grade levels, according to administrative recommendations on how the School District can avoid a \$3 million shortfall in 2006-'07.

Although only eight items long, the list of administrative recommendations on program and service reductions in the district could affect nearly every student.

Under the proposal, which was developed after discussions with about 50 administrators as well as teacher leaders, about half of the potential shortfall would be covered by eliminating 32 full-time classroom teaching positions. That move would increase the average class-size ratio by one student in first- through sixth-grade classrooms, to 25-to-1, and by two students in the middle and high schools, to 27-to-1.

"It's the most teachers that have ever been on the reductions list," Waukesha Superintendent David Schmidt said, referring to previous years of budget cutbacks.

In the past, the School Board has avoided classroom teacher reductions and class-size increases. But School Board President William Baumgart said potential deficits in future years could make such action inevitable.

"I don't think we can avoid that forever, because what we're dealing with is large numbers," he said. "The biggest part of our budget, as you know, is staff."

District officials have blamed the school system's shortfalls on conflicts between two state laws - one that restricts how much revenue school districts can raise annually and another that regulates teacher contracts. While the district's revenue has risen about 2% under the state-imposed revenue caps, the state's qualified economic offer law nearly guarantees teacher compensation will increase by 3.8%, they say.

Because of the difference, the district projects it will face budget shortfalls of \$2.4 million in 2007-'08 and \$2.1 million in 2008-'09.

"This is an ongoing, systematic, what I call structural gap between several bills at the legislative level," Schmidt said. "And, until that's fixed, we will continue to be reducing programs and services."

In addition to the classroom teacher reductions, district administrators have recommended the following actions for the 2006-'07 budget:

- Eliminate the district's environmental education program.
- Eliminate the middle school skills enrichment program, with individual and group tutoring by teachers to be replaced by study halls supervised by aides.
- Eliminate the two full-time gifted and talented teachers serving the middle and high schools.

- Eliminate the six full-time reading resource teachers in the middle and high schools.
- Reduce the district's annual technology purchases by \$250,000.
- Reduce staffing of the elementary band and orchestra program by three full-time teachers, pushing back the start of orchestra lessons to fifth grade and band lessons to sixth grade, one year later than currently.

The School Board will begin holding meetings on the proposed cutbacks at the beginning of next month.

In addition to outlining recommendations for the 2006-'07 budget, administrators also provided board members with reductions that could be made in the two following years. Board members could choose to move up some of those cuts and postpone others, Schmidt said.

Joe Smogor, chairman of the environmental education department, said he was frustrated his program continues to come up when the district talks of cutting back.

At a time when the federal No Child Left Behind law is causing schools to focus more on core content areas such as math and science, some might not see the benefits of environmental education, he said.

"The program has been in the district for 30 years now, and over the years, we've had some significant reductions in my operating budget, staff budget, etcetera, but we have managed to survive in some shape or form," Smogor said. "I don't know if this year we can continue to get the community support that we've had or the staff support that we've had."

From the Jan. 17, 2006, editions of the Milwaukee Journal Sentinel
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To: Members of the Senate Committee on Labor and Election Process Reform
From: John Grabel
Re: AFSCME opposition to AB 268 and AB 857
Date: March 1, 2006

AFSCME urges all members of the Senate Committee on Labor and Election Process Reform to oppose AB 268 and AB 857. AB 268 and AB 857 make significant changes to Wisconsin's Municipal Employment Relations Act (MERA) undermining a law that has been instrumental in keeping labor peace in Wisconsin for nearly three decades.

AB 268

Since 1978 Wisconsin has enjoyed labor peace between public employees and local governments. In the eight years prior to interest arbitration becoming law there were 110 work stoppages related to unresolved disputes between labor and local governments. Since passage of interest arbitration there has not been one instance of local public service interruption due to contract negotiations in Wisconsin. In exchange for a prohibition on strikes public employees and local governments were provided a fair and equitable system for resolving labor disputes, which over time, has proven to be a better and less costly process to local governments and taxpayers.

Over the past 27 years, 1,029 different contracts have gone to interest arbitration. Of those contracts the arbitrator has ruled in favor of the local government 544 times, or 53% of the cases. Since 1995, when the legislature passed into law the greatest weight factor, local governments have been awarded 59% of the 258 cases that have gone before interest arbitration.

These numbers demonstrate that claims about the strain interest arbitration places on local governments are unfounded. The interest arbitration process takes all factors into consideration before rendering a decision, including limits on local government's ability to raise revenue or the cost of contracting out versus providing services with public employees, among many others. There is no demonstrable need for changes in a law that has proven to be effective in keeping labor peace, continues to provide quality public services and protects taxpayer interests.

AB 857

This legislation amounts to a QEO on all public employees. If this bill were to become law it would cap the financial portion of final offers submitted to an arbitrator under MERA by both the employer and the employee to a percent increase equal to or less than any revenue limits placed on the employer by Wisconsin state law (ie, property tax freeze or TABOR). Basically if the state places a revenue limit on a local government which equates to a 2% increase in revenue for the local government, then its employees may only ask for a combined increase in wages and benefits that are equal to or less than 2%. Given the

in the public service

rising costs of health care it is easy to imagine a scenario in which public employees are required to take a cut in wages to maintain their coverage in health care plans. Wages and benefits should be determined at the bargaining table, using the same formula that has kept labor peace for nearly three decades.

Again, AFSCME urges all members of the Senate Committee on Labor and Election Process Reform to oppose AB 268 and AB 857. Thank you for your consideration, and please contact me (608-279-9093) if you have any questions or concerns.





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To: Senate Committee on Labor and Election Process Reform
From: Curt Witynski, Assistant Director, League of Wisconsin Municipalities
Date: March 1, 2006
Re: Support for AB 857, Limiting Collective Bargaining Final Offers When Local Governments Face Revenue Limits

The League of Wisconsin Municipalities supports AB 857, placing limits on collective bargaining final offers when municipalities face revenue limits. The League appreciates Rep. Gottlieb and Senator Darling's efforts to provide local governments with more flexibility in the area of collective bargaining. The Assembly passed AB 857 in February by a vote of 52-44.

AB 857 provides that when a municipality is subject to state imposed limitations on available revenue, any final offer submitted to the Wisconsin Employment Relations Commission for compensation and fringe benefits per employee cannot exceed the amount spent under the previous agreement plus the allowable percentage increase in available revenue.

We urge you to support AB 857 and provide municipalities with more flexibility under the Municipal Employment Relations Act. Thank you for considering our comments on this important bill.