

2007 DRAFTING REQUEST

Bill

Received: **12/20/2006**

Received By: **rchampag**

Wanted: **Soon**

Identical to LRB:

For: **Administration-Budget**

By/Representing: **Frederick**

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

Drafter: **rchampag**

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Addl. Drafters:

Subject: **Employ Pub - civil service**

Extra Copies:

Submit via email: **YES**

Requester's email:

Carbon copy (CC:) to:

Pre Topic:

DOA:.....Frederick, BB0257 -

Topic:

Reimbursement for grievance arbitrations

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>
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FE Sent For:

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2007-09 Budget Bill Statutory Language Drafting Request

- Topic: Reimbursement for grievance arbitrations
- Tracking Code: BB0257
- SBO team: SGO
- SBO analyst: Caitlin Morgan Frederick
 - Phone: 6-8777
 - Email: Caitlin.frederick@wisconsin.gov
- Agency acronym: OSER
- Agency number: 545

Priority: High

Modify the appropriation under s.20.545(1)(km) to permit the costs of the labor management cooperation to be included in the current law costs that are billable to state agencies under that appropriation.



Office of State Employment Relations
2007-09 Biennial Budget Development
Concept Paper – Expand Labor-Management Cooperation Program
Proposal for Governor's Budget

1. Issue

In 1998, the then-Department of Employment Relations and the Wisconsin State Employees Union (WSEU) jointly received a Labor-Management Cooperation (LMC) grant from the Federal Mediation and Conciliation Service. The \$90,000 grant was used to identify and replicate "best practices" in labor-management cooperation at work sites across the state. A best practice is a successful example of cooperation between labor and management. The LMC training team, composed of representatives from both WSEU and management, conducted training on how to improve cooperation, and provided on-site assistance at work sites to improve cooperation.

This program proved very effective in reducing costly, time-consuming grievances. An average grievance taken through to arbitration costs the affected agency approximately \$10,000. In 2000, LMC principles were used to reduce outstanding discharge arbitrations by 72%, saving the state over \$150,000 in avoided arbitration costs. In 2001, agencies that utilized LMC teams had 58% fewer grievances resulting in at least \$300,000 in avoided arbitrations and their attendant costs.

With the expiration of the original grants, OSER has been unable to dedicate resources to supporting LMC efforts. Although labor relations chiefs work on ongoing contract administration, interpretation, and problem-solving with unions and agencies, none of them is able to devote time to overall planning and stewardship of a statewide labor-management cooperation effort. OSER's staff of labor relations chiefs has decreased from a one-time high of 10 positions to 7, while bargaining unit responsibilities have increased over the same time period from 14 to 19.

With the hiatus in the LMC program, the grievance/arbitration backlog has grown from 400 to more than 1200 cases. The backlog of arbitrations arising from employee discharges, which presents an accumulating back-pay liability for agencies, has increased over 400% since the LMC program was discontinued.

Union interest in LMC is growing. WSEU is interested in reinvigorating the program, and a number of AFT-Wisconsin units, most notably WPEC, have also expressed interest. WPEC is generating increasing numbers of grievances, and LMC would be a valuable tool to address unrest that has developed in WPEC and other professional unions over contracting out, travel and fleet policies, criminal background checks, and workforce reductions.

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This paper proposes adding one labor relations specialist position to OSER. This position would be devoted full time to LMC, with representative duties including: conducting training of union and management representatives around state government; facilitating workplace interventions; coordinating LMC teams and projects; serving as an intra-agency liaison for LMC activities; conducting follow-up with teams; assisting OSER and union officials in development of LMC goals and strategic plans. The position could also be used, time permitting, to handle grievance arbitrations.

2. Costs in 2007-09

The position should be classified as a Labor Relations Specialist – Chief. Salary, fringe, and supplies and services costs would be approximately \$141,400 over the biennium.

This position could be structured as a 100% GPR position, or a split 75% GPR- 25% PR position. The PR share would be recouped through chargebacks to agencies that attend LMC trainings or other programs. Assuming this model, OSER appropriation 133 (Employee Development and Training Services) would need an increase of \$35,400 in authority over the biennium.

3. Reallocation Opportunities

There are no reallocation opportunities within OSER. OSER's staff has been reduced by 30% over the past 4 years. We are down to the bare minimum number of staff needed to meet our obligations to provide human resources services and policy direction to the state government enterprise. OSER's current staff of labor relations chiefs are busy 12 months of the year with a combination of bargaining, contract interpretation and administration, and arbitrations.

Establishment of a position devoted to LMC would permit us both to enhance the skills of agency supervisors and managers in resolving their own labor relations issues, as well as providing the capacity for OSER to respond in a more in-depth manner when particularly difficult situations arise. As the current backlog of 1200 arbitrations demonstrates, we are simply unable to keep pace with grievance filings and must work to reduce the generation of new grievances and arbitrations through LMC.

4. Long-Term Costs

Labor management cooperation programs have a proven track record of avoiding grievance and arbitration costs. Long term, establishing this position and function as a permanent component of OSER will permit the state as a whole to avoid costs.

5. Positions

We propose the addition of 1.0 Labor Relations Specialist-Chief.

6. Statutory Language

No statutory language would be required.

7. Impact of Denial

Without a staff person dedicated to these functions, OSER staff will continue to be diverted to the demands of bargaining and managing labor relations from a reactive, crisis-response mode rather than taking a proactive, preventive approach. Challenges in labor-management relations at the agencies will continue to go the route of costly grievances and arbitrations, with the attendant drain on productivity for both staff and managers in addition to the real costs associated with the arbitrations themselves.



State of Wisconsin
2007 - 2008 LEGISLATURE

LRB-1216/1

RAC:.....

JG

DOA:.....Frederick, BB0257 - Reimbursement for grievance arbitrations

FOR 2007-09 BUDGET -- NOT READY FOR INTRODUCTION

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the Office of State Employment Relations

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

Analysis by the Legislative Reference Bureau

STATE GOVERNMENT ✓

STATE EMPLOYMENT ✓

* The bill expands the funding source of a current program revenue-service appropriation to ~~OSER~~, which currently consists of moneys paid by state agencies to cover the costs of grievance arbitrations, to include moneys received from state agencies for training related to grievance arbitrations.

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

2 SECTION 1. 20.545 (1) (km) ✓ of the statutes is amended to read:

3 20.545 (1) (km) *Collective bargaining grievance arbitrations.* The amounts in
4 the schedule for the payment of the state's share of costs related to collective
5 bargaining grievance arbitrations under s. 111.86. All moneys received from state
6 agencies for the purpose of reimbursing the state's share of the costs related to

1 grievance arbitrations under s. 111.86 and to reimburse the state's share of costs for
2 training related to grievance arbitrations ✓ shall be credited to this appropriation
3 account.

4 **History:** 2003 a. 33 ss. 623 to 630d, 646m, 9160.

(END)



State of Wisconsin
2007 - 2008 LEGISLATURE

LRB-1216/1

RAC:jld:sh

DOA:.....Frederick, BB0257 - Reimbursement for grievance arbitrations

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