



WISCONSIN LEGISLATIVE COUNCIL AMENDMENT MEMO

2005 Assembly Bill 857

**Assembly Substitute
Amendment 1**

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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