

State Benefits, Pay Hikes At Risk

Gop Budget Approved By Committee

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By Matt Pommer The Capital Times

State employee fringe benefits and money for pay increases would be cut back under a Republican state budget plan approved by a key legislative committee today.

The Joint Finance Committee approved the plan with a 12-4 party line vote.

Provisions affecting state employees would:

Require part-time workers, whose appointments are between half and three-quarters time, to pay half of the health insurance premiums. They currently are treated like full-time workers. Collective bargaining on the topic would be prohibited, and the change apparently would take effect in July.

Eliminate \$43.4 million in compensation reserves, including \$20 million in general purpose revenue, from the governor's budget.

Prohibit workers from taking a fifth week of vacation in cash rather than in actual time away from work, currently an option for veteran employees.

Republican leaders vowed the plan would pass the Legislature quickly. The budget proposal was developed to provide a balanced budget for the state, the Republicans leaders said at a press conference.

Hours before the plan was unveiled on Tuesday, the Doyle administration warned it could have an adverse reaction on labor relations. The warning was contained in a letter from Employment Relations Secretary Karen Timberlake to the co-chairs of the budget-writing Joint Finance Committee.

"The amounts set aside in the compensation reserve are, simply put, the minimum needed to reach timely contracts for the 2003-2005 biennium, thereby maintaining labor peace during a prolonged period of fiscal difficulty and reforming the way in which the state buys health insurance for its employees," she wrote.

"If the compensation reserve is reduced from its current amounts, the state may not be able to offer unions even a one percent general wage adjustment, and certainly will have no flexibility to adjust the compensation of critical classifications such as registered nurses, certified nursing assistants, licensed practical nurses, and custodians, where we have severe recruitment, retention and labor market equity issues," continued Timberlake.

The letter reminded the committee the state is moving toward a new health insurance program, but the new program will require approval by the 19 unions which represent an estimated 35,000 state workers.

The compensation reserve amounts in the Doyle budget already anticipate savings in health insurance costs, Timberlake wrote. She added that the last round of negotiations was the most contentious in the last 25 years.

“None of us directly involved in that process wish to see it repeated, and I know most members of the Legislature share that view,” added Timberlake.

“State employees understand that the state is in dire fiscal straits for the 2003-2005 biennium, and it appears to me that expectations for the next round of collective bargaining are appropriately low.

“By the same token,” she continued, “for collective bargaining to work, there must be give and take on both sides.”

Local government and school district employees also would see changes in their fringe benefits under the Republican plan.

Under its provisions, public sector employers could unilaterally convert health insurance to their own self-funded program of the municipal employer pool operated by the state’s Group Insurance Board.

Union bargaining on such action would be prohibited, beginning with labor contracts extended, modified or renewed after the effective date of the state budget.

Many school boards have complained about effectively being locked into health insurance programs operated by an affiliate of the state teachers union. The only labor contracts excluded from that health insurance provision are those covering police and firefighters.

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