

2003-05 Contract Outlook Rocky

According To Administration Officials, The Negotiations Will Be Contentious And Nigh On Impossible.

Wisconsin State Journal :: BUSINESS :: C8

Monday, June 16, 2003

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The emotional high after the Legislature finally got off the dime and approved the 2001-03 contracts was brief and is now only a memory.

There are already predictions that negotiations for the 2003-05 contracts will be contentious and, according to administration officials, darned near impossible.

All of this is on top of a Democratic governor's pledge to eliminate nearly 12,000 state employee jobs over an eight-year period if he's re-elected in 2006.

Regardless of what happens down the road, the immediate future for state employees is grim at best. A Republican-controlled Legislature has not been shy about its intentions to not only reduce the number of state jobs, it is also ready to hold down pay raises, decrease benefits and make employees pay more for the benefits that remain.

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During its budget deliberations, the Joint Committee on Finance:

- * Reduced by \$20 million the amount of money available for state employee wages and salaries for the 2003-05 biennium.

- * Required that employees between half-time and three-quarter status receive only half the normal state contribution of a full-time employee to the Wisconsin Retirement System.

This new requirement would be a prohibited subject of bargaining.

- * Eliminated the provision that employees could take a fifth week of vacation in cash instead of time off.

The committee also passed a provision that allows counties, municipalities, school districts and technical colleges to unilaterally change group health insurance coverage for non-protective employees to either a public employer group plan offered by the state or a self-insured plan.

There's nothing to indicate the Legislature won't accept these budget provisions. It will then be up to Gov. Jim Doyle to veto them or swallow hard and sign them into law.

Unionized state employees are also aware that the state will attempt to negotiate an employee contribution for health care insurance. That's on top of what will be meager pay raises.

But, with the \$20 million reduction in the compensation reserve fund, the state may be unable to

bargain anything, according to Department of Employment Relations Secretary Karen Timberlake.

“Such a move would dramatically undermine the ability of (the department) to get the best deal for Wisconsin taxpayers at the collective bargaining table in the next round of labor negotiations, set to begin in the next several weeks,” Timberlake said in a June 3 letter to Sen. Alberta Darling and Rep. Dean Kaufert.

Darling, R-River Hills, and Kaufert, R-Neenah, chair the Finance Committee. Timberlake noted in the letter that non-represented employees can expect a 0 percent raise in 2003-04 and a 1 percent increase in 2004-05.

“The compensation plan applies to only non-represented employees,” she said. “It is widely understood, however, that these provisions will form the basis of the state’s opening position at the collective bargaining table.”

Timberlake indicated that the amount set aside in compensation reserves was the minimum needed to reach a 2003-05 contract settlement.

“If the compensation reserve is reduced from its current amounts, the state may not be able to offer unions even a 1 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,” Timberlake said.

The response from the Legislature to Timberlake’s concerns falls into the “so what?” category.

“They (the administration) indicated they were going after 0 percent and 1 percent, and the Legislative Fiscal Bureau ran the numbers,” Kaufert said. “The numbers indicated we could take \$20 million out of reserves to help balance a budget that is \$3.2 billion in deficit.”

Kaufert said Timberlake could come back to the Legislature if more money is needed.

“That’s what we were led to believe would be needed,” he said. “If that’s not the case, or if things change, there’s a process to come back for additional funding.”

It’s unlikely a request for more funding would be granted. The Legislature, through its joint committee on Employment Relations and Finance, has made it clear it’s not interested in increasing expenses.

Timberlake reminded legislators Doyle established compensation reserves at a level that would provide modest pay raises while requiring greater employee contributions to benefits.

“For collective bargaining to work, there must be give and take on both sides,” Timberlake said.

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