

## SUMMARY OF PROPOSED MUNICIPAL EMPLOYMENT RELATION REFORMS

This proposal includes two bills encompassing six changes to current law relating to employment relations between local governments and their employees. The purpose of the proposal is to

- Encourage prompt and fair settlement of public employee contracts
- Provide local governments with greater flexibility to work smarter and more efficiently
- Make impact on property tax rates a factor in public employee bargaining

The following is a summary of the proposed reforms:

- A. In an arbitration, the arbitrator must give greater weight to:

*“The economic conditions in the jurisdiction of the municipal employer, and its financial ability to meet the costs of any proposed settlement... In considering the factor specified in this subdivision, the arbitrator or arbitration panel shall specifically consider the revenues available to the municipal employer without the municipal employer having to increase its property tax rate to maintain essential services.”*

- B. The arbitrator may consider comparable employment data only from employees performing similar work within the community. Under this proposal, the arbitrator may consider:

*“Comparison of wages, hours, and conditions of employment of the municipal employees involved in the arbitration proceedings with the wages, hours, and conditions of employment of employees performing similar services in the same community.”*

- C. The arbitrator is required to specify in writing how s/he applied the factors, before the award can take effect.
- D. Make contracting of services a prohibited subject of bargaining, eliminating the requirement that local government must negotiate the effect of contracting services. This provision will provide communities with the flexibility to provide public services in the way they consider to be most cost-effective for their taxpayers.
- E. Restrict back pay awards. In an arbitration, back pay is only awarded if the arbitrator accepts the union's offer. This is an inducement to prompt settlement and the avoidance of arbitration.
- F. Newly hired employees must pay first 3 percent of the employee portion of their pension cost, as a non-bargainable contribution. This does not affect employees in the retirement system at the time of the enactment of the bill.