

Key Provisions Relating to Local Government and School Districts in Biennial Budget Bill

Jul 08 2015

Practice Area: School Law & County and Municipal Governance & Government Law

On July 7, 2015, the State Senate adopted its version (Senate Bill 21, as amended) of the Biennial Budget and sent the package to the State Assembly, which will begin debate on the Senate's version today, July 8. It is widely expected that the Assembly will pass the Senate's version of the budget intact and ask for the Governor's signature. While there will likely be changes to the language of the legislation as the Governor reviews it for partial vetoes, this *Update* provides an overview of a few of the important measures impacting local government and school districts from a legal standpoint that are likely to become law in the coming weeks.

1. Local Government Property Insurance Fund

Following actions taken by the Legislature's Joint Committee on Finance on the budget, it was widely assumed that the state would be winding down its local government property insurance fund. As a result, many school districts and local government entities would have been forced to obtain property insurance through the private insurance marketplace. However, the Senate's version of the Budget Bill calls for the continuation of the Fund and authorizes the continued sale of insurance policies under the Fund.

2. Repeal of Prevailing Wage for School Districts and Local Governments

The Senate's version of the Budget Bill completely repeals the prevailing wage law as it relates to local projects of public works, effective January 1, 2017. As a result, as of January 1, 2017, construction projects are no longer subject to prevailing wage requirements. In addition, the Bill prohibits local governments from enacting a local prevailing wage ordinance. (For additional information on the prevailing wage changes, please see our *Update* by clicking here).

3. High Deductible Health Plan (HDHP) Alternative for City of Milwaukee

As part of its final omnibus motion package, the Committee on Joint Finance approved a measure that would have required that municipal employers changing to a HDHP offer public safety employees a HDHP option that is identical to the state plan's HDHP option. The Senate Bill limits application of the HDHP requirement to City of Milwaukee public safety employees. As a result, health insurance plan design and related financial considerations remain a prohibited subject of bargaining between municipal employers and public safety municipal employees.

4. Municipal Employee Bargaining Unit Certification Elections

The Senate Bill clarifies that municipal general employee unions seeking initial recognition to represent a collective bargaining unit must receive at least 51 percent of the votes of all general municipal employees in the collective bargaining unit in order to be initially certified to represent the collective bargaining unit. While this modification represents no change from current law relating to recertification of existing bargaining units, it clarifies that if a collective bargaining unit has been unrepresented, a general municipal employee union must garner favorable votes from at least 51 percent of all employees eligible to vote, as opposed to only a majority of votes cast at the election, to be initially certified to represent the bargaining unit.

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