

MODERN MANAGEMENT

WISCONSIN'S BAN ON UNIONS' COLLECTIVE BARGAINING TURNS DEFICITS INTO SURPLUSES

There were demonstrations in the streets, some violent, when Wisconsin's Governor Scott Walker proposed eliminating collective bargaining rights for the state's teachers' unions. However, the results have been positive, encouraging other states to follow suit. Wisconsin, one of many cash strapped states, drafted a new budget law which would limit the collective bargaining powers of some public employees, a move that was bitterly opposed by organized labor in the state and across the nation.

The Hartland-Lakeside School District raised a major concern about its collective bargaining contract with the local teachers' union, which required it to buy health insurance from WEA (Wisconsin Education Association) Trust. The problem is the WEA was charging much higher rates than those available in the open market. The new budget law and an expiring contract allowed the School District to change insurers, resulting in a cost reduction from \$2.5 million a year to \$1.8 million. The School District saved \$690,000 for 2011-12, which can be reinvested to help teachers and students alike. Two other school districts intend to leave the WEA Trust next year, which is expected to result in budget savings of \$1.3 million and \$378,000.

The new law is a serious threat to the wall between teachers and administrators, created in large part by the teachers' unions. Under the new law, a school board proposal can be communicated directly to the membership without having been filtered by the old union go-betweens, who controlled what their members could and could not hear. With the pending state cutbacks, the districts cannot afford to pay for overpriced union-affiliated coverage. Collective bargaining is such a sacred cow that you can expect to see a tooth and nail battle from big labor. This battle will not go away quietly.

HEALTH INSURANCE SUBSIDIES TO END AUGUST 31

The American Recovery and Reinvestment Act which allowed many workers, involuntarily terminated from their jobs, to maintain their health-insurance coverage for up to 15 months at 35 % of their employers' cost of coverage expired on August 31. Under the Act, employers were able to recover those costs in payroll tax credits. Normally, provisions of the Consolidated Omnibus Budget Reconciliation Act (COBRA), allow employees to extend their health coverage by paying 102% of the premium cost for up to 18 months.

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SEMINAR INVITATION

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&

Wednesday, October 26, 2011,
8:30—12:00 Noon

Embassy Suites Hotel
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REGISTRATION

To register for either seminar please contact:

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DEPARTMENT OF LABOR CONSIDERING REGULATORY CHANGES TO OSHA

The DOL plan includes various reforms to be considered at an upcoming regulatory agenda regarding the construction industry Standards Improvement Project (SIP IV), which would ease the regulatory burden on employers. Previous versions of SIP have eliminated burdensome written-training-certification requirements and outdated record-storage rules, as well as updated consensus-standard alternatives.

AUGUST SEES HIRING DECLINES AND LAYOFF INCREASES

The August Society for Human Resource Management (SHRM) LINE report shows "employment expectations" to decrease a whopping 19.1% in the service sector and 1.6 % in the manufacturing sector and "recruiting difficulty" to increase in the manufacturing sector by 11.2% and 2.7% in the service industry sector. The LINE (Leading Indicators of National Employment) report is based on a monthly survey of private-sector human resource professionals and examines four key areas: employers' hiring expectations; new-hire compensation; difficulty in recruiting top-level talent; and job vacancies. New hire compensation made modest gains of 2.0% in manufacturing and 5.8% in service areas compared to a year ago.

The LINE employment expectations index provides an early indication of the U.S. Bureau of Labor Statistics (BLS) Employment Report findings. BLS findings are released about a month after the LINE report. The most distressing numbers in the report are the 13.4% of manufacturers (nearly double that of August 2010) and 15.3% of service-sector employers (more than double the August 2010 figure) that plan to cut jobs for the month of August. The complete report can be found at www.shrm.org/line.

BUREAU OF LABOR STATISTICS REPORTS WAGE GAP NARROWED IN 2010

The Department of Labor's Bureau of Labor Statistics released figures August 18, 2011 that indicated the gender pay gap has narrowed by 1% in the past year to 18.8%. Among all full-time wage and salary workers, women had median usual weekly earnings of \$669 on average last year, or 81.2% of the \$824 per week earned by men. One contributing factor is that men tend to work more hours per week than women. Also, fewer women are employed in higher paid occupations such as construction, production and transportation. Professional women were more likely to be in education and health care which generally pay less.

LEMLE & KELLEHER LABOR AND EMPLOYMENT ATTORNEYS

The labor and employment attorneys in our firm have a national and international practice representing union and non-union companies in almost every industry. Our labor attorneys have developed strong experience and hands-on knowledge of how business really works.

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