

School Law Update

January 18, 2017

Estimated CPI for Bargaining Agreements Beginning July 1, 2017, and Other Base Wage Negotiation Reminders

The United States Department of Labor - Bureau of Labor Statistics released Consumer Price Index (CPI) information this morning which allows us to tentatively calculate an *estimate* of the CPI-U for bargaining agreements beginning July 1, 2017. Our calculation reveals the applicable CPI-U is estimated to be **1.26%**.

Base Wage Negotiation Reminders

This CPI rate is *only* applicable to bargaining units for which the bargaining representative was recertified during the November election conducted by the Wisconsin Employment Relations Commission (WERC). Unless designated by board policy, it does not apply to any other group and does not apply to setting new hire wages.

This CPI rate is a cap. Unless approved by referendum, a school board is prohibited from making any change in *total* base wage that exceeds this percentage change in CPI. Offers and settlements can still be negotiated or implemented at a level below CPI.

Total base wage is the only mandatory subject of bargaining. Districts are required to negotiate both the amount of total base wage increase offered *and* its distribution. All other subjects of bargaining are prohibited.

Total base wage increase means the maximum increase to the sum of all base wages in the applicable bargaining unit; it does not refer to the base wage for individuals.

Distribution of the total base wage increase in a proposal does not have to occur on an equal dollar or equal percentage across-the-board basis. Individuals or groups of employees can, if not discriminatory, be provided different levels of base wage increase. However, it is common for Districts to offer an equal dollar distribution (even if that means an individual within the bargaining unit may receive an individual percent increase above CPI).

Finally, *and most important*, this CPI number is *not* verified until the Department of Revenue (DOR) has advised the WERC of its calculation. In some instances, due to various methods for rounding, our numbers have been slightly different. Monitor the WERC's website regularly for the final DOR calculation at http://werc.wi.gov/doaroot/cpi-u_chart.htm.

If you have any questions and you are at the Wisconsin Education Convention today or tomorrow, please feel free to stop by our Booth (#838) to discuss this topic. Otherwise, contact any of the following for more information.

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