



CIR Legislation Recap

The Platte Institute has called for real reform to the Commission of Industrial Relations or the 'CIR' as a tool to reign in government spending at the city and county level. The CIR, an unelected body, dictates the salary and benefits for most government employees. With government employees representing the largest slice of the public budget pie, there is a direct connection between CIR rulings and Nebraska's high tax burden.

Unfortunately, the Legislature's Business and Labor Committee has failed to put forth meaningful CIR reform legislation. Chairman Steve Lathrop's proposal, LB 397, has been approved by the powerful labor unions, but it does not address the problems inherent in the CIR system.

Under Sen. Steve Lathrop's proposal the CIR:

Remains un-Democratic - Elected officials who are held accountable by the people should be making budget decisions, such as how much we pay government employees, not an unelected quasi-judicial body. Unelected CIR commissioners are not affected by their decisions; they often do not live in the communities their decisions affect and they are not on the hook for the higher taxes required to fund the pay and benefit increases they proscribe to unfortunate elected bodies.

Continues Unfair Comparisons - One of the most absurd actions of the CIR was comparing Nebraska cities to out-of-state cities like Denver and Minneapolis/St. Paul. LB 397 continues the practice of comparing wages for government employees to other areas of the country. Nebraska's low cost-of-living and high quality of life is difficult to compare, and the CIR should not be in the business of doing so.

Remains Unpredictable - Over the past year the City of Omaha has filed court appeals to assert its right to determine staffing levels in its fire department; as opposed to having it determined by collective bargaining or the CIR. Aspects of the case were eventually heard by the Nebraska Supreme Court. While the Supreme Court ruled that indeed, elected officials do have the authority to determine staffing levels, the simple fact that it got that far demonstrates the complex and unpredictable nature of the CIR.

Subpoena Power- LB 397 gives subpoena power to state government which will then require private businesses to share proprietary information. LB 397 does not explain the

limits of the Commission's subpoena power, and more discomfoting, it is unclear what limits, if any, exist to protect private information from the State.

Increases Spending - In 1969 Nebraska created the Commission of Industrial Relations, during the debate State Sen. Clifton Batcholder argued "What we are actually getting into is a situation where nobody can say 'no' to any organization asking for more money than is available." LB 397 does not change the underlying problem of the CIR, Commissioners can demand exorbitant pay and benefits increases without considering the taxpayers' ability to pay. Unemployment and underemployment, inflation, already high tax rates, the taxpayer's ability to fund more government spending is not considered by the CIR.

The Commission of Industrial Relations is out-dated and favors labor unions at the expense of the taxpayer. LB 397 does nothing to change this paradigm, it simply expands a failed system, repeating the mistakes of 1969. Real reform to the CIR would end the practice of unelected judges making public policy decisions, such as staffing requirements. The Platte Institute welcomes meaningful reform that puts more power into the hands of the people paying the bills - taxpayers - rather than unknown, unaccountable CIR commissioners.

The Platte Institute has led in opposing LB 397 as insufficient reform:

[Platte Institute Criticizes CIR Reform Bill](#), Source: 10/11 News, Date: April 12, 2011

[Labor Dispute Reforms Considered](#), Source: Unicameral Update, Date: April 14, 2011

[Governor Criticizes Proposed CIR Reform](#), Source: Lincoln Journal Star, Date: April 16, 2011

[Business Groups list CIR Changes](#), Source: Omaha World-Herald, Date: April 27, 2011



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