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Joint Committee on Finance

Paper #554

Local Government Employee Residency Requirements

[LFB 2013-15 Budget Summary: Page 189, #1]

CURRENT LAW

Local units of government have the specific authority to put in place various conditions of employment on prospective and existing employees, including any requirements relating to where the employee must reside.

GOVERNOR

Prohibit any city, village, town, county, or school district from requiring that any employee or prospective employee, as a condition of employment, reside within any jurisdictional limit. Specify that this prohibition would not affect any other statutory provision that requires residency within the jurisdictional limits of such local units of government or any provision of law that requires residency within the state. Provide that any such residency requirement in effect on the effective date of the bill would not apply and may not be enforced. Specify that the Legislature finds that public employee residency requirements are a matter of statewide concern.

Make other specific statutory changes to local government residency requirements relating to employee recruitment and examination procedures and employment qualifications in order to make them consistent with the proposed prohibition.

DISCUSSION POINTS

Background

1. Nationally, residency requirements as a condition of municipal or other public employment have been around for some time. They were originally associated with the political

patronage systems of the late 1800s and early 1900s. However, many cities eventually relaxed or abolished their municipal residency requirements during periods of government reform. They were also seen as a mechanism that allowed employees to arrive at work in a timely fashion. Subsequently, increased mobility of populations located in metropolitan areas associated with the development of improved local transportation systems also led to the decline in the need for these requirements.

2. During the 1970s, as many of the country's large urban areas began to lose population to the out-migration of their residents to the suburbs, or grow more slowly than their suburban counterparts, employee residency requirements again grew in popularity. While employee residency requirements had been previously viewed as a personnel management tool, the new reasoning for them was that municipalities believed they provided a means to combat the suburban out-migration and its related economic concerns, such as the loss in taxable property value and local unemployment.

3. In the years since their revival, municipal employees and their union groups have looked to the courts to strike down municipal residency requirements under the equal protection clause of the U.S. Constitution and under the recognized constitutional right to travel and move freely across jurisdictional lines. In their decisions, courts have had to decide the balance between the personal interests of public employees and the public interests of government and its citizens. The U.S. Supreme Court and various state courts have tended to uphold the constitutionality of the municipal residency requirements, generally siding with the public interests of government and its policy reasons for such requirements. Specifically, the U.S. Supreme Court has ruled that residency requirements do not infringe on an employee's constitutional right to travel and in effect has maintained that there is no constitutional right to government employment. While some decisions have placed specific limitations on residency requirements, the ability to impose those requirements has remained.

4. Recognizing the inclination of the courts on these matters, government employee unions and other opponents of employee residency requirements have looked to their state legislatures to prohibit local governments from enacting or imposing such requirements. In recent years, Michigan, Minnesota, Missouri, and Ohio have all enacted legislation prohibiting or limiting local units of government from imposing residency restrictions as a condition of employment. The Governor's budget recommendation would do the same. According to a sampling of states conducted by the National Conference of State Legislatures, at least 14 states have some level of prohibition against local units of government requiring residency as a condition of employment, whether through ordinance or collective bargaining (subsequent to the survey, Missouri also placed limits on local residency requirements).

5. While the number of municipalities with employee residency requirements has decreased due in part to these state legislative actions, some U.S. cities continue to impose residency requirements. Boston, Chicago, Milwaukee, and Philadelphia are among the major cities that have continued such requirements. Others cities have softened or repealed their residency requirements through the local legislative process or through the local collective bargaining process. As an example, in 2012, the Green Bay City Council repealed its residency requirement for municipal

employees other than department heads. In the past, the City of Madison relaxed its residency requirement for most employees through the collective bargaining process.

6. Several states have imposed residency requirements for certain employees. In 2011, New Jersey enacted a law that required that every person in the state who holds a public office or a public employment position at the state or local level must have their principal residence in the state. In Wisconsin, any public safety officer who is required to meet the qualifications of the Law Enforcement Standards Board, while not specifically required to live in the state, must hold a valid Wisconsin driver's license, which requires one to be a resident of Wisconsin. As a result, all state and local law enforcement officials, including state game wardens and park rangers, are effectively required to be residents of the state.

Existing Residency Requirements and Policy Concerns

7. Nationwide, public employee residency requirements take many forms. Some municipalities require employees to live within a certain distance of the municipal limits or the employee's workstation. Others allow staff to reside outside municipal limits after serving a certain number of years or allow a certain percentage of staff to live outside the municipal limits. Some municipalities require only certain employees, such as department heads or general staff, to live within municipal limits.

8. In a 2011 sample survey of Wisconsin cities and villages, which was based on an earlier Wisconsin Alliance of Cities study, the City of Milwaukee found that 114 of the 161 reporting municipalities have some type restriction on where their employees may reside. Most of these municipalities required police, fire, public works, or other staff or department heads to reside within a certain distance of the municipal limits or their work station. A smaller number, 13, required all of their employees to live within the municipal limits. The Wisconsin Towns Association has also indicated that some of their member towns have distance-related residency requirements in place. A survey of counties conducted by the Wisconsin Counties Association indicated that 30 counties have some type of residency requirement, with three counties requiring all, or most, employees to live within the county. The Milwaukee School District is believed to be the only school district in the state that has a residency requirement for its employees.

9. The policy reasons for municipal employee residency requirements are not unique to this state or its local governments. In discussions nationwide at local governing boards, in state legislatures, in the court system, and in policy journals, the same policy arguments are often made. The most common policy considerations for and against such requirements are outlined in the following table:

Common Policy Considerations Related to Residency Requirements

For

- Local control/home rule
- Spends local tax dollars on residents/taxpayers
- Stems "middle-class" flight and provides economic stability to certain urban neighborhoods
- Provides employment for residents
- Provides racial and ethnic balance in public employment jobs
- Benefit of certain workers living in close proximity to their work station
- Benefit of staff living and working in the communities they protect and educate
- Longer commute times impact employees, congestion, and transportation infrastructure
- Residency, as a condition of employment, should be a subject of collective bargaining

Against

- Can narrow, or dilute the qualifications of, the applicant pool
- Quality of life concerns for employees in declining urban areas (housing, crime, schools)
- Inhibits promotions -- difficulty retaining experienced staff for management
- Lost investment -- staff get training and experience then leave for suburban employment
- Equal protection right -- employees cannot be denied right to live where they want without due process
- Violates freedom to travel and move across jurisdictional lines, a recognized constitutional right

10. The next several discussion points of this paper will look some of the above policy considerations relating to residency requirements. In certain instances, the discussion will focus on the impact that the Governor's recommendation would have on the City of Milwaukee and/or the Milwaukee Public School District (MPS), since they are the state's two largest local employers who currently impose a residency requirement on all employees.

Impact on Local Economy and Budgets

11. The Mayor and police and fire chiefs of Milwaukee oppose the Governor's recommendation to prohibit local governments from deciding on residency as a condition of employment of their employees. The MPS board is also opposed to the Governor's recommendation. City officials suggest that requiring local units of government in Milwaukee to repeal the residency requirement for local employees may cause what seems to be a stabilizing population base in the City to again experience out-migration of middle class households as existing employees are allowed to move to the suburbs, and new hires are allowed to maintain their residences in the surrounding suburbs. For Milwaukee, as for other major U.S. cities, it is believed by some that the residency requirement ensures that public employment is a steady source of employment for city residents and that doing away with the requirement would impact that city's employment levels and lead to an exodus from the city, causing downward pressure on the home values in that city's neighborhoods. The fear exists that such a loss in value would have a downward spiraling effect on city and school district budgets. In Milwaukee, if such actions were to occur, neighborhoods on the near north and southwest sides of the City, which contain heavy concentrations of city and school district employees, would likely be affected most if significant out-migration occurs. Proponents of residency requirements recognize that the decision to remove

local residency requirements would not likely be the sole determinant of the fate of the City of Milwaukee's economy. However, they feel its elimination would add to the economic concerns facing the City and MPS.

12. The City of Milwaukee has experienced five decades of declining population, from its highest decennial census population of 741,324 in 1960 to 594,833 in 2010, a 19.8% decline. However, its population has somewhat stabilized over the past decade, with the City experiencing only a 0.4% decline in population from 2000 to 2010. Also, in its 2012 estimate, the Wisconsin Department of Administration indicated a slight increase in the City's population since 2010. The City, which employs nearly 7,200 individuals, has consistently maintained an employee residency requirement since 1938, when it was adopted as a charter ordinance. MPS has negotiated contract considerations with its union in exchange for initiating and maintaining their residency requirement, which has existed since the late 1970s. The following table provides information on the number of employees for these two units of government and compares the average salaries of those employees with the average income for all City of Milwaukee households. The City of Milwaukee household data is 2010 census data and includes the income of the entire household. Conversely, the City of Milwaukee and MPS employee data is only for the individual employees of those entities. Therefore, given that some of those employees are likely to have a second income in the household, the average salary for a City of Milwaukee or MPS employee likely understates average household income for those public employee households.

**Comparison of Average Income of City of Milwaukee
and MPS Employees with All Milwaukee Households**

	<u>Number</u>	<u>Average Salary</u>
Milwaukee City Government		
General	4,384	\$41,361
Police	1,900	65,649
Fire and Emergency	900	67,554
Milwaukee Public Schools		
Administration and Employees	6,247	\$61,522
All Milwaukee Households	230,153	\$47,445*

*Household income.

13. The employment and salary data in the above table demonstrates that, on average, the income level of a household with a teacher, police officer, or fire professional is substantially higher than those of the average household in the City of Milwaukee. City officials indicate that these higher salary levels carry through to the value of homes owned by their employees, which they note are 20% higher than the average home value in the City. Given the income discrepancy that exists, it is conceivable that if large numbers of public employees are able to relocate and reside outside the city limits, the levels of employment, incomes, and home values in certain neighborhoods of the City could be negatively impacted.

14. While the actual level of out-migration of public employees from the City of Milwaukee can only be speculated on at this point, two recent examples of other major Midwestern, U.S. cities that lifted their residency requirement may provide some insight. In 1999, the Michigan Legislature enacted a law prohibiting the City of Detroit and other Michigan municipalities from imposing a residency requirement for their employees. In that same year, a six-year old Minnesota statutory provision that allowed Minneapolis and St. Paul to impose an employee residency requirement was also repealed. The cities have very different economies and demographics. Detroit, a large industrial city with a declining population over the past six decades, once made up nearly two-thirds of its metropolitan area's population, but now makes up less than one-fourth. Minneapolis is a smaller city, that has had a more stable population for the past two decades. It has a more diverse economy, and has a population that has historically made up a smaller portion of its metropolitan area's population. However, these two large municipalities, despite their demographic and economic differences, both experienced significant out-migration of public employees after their respective states prohibited local residency requirements. The Detroit Police Department has confirmed that 53% of their police force now lives outside the City. In Minneapolis, recent estimates indicate that the percentage of city employees residing in the City has declined from nearly 70% when the requirement was in place to only 30% now.

15. Employee groups and opponents of residency requirements tend to downplay the timing of how quickly, and degree to which, public employees would leave the City of Milwaukee if residency requirements are removed. They note that the employees would have to sell their homes before leaving, which could take some time in the current housing market, and many may decide to stay. However, given that public employees, their unions, and associations want relief from the residency requirements in Milwaukee, it would seem somewhat evident that providing that relief could lead to some number of those public employees migrating out of the City.

Local Control and Use of Local Tax Dollars

16. Since the Governor's recommendation was introduced, several local government officials, boards, and organizations have indicated their opposition to the recommendation because they contend it removes from local control a matter that is of local, not state, concern. Further, they note that employment is a contract between the employer and the employee and the employer should be able to determine the conditions of employment.

17. City of Milwaukee officials indicate that the ability of Wisconsin cities and villages to determine their local affairs via home rule is delineated in the Wisconsin Constitution and reinforced in state statute. According to the Legislative Reference Bureau (July 2004 Constitutional Highlights, Vol. IV, No. 3), in drafting legislation, a couple of strategies may be used to address the issues involving city and village home rule under the Constitution when the legislation involves a public policy area that is arguably a matter of local affairs: (a) the legislation should contain a broad public policy declaration that the subject matter of the legislation is primarily or predominately a matter of statewide concern; and/or (b) the legislation should be fashioned so as to apply uniformly to every city and village in this state. It is not known how a court would rule on a challenge to the proposed prohibition to local residency requirements under the municipal home rule provisions of the Wisconsin Constitution. However, the Governor's recommendations includes a declaration that the Legislature finds that prohibiting public employee residency requirements is a matter of

statewide concern. Also, the provisions are applied uniformly to all cities and villages in the state.

18. Another aspect of the local control argument involves the principle that local taxpayers should be allowed to determine how their municipal tax dollars are spent. Proponents of residency requirements contend that the requirements ensure that local tax dollars are spent providing employment to residents, who are also taxpayers. As an example, based on the employment data provided earlier, it is estimated the City of Milwaukee expends \$366.8 million annually on employee salaries and Milwaukee Public Schools expends \$384.3 million, for a total annual salary impact of \$751.1 million.

19. Conversely, opponents of residency requirements indicate that local government employees are paid a salary to perform the duties of their position and as long as those duties are performed in a quality manner, the employee has earned that salary regardless of where they choose to reside. Further, they believe that local taxpayers pay for the specific services provided by local employees, and are not as concerned about the specific employee providing the service. Rather, they contend that the taxpayers' primary concern is with the quality and timeliness of the services.

20. While 2011 Wisconsin Act 10 limited the considerations that could be offered by most public employers in the state in their collective bargaining negotiations with employees to general wage increases, those provisions do not apply to public safety workers. City of Milwaukee officials have noted that by prohibiting public employee residency requirements, the Governor would be taking away the ability of the City to offer their employees a reprieve from the requirement as consideration in collective bargaining negotiations in lieu of wage or benefit increases. However, because the City of Milwaukee has had a charter ordinance in place since 1938 that requires employees to live within the City, it makes it difficult for their contract negotiators to offer any substantial reprieve from those requirements during collective bargaining negotiations, when neither party is certain if the City Council would vote to modify the ordinance. Local union officials have indicated that the City has been unwilling to bargain over residency issues.

Living in Your City of Employment

21. Proponents of residency requirements believe there is a benefit in requiring municipal employees to live in the municipality where they work, in that it allows them to become familiar with the specific problems and needs of that municipality. They contend that it gives those employees more of a stake in that community and its future. In addition, and especially for public safety employees, they argue that residents may have more confidence and trust in those employees if they see them and their families living in their same neighborhoods and city.

22. Alternatively, a common counter to this suggestion from public safety staff and their organizations is that public safety officials are professionals whose desire and ability to carry out the duties of their position has nothing to do with where they may live. They often indicate that these individuals chose their professions in order to protect and serve the public. They further note that if any employee, regardless of where the employee lives, is not carrying out those duties in a quality fashion, means exist to discipline such employees. Finally, they contend that public safety professionals are frequently assigned to areas of a city that are far from their own neighborhood in the city, and residents of their patrol or service area do not know whether or not the public safety professional lives in the city.

Impact on Recruitment

23. A primary line of reasoning against local residency requirements is that such requirements limit the pool of applicants because some potential applicants may choose not to apply because of the restriction. For example, the residency requirement can result in a local government foregoing an opportunity to hire a more experienced and qualified applicant who lives nearby and who would consider commuting to the job, but would not choose to move their residence in order to obtain that position. It is argued that such requirements may interfere with the supply and demand of labor that comes with an open and free labor market, which could impact the recruitment of a quality and experienced work force that can provide the highest quality and most efficient level of services to the local taxpayers.

24. Conversely, residency requirement proponents often indicate that some benefit exists from a local government recruiting from a labor pool, or establishing a labor pool by requiring employees to move into that local government area, that is representative of the area as a whole. They note that residency requirements can lead to a public employee workforce that is more representative of the employing government in terms of race, ethnicity, and other socio-demographic factors.

25. City of Milwaukee officials indicate that the residency requirement has not impeded their ability to attract quality candidates to City positions. They note that each applicant is clearly informed that they must establish residency within six months of their hire and throughout their employment, as a condition of that employment. City officials indicate while the number of applicants per hire varies, since 2010, they have received 42 applications per recruited position. In their most recent recruitments, they received over 5,700 applications for the position of firefighter and nearly 4,000 applications for the position of police officer. However, opponents of the requirement note that having a large number of applicants does not necessarily equate to getting sufficient number of quality applicants, but rather can be more of reflection of a municipality's lagging labor market. City officials counter that having a large number of applicants allows them to be more selective in their hires, which allows them to hire quality employees.

26. The MPS school board recently accepted the resignations of 719 school district employees, out of over 6,200 total employees. The resignations included over 500 teachers and 19 administrators. Of the over 500 teachers, 215 were leaving due to retirement. Many believe that a large portion of the resignations were due to the collective bargaining changes included under 2011 Wisconsin Act 10, which will first affect the district in July, 2013, when the current employee contract expires. School district officials indicate that at a recent district job fair more than 1,000 job candidates turned out hoping to obtain a teaching job for the next school year. However, likely as some recognition of the impact that its residency requirement has on recruitment, MPS recently increased the period of time that new hires have to establish residency in the district from one year to two years. In addition, the district recently increased its starting teacher pay from \$37,700 to \$41,000.

Impact on Employees' Lives

27. Another concern that is expressed by opponents of employee residency requirements is that such requirements inhibit the basic right of individuals to choose where they want to live.

They contend that municipalities or districts who inhibit that right are costing taxpayers in the form of lost investment and potentially less quality of service because it often causes experienced employees to leave the municipality or district.

28. One example cited involves new, entry level recruits, who are in their early twenties and are willing to move to a city in order to meet a residency requirement. They foresee a long career, with no immediate intention of leaving the position. In the early years of their career, the employer invests in the training and necessary certifications of these recruits and the recruits gain valuable experience while developing their career and serving their employer. In certain public safety and education careers in larger cities, this experience can be invaluable due to the more frequent challenges and type of incidents faced by the police, fire, and emergency professionals and educators in those cities. After five to ten years of employment, the employee may marry and have children. As their children approach school age, the employee can be faced with the decision of whether to continue living in the city and keep their position or find other employment outside the city and relocate. This may occur more often if the employee is in a large city and desires to have his or her children attend a school district outside of the city. This situation leaves the employee with the decision to either move to a suburb for employment, where their children can attend a different public school or stay at their current position and pay tuition to a private school for their child's primary education while continuing to pay property taxes for the public school system. Some in this position may feel this latter decision is too financially burdensome, forcing them to decide between their family's lifestyle and education and their career. However, in Wisconsin, employees in this situation have the option of open enrolling their children to another school district provided they are willing to pay for the transportation costs to the school and to have their child attend school in a district where they do not live. Further, for some employees in some Wisconsin cities, the parental choice and independent charter school programs may also be an option.

29. In 2010, the State of Missouri recognized that this dilemma was facing firefighters employed by certain municipalities in the state. The state passed a law that overrode local residency requirements for fire departments in cities where the school district was deemed unaccredited or provisionally accredited during the past five years. To provide some relief to firefighters required to live in cities with failing schools, the Missouri law prohibited fire departments in such cities from establishing residency requirements for any employee of a fire department who has worked seven years or more for that department.

30. Opponents of residency requirements contend that facing these relocation decisions is a common dilemma for employees when local governments choose to limit their freedom to decide for themselves where they choose to live. Staff employed by the larger cities in Wisconsin and the country often feel forced to take their experience and training and accept a similar position or a promotion with a smaller, often suburban, government. It is even pointed out that some public employees have maintained both suburban and urban residences in order to avoid such decisions. They note that losing quality and experienced staff can result in a loss of experience as well as a loss in the training and investment the local government has put into these former recruits and the additional costs of having to train replacement recruits. In addition, they note that it can impact the quality and experience of prospects available for promotion to middle level ranks and management of municipal departments.

31. Proponents of residency requirements counter that employees are well aware of the conditions of employment when they accept a position from a local government with a residency requirement. Further, they note that the U.S. Supreme Court has ruled that public employment is not a right. Also, they argue that the dilemma faced by public workers subject to residency restrictions is not all that different than those faced by most families, whether employed by the public or private sector, who must often balance income, lifestyle, relationships, and other family concerns when deciding whether to uproot their family and accept a different position or to remain in the same position and neighborhood.

32. City of Milwaukee officials also note that retention of employees has not been an issue under their residency requirement, with 83 resignations (1.2% of employees) in 2010. They indicate that in 2012 the police department had 34 resignations out of 1,900 positions (1.8%) and the fire department had only six employees resign out of 900 positions (0.7%). Further, while MPS has experienced significant resignations and retirements during the spring of 2013, according to DPI data, in 2011-12 (the last year for which data is available) the average number of years that an employee had been employed by the MPS school district was 12.9 years, which compared to the statewide average of 11.8 years. However, it should be noted that 2011 Act 10 made several changes to public employment in the state, which may have resulted in the retirement of older staff in many school districts. Some districts may have already gone through such staff transitions and had them reflected in their 2011-12 staff data. However, the 2013-14 school year will be the first contract year in which MPS staff will be affected by the Act 10 changes.

Possible Alternatives

33. Similar to the various courts' deliberations on litigation surrounding employee residency requirements, the Committee and Legislature are being asked by those impacted by the Governor's recommendation to weigh the issue and balance the local governments' concerns surrounding those requirements and the individual concerns of public employees. If the Committee finds the local governmental concerns related to residency requirements compelling, the Governor's recommendation could be deleted (Alternative 7). Conversely, if the Committee agrees with arguments made regarding the impact that such limits have on the interests of local public employees in the state, and their recruitment and retention, the Governor's recommendation could be approved (Alternative 1). However, if the Committee finds merit in the concerns on both sides of the issue, the next few discussion points outline potential changes the Committee could consider in striking a balance between these interests.

34. If the Committee believes that local taxpayers should be allowed to determine how local employment contracts are to be executed and how local tax dollars are to be spent, the Committee could require that local governments get voter approval at referendum before imposing employee residency requirements (Alternative 2). This alternative would allow local residents to weigh the benefits and costs associated with such requirements, and decide accordingly.

35. Some local governments have in place hardship provisions that allow employees to reside outside the local government's boundaries under certain circumstances. For example, the City of Milwaukee Police and Fire Commission has a hardship waiver for employees whose spouse is also subject to a residency requirement at their place of work. Similarly, in the past, the City of

Green Bay had in place a requirement that 80% of each bargaining unit of union employees had to live within the City of Green Bay. Therefore, when nonresidency within a group exceeded 20%, the next hire for that union group had to establish residency. The Committee could modify the Governor's recommendation in a similar fashion by requiring local governments to put in place provisions that would allow a certain percentage of their employees to reside outside the local government's boundaries (Alternatives 3a, 3b, or 3c). This could limit some of the concerns of local governments regarding the size of the potential exodus of middle class households, and would maintain some local control. However, it would also recognize some of the concerns of local employees and could alleviate some of the potential recruitment and retention concerns that opponents believe exist.

36. Another possible modification to the Governor's recommendations that the Committee could consider would be to allow local governments to put in place residency requirements during the first number of years of service (Alternatives 4a, 4b, or 4c). As mentioned earlier, Missouri recently enacted a requirement that limits employers from establishing a residency requirement for certain fire department employees with seven or more years of service. This alternative would recognize some of the concerns of both employers and employees. Long serving municipal employees would be allowed to reside outside the boundaries of the municipality or district in which they work. Newer employees would have to live within the municipality or district in which they work for the first years of their career, which could allow them to develop an understanding of the municipality or district.

Residency Requirements Affecting Specific Employee Groups

37. Under the Governor's recommendations, the term "any jurisdictional limit" is not defined under the proposed limitation on local residency requirements. A broad interpretation of this term could mean that local governments could not put in place any requirement relating to where a local public employee or potential employee must reside, including any requirement limiting how far local first responders are allowed to live from their employment stations or from the local government's boundaries. Since the Governor's recommendation was introduced, several local officials, boards, and organizations have indicated that the residency requirement prohibition, as drafted, is too restrictive. They have contended that, at a minimum, employers should be allowed to put in place requirements as to how far first responders, public works, or transportation-related staff can live from municipal or district limits.

38. The state, recognizing the need for certain employees to live close to their work station, has established residency requirements relating to how far most state troopers and Department of Natural Resources wardens can live from their assigned administrative area or their assigned work station. The Committee could modify the Governor's recommendations to allow local governments to establish similar requirements relating to how far employees would be allowed to live from their place of employment. In 2003, the Legislature considered a bill (Assembly Bill 189) that would have prohibited municipalities from imposing a residency requirement that would require police and firefighter employees to live any closer than 15 miles outside the municipal boundary. The Committee could modify the Governor's recommendations to create a provision that would allow local governments to require that all employees (Alternatives 5a, 5b, or 5c) or just police and firefighters (Alternatives 5d, 5e, or 5f) live within a certain distance of their boundaries.

39. Some local governments in Wisconsin currently have in place requirements that their administrator or manager and certain high-level department heads must reside within the government's jurisdictional boundaries. These requirements can also involve response time concerns. The requirement may also be in place because the position is appointed by an elected official, who represents the municipality, and it is felt that appointed staff should also be a resident of, and represent, the municipality. Also, similar to the policy arguments for general residency requirements, having in place a residency requirement for certain local department heads may reflect the concern that in order to manage and best understand the issues facing their department and municipality one should live in the municipality. If it is a concern for the Committee that a number of local units of government already have these requirements, the Committee could modify the Governor's recommendation by continuing to allow residency requirements for the manager or administrator of a local unit of government or for local agency or department heads (Alternative 6).

ALTERNATIVES

1. Approve the Governor's recommendations to prohibit any city, village, town, county, or school district from requiring that any employee or prospective employee, as a condition of employment, reside within any jurisdictional limit. Specify that this prohibition would not affect any other statutory provision that requires residency within the jurisdictional limits of such local units of government or any provision of law that requires residency within the state. Provide that any such residency requirement in effect on the effective date of the bill would not apply and may not be enforced. Specify that the Legislature finds that public employee residency requirements are a matter of statewide concern.

Make other specific statutory changes to local government residency requirements relating to employee recruitment and examination procedures and employment qualifications in order to make them consistent with the proposed prohibition.

2. Modify the Governor's recommendation by specifying that the prohibition on residency requirements would not apply if the requirement was approved by a vote of the electors of the respective political subdivision at referendum.

3. Modify the Governor's recommendation by allowing residency requirements in cases where the local government puts in place provisions that would allow up to one of the following percentages of their employees to reside outside that limit:

- a. 10% of employees covered by the requirement;
- b. 15% of employees covered by the requirement; or
- c. 20% of employees covered by the requirement.

4. Modify the Governor's recommendation so that the prohibition on residency requirements would only apply:

- a. after five full years of employment;
- b. after seven full years of employment; or

c. after ten full years of employment.

5. Modify the Governor's recommendation so that local governments could require employees to live within the following specified distance of the jurisdictional boundaries of the government imposing the requirement:

- a. all employees within five miles;
- b. all employees within 10 miles;
- c. all employees within 15 miles;
- d. police and firefighters within five miles;
- e. police and firefighters within 10 miles; or
- f. police and firefighters within 15 miles.

6. Modify the Governor's recommendation by specifying the provisions prohibiting local residency requirements would not apply to the manager or administrator of a local unit of government or a local agency or department head, as specified by the local unit of government.

7. Delete the Governor's recommendation.

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