
Labor & Workforce Development Committee

HB 1377

Brief Description: Concerning interest arbitration panel determinations related to local government.

Sponsors: Representatives Eddy, Takko, Chandler, Springer, Condotta, Taylor, Clibborn and Armstrong.

<p style="text-align: center;">Brief Summary of Bill</p> <ul style="list-style-type: none">• Defines qualifications for neutral chairs of arbitration panels.• Requires arbitration panels to consider the employer's financial ability to pay.

Hearing Date: 2/8/11

Staff: Jill Reinmuth (786-7134).

Background:

Employees of cities, counties, and other political subdivisions of the state bargain their wages and working conditions under the Public Employees' Collective Bargaining Act (PECBA) administered by the Public Employment Relations Commission (PERC). For uniformed personnel (law enforcement officers in larger jurisdictions, fire fighters, and certain jail employees in larger jurisdictions, among others), the PECBA recognizes the public policy against strikes as a means of settling labor disputes. To resolve impasses over contract negotiations involving these uniformed personnel, the PECBA requires binding interest arbitration.

1. Arbitration Panel.

If an agreement is not reached following negotiations and mediation and the parties remain at impasse, an arbitration panel is created. The parties must each name one person to serve on the

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arbitration panel. These two members choose a third person who acts as the neutral chair of the panel. If the parties are unable to choose a neutral chair, the chair is selected using one of two alternative methods. Under the first method, the PERC appoints the chair from the PERC's Dispute Resolution Panel or from its staff. Under the second method, the parties apply to the PERC, the Federal Mediation and Conciliation Service, or the American Arbitration Association for a list of five qualified arbitrators from which the neutral chair is chosen.

The PERC's rules establish minimum qualifications for applicants for the Dispute Resolution Panel. An applicant must have a master's degree in labor relations, personnel management, industrial relations, or a closely allied field, or a law degree; and at least three years of experience in collective bargaining. An applicant also must furnish letters of recommendation from management and labor, demonstrate experience as an impartial, and submit information on their background, qualifications, professional certifications, and affiliations. An active member of the Dispute Resolution Panel may not serve as an advocate.

2. Factors.

For uniformed personnel who are subject to binding interest arbitration under the PECBA, an arbitration panel must be mindful of the public policy against strikes as a means of settling labor disputes. The arbitration panel must consider:

- the authority of the employer;
- the stipulations of the parties;
- the cost-of-living, and for some, regional difference in the cost-of-living;
- changes in circumstances in any of these factors during the proceedings; and
- other factors normally or traditionally considered in the determination of wages, hours, and conditions of employment.

For law enforcement officers in larger cities and counties and similar uniformed personnel, the arbitration panel must also consider a comparison of wages, hours, and conditions of employment of like personnel of like employers on the west coast of the United States.

For firefighters in all cities and counties and similar uniformed personnel, the arbitration panel must also consider a comparison of wages, hours, and conditions of employment of like personnel of like public fire departments on the west coast of the United States. When an adequate number of comparable employers exist in Washington, other west coast employers may not be considered.

Summary of Bill:

With respect to interest arbitration under the Public Employees' Collective Bargaining Act (PECBA), the Legislature finds that the qualifications of a neutral chair of an arbitration panel need further definition. In addition, the employer's financial ability needs to be considered when an arbitration panel makes a determination.

1. Arbitration Panel; Neutral Chair.

An arbitrator serving as a neutral chair is considered qualified if he or she demonstrates: current membership in the National Academy of Arbitrators, American Arbitration Association, or Federal Mediation and Conciliation Services; at least eight hours of training in public sector fiscal and budgetary matters; and is geographically located in the northwest region of the United States. The Public Employment Relations Commission is required to develop or certify qualifying training programs in public sector fiscal and budgetary matters in consultation with labor and management representatives.

2. Factors, Financial Ability, and Comparisons of Like Employers.

An arbitration panel must consider the employer's financial ability to pay for the compensation and fringe benefit provisions of a collective bargaining agreement. The panel must give due consideration and weight to the unit of government's other services and priorities, and must not consider an operating reserve against future contingencies as available toward a settlement. The panel must give first priority to the employer's authority and its financial ability to pay, and secondary authority to other factors.

An arbitration panel must continue to consider comparisons of wages, hours, and conditions of employment with those of like personnel of like employers on the west coast of the United States. However, for law enforcement officers and similar uniformed personnel, other west coast employers may not be considered when an adequate number of comparable employers exist within Washington. Like employers must be determined by factors including population size, geographic location, financial conditions, population demographics, workforce size, assessed valuation, and labor market characteristics. Similarly, for firefighters and similar uniformed personnel, like public fire departments must be determined by factors including population size, geographic location, financial conditions, population demographics, workforce size, assessed valuation, and labor market characteristics.

Appropriation: None.

Fiscal Note: Requested on February 7, 2011.

Effective Date: The bill takes effect 90 days after adjournment of the session in which the bill is passed.