

# HOUSE BILL REPORT

## HB 1230

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**As Reported by House Committee On:**  
Labor

**Title:** An act relating to the ordering of interest arbitration.

**Brief Description:** Authorizing the ordering of interest arbitration.

**Sponsors:** Representatives Sells and Ormsby.

**Brief History:**

**Committee Activity:**

Labor: 2/16/15, 2/17/15 [DP].

**Brief Summary of Bill**

- Statutorily authorizes the Public Employment Relations Commission (PERC) to order interest arbitration, as part of remedial orders, when there has been unfair labor practices.

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### HOUSE COMMITTEE ON LABOR

**Majority Report:** Do pass. Signed by 5 members: Representatives Sells, Chair; Gregerson, Vice Chair; Manweller, Ranking Minority Member; Moeller and Ormsby.

**Minority Report:** Do not pass. Signed by 2 members: Representatives G. Hunt, Assistant Ranking Minority Member; McCabe.

**Staff:** Trudes Tango (786-7384).

**Background:**

The Public Employees' Collective Bargaining Act (PECBA) provides for collective bargaining of wages and working conditions between counties, cities, and other political subdivisions and their employees. The PECBA authorizes interest arbitration for "uniformed personnel" and certain other employees when employer and employee representatives have reached an impasse in collective bargaining over mandatory subjects of bargaining. Under

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*This analysis was prepared by non-partisan legislative staff for the use of legislative members in their deliberations. This analysis is not a part of the legislation nor does it constitute a statement of legislative intent.*

interest arbitration, an impartial third-party arbitrator makes decisions as to the terms of the contract.

Under the PECBA, it is an unfair labor practice for an employer or employee representative to, among other things, refuse to engage in collective bargaining. Unfair labor practice complaints must be filed with the Public Employment Relations Commission (PERC). The PERC administers and enforces most public sector collective bargaining laws in Washington. In an unfair labor practice case, a PERC examiner will issue a decision, which could be appealed to the three Commission members of the PERC.

The PERC is authorized to issue appropriate remedial orders, such as cease and desist orders and the reinstatement of employees, and take affirmative action that will effectuate the purposes and policy of the PECBA.

Based on case law, the PERC may, in certain situations, order interest arbitration as an extraordinary remedy. The court case and decisions issued by the PERC emphasize that interest arbitration should only be ordered when there has been a clear history of bad faith refusal to bargain and when other standard remedies are insufficient to address the violations.

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**Summary of Bill:**

The statute authorizing the PERC to issue remedial orders when there are unfair labor practices is amended to explicitly include the ability to order interest arbitration.

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**Appropriation:** None.

**Fiscal Note:** Available.

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

**Staff Summary of Public Testimony:**

(In support) The idea for this bill grew out of a work session last year in which groups talked about their frustration of not having interest arbitration. This would allow the PERC to determine when interest arbitration would be appropriate. The PERC has ordered this remedy on rare occasions when an employer is bargaining in bad faith and committing unfair labor practices.

(Opposed) This widens the potential cost liabilities for employers. It could encourage employees to file unfair labor practice claims. This expands interest arbitration without addressing employers' fiscal sustainability.

(Information only) In the approximately three times this remedy has been ordered in the last 10 years, interest arbitration was not ultimately used. This would be a statutory endorsement for what the PERC can already do under case law. It is a last resort remedy.

**Persons Testifying:** (In support) Pat Thompson, Washington State Council of County and City Employees.

(Opposed) Josh Weiss, Association of Washington Counties; and Candice Bock, Association of Washington Cities.

(Information only) Darin de la Rosa, Public Employment Relations Commission.

**Persons Signed In To Testify But Not Testifying:** None.