

## **Binding Arbitration for Municipal and School Employees**

### **Background**

Public sector employees in Connecticut are not permitted to strike. Instead, state law requires that last best offer issue-by-issue binding arbitration be used to ultimately settle contracts between public employers and employees. Binding arbitration, as a process, is an alternative dispute resolution method that seeks to achieve labor/management accord and avoid protracted contractual impasse.

In 1975, the legislature amended the Municipal Employee Relations Act (MERA) to require last best offer binding arbitration for municipal employees, including non-certified school staff, as a method for resolving contractual differences. MERA governs the collective bargaining relationship between municipalities and their employees. According to the state labor department, there are approximately 135,000 municipal employees in the state, although not all are covered under MERA.

Last best offer binding arbitration for certified teachers and school administrators was enacted in 1979 under the Teachers Negotiation Act (TNA). The Act is the primary body of state law that governs collective bargaining for all certified teachers and school administrators. According to the state education department, approximately 50,200 full-time equivalent certified school employees are currently covered under TNA.

Although separate state collective bargaining laws direct binding arbitration for municipal employees and teachers/school administrators, the processes and legal parameters for both groups are similar in many ways. For example, the main statutory criteria used by arbitrators to base their decisions are the same under both laws. Differences, however, exist between the two laws in how the binding arbitration process is applied, such as the timeframes for contract negotiations.

Issues surrounding binding arbitration for municipal and school employees have surfaced recently, particularly in light of reduced state aid to municipalities. Advocates of binding arbitration argue the process adds finality to the contract negotiation process, while balancing contractual conditions with the public interest and financial capability of municipalities and school districts. Opponents of binding arbitration maintain the current statutory criteria are generally vague, the process has limited review capacity by the local legislative authority, and the potential exists for substantial fiscal impact on local budgets and taxpayers.

### **Area of Focus**

The study will focus on whether the last best offer binding arbitration processes used under the Teachers Negotiation Act and the Municipal Employees Relations Act achieve their intended purposes of resolving contractual impasse in a timely manner and according to statutory criteria. The study will also examine the overall financial impact binding arbitration has on local budgets.

## **Areas of Analysis**

1. Identify and summarize the similarities and differences between the Teachers Negotiation Act and the Municipal Employees Relations Act regarding binding arbitration.
2. Analyze how frequently binding arbitration is used as a means of resolving collective bargaining disputes (compare with other resolution mechanisms, including negotiation, mediation, and stipulated agreement).
3. Describe the processes used to appoint and select neutral arbitrators and evaluate whether the processes are efficient, effective, and uniformly applied.
4. Assess the binding arbitration criteria outlined in state law for clarity and conciseness, including opinions from municipalities, school boards, employees' representatives, and arbitrators.
5. Analyze arbitrators' decisions to determine the degree to which the statutory criteria governing binding arbitration for certified school staff and municipal employees are considered during the binding arbitration process, including ability to pay and any municipal reserve requirements.
6. Analyze decisions to determine whether any trends exist in the economic and non-economic issues brought to binding arbitration and how often arbitration awards favored employers or employees (compare with other resolution mechanisms, including negotiation, mediation, and stipulated agreement).
7. Evaluate the impact that timetables governing the respective collective bargaining processes have on resolving contract disputes.
8. Determine the fiscal impact of binding arbitration on municipal budgets to the extent information is available.
9. Identify other conflict resolution models and compare to Connecticut.

## **Areas Not Under Review**

This study will not examine the binding arbitration process used for state employees.