



**Testimony by Sal Luciano, Executive Director  
Council 4 AFSCME Council 4  
Labor & Public Employees Committee  
Feb. 8<sup>th</sup> 2011**

Good afternoon Senator Prague, Representative Zalaski and esteemed members of the Labor & Public Employees Committee. My name is Sal Luciano, and I serve as Executive Director of Council 4 of the American Federation of State, County & Municipal Employees, AFL-CIO.

I bring a strong message. Connecticut Voices for Children recently produced a document entitled: Reality Check: The state's Public Revenues and spending have remained lean for decades. It debunks the myth that Connecticut taxes are high and shows that there is a revenue problem: *not* a spending problem.

I also have a document from PERI, the Political Economy Research Institute Center for Economic and Policy Research. It is entitled, The Wage Penalty for State and Local Government Employees in New England. It demonstrates clearly that state and municipal government employee salaries are lower than in the public sector.

Municipal binding arbitration was enacted thirty-five years ago; state and teacher arbitration followed about five years later. Certainly it has not caused Connecticut public employees to be overpaid. If anything the draconian changes made in 1992 tilted it too much in favor of the employer.

So why is binding arbitration under attack? It cannot be Connecticut's lean tax rate. The plain fact is there is no good reason.

Our union represents 35,000 employees at the state and local levels serving Connecticut residents, from refuse collectors and clerical workers to snow plow operators and correction officers in our state prisons.

Absent the right to strike, they have come to rely on a system of binding arbitration that is fair, balanced and capable of achieving justice at the workplace.

Binding arbitration has brought a period of unparalleled labor peace and economic stability to our state and to our cities.

If, as some claim, as I claim, that the playing field is not level, strong empirical evidence shows it is tipped in the favor of management, not labor.

During the early 1990's, Connecticut endured a recession that was described as the most severe economic downturn since the Great Depression. Municipalities faced property tax increases, prompting a similar cry to change binding arbitration laws.

And so the laws were changed: priority was given to "the public interest and financial capability of the municipal employer" Connecticut General Statutes Sec 7-473c; and only municipal legislative bodies (*not unions*) were given the right to reject some or all the issues in an arbitration award. The effect of these changes is apparent in the awards.

According to the records of the Connecticut State Board of Mediation and Arbitration, of 761 cases that went to the Board in the last three fiscal years, *25 cases actually went through the entire process to an award*. That is less than 3%.

This whole topic is a red herring, a tempest in a teapot, a manufactured crisis! The last time this was studied by the non-partisan Office of Legislative Research, just 40 out of 737 municipal employee agreements under the Municipal Employee Relations Act went to arbitration. That's 5.4% of all contract negotiations.

Moreover, it showed that arbitrator decisions favored management 2-to-1 on the issues...and this is before the revenue shortfalls of the last couple of years.

In a very recent decision the panel voted two to one to take away a defined benefit pension plan from our Cheshire Library workers *DESPITE the fact that he admitted, admitted that their pension would cost the town less than the town's last best offer of a 401(k)*.

Changing the mandatory binding interest arbitration laws is a simplistic approach to a systemic problem. We must move the debate from the unfounded and cynical contention that binding arbitration leads to burdensome taxes to a more reasoned, systemic approach to dealing with Connecticut's inequitable tax structure.

Stated otherwise, Connecticut has a revenue problem, not a spending problem. Eroding binding arbitration, however, will not solve that larger problem.

Ultimately, the peaceful and orderly resolution of a negotiated agreement is good public policy and truly in the public's interest.

Ultimately, the resolution of a contract is not about money — but about dignity.

In the aftermath of 9/11, public workers, firefighters, police, and EMTs were finally seen as the heros they always were then and are now. Is this how we show our gratitude and respect? If they are good enough to put their lives on the line every day, can we not afford to them the dignity of a meaningful voice in their working conditions?

In 1977, Connecticut saw its Correction Officers walk off the job. They wore buttons on their lapels. Those buttons had one word — a single word on them. That word was “dignity.”

In that decade Connecticut citizens were shocked by the sight of hundreds of teachers, being herded into yellow school buses, but they were not going to school — they were going to jail because they had gone on strike. The fight was over being valued and respected. It was about dignity.

And let us not forget that Martin Luther King Junior’s fateful trip to Memphis was to help settle a refuse strike for AFSCME sanitation workers in that city. The issue was about safety; two workers were crushed by the compacter, their mangled bodies given back to their destitute and grieving families to figure out how they might have the resources to bury them. The issue was about dignity.

I was nine years old then, and to this day there is one image seared into my brain, burned in my memory: The simple message on the strikers’ picket signs, “I am a man!”

We have an economic crisis, but it was not caused by the snow plow drivers you’ve seen breaking their backs and working 20 straight hours to keep our streets clean and safe.

Let us not allow the current economic crisis to destroy collective bargaining laws designed to protect vital public services. Gutting our bargaining laws will not generate any jobs or jump start the economy. It will only further erode what’s left of our working and middle classes.

This is no time to turn back the clock on fairness and dignity.

Thank you very much.

