



# CCM 2012 Testimony

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## ***LABOR & PUBLIC EMPLOYEES COMMITTEE***

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The Connecticut Conference of Municipalities (CCM) is Connecticut's statewide association of towns and cities and the voice of local government - your partners in governing Connecticut. Our members represent over 90% of Connecticut's population. We appreciate the opportunity to testify on bills of interest to towns and cities.

**House Bill 5201** "An Act Concerning Deadlines for the Completion of Municipal Binding Arbitration"

CCM **supports HB 5201** as an initial step in the right direction toward providing financial and administrative relief for both parties involved in binding arbitration. HB 5201 would establish a deadline for filing statements of last best offers and reply briefs within 180 days after binding arbitration is imposed or requested.

CCM has long advocated for modest adjustments to **compulsory binding arbitration to establish timetables under the Municipal Employees Relations Act (MERA)**, similar to the rules established under the Teacher Negotiation Act (TNA). Therefore, **CCM urges the Committee to amend HB 5201** so that the binding arbitration laws under the Municipal Employee Relations Act (MERA) would:

- ✦ (1) Amend Section 7-473c within the Municipal Employee Relations Act (MERA) – to impose deadlines for interest arbitration which would require that the negotiation process and binding arbitration be completed **no later than one year** from the date binding arbitration is imposed by the State.

### **Background and Rationale:**

The current statute, and most contracts, requires that negotiations commence 180 days prior to the expiration of the contract. Most municipal employee contracts expire on June 30<sup>th</sup>. Conn. Gen. Stat. § 7-473c requires that binding arbitration be imposed one month from the date of the expiration of the contract. The above, friendly CCM amendment, would require that any binding arbitration be concluded one year later. This means that there would be a total of 19 months to conclude negotiations and arbitration. Under the current Teacher Negotiations Act (TNA), the parties have only 8 months to conclude negotiations and arbitration. In addition, TNA arbitrations must be done within 25 days of the date when they commence and the arbitrators' decision must be issued within 20 days thereafter.

Experience under the TNA is evidence that having firm deadlines accomplishes several objectives. First, it reduces the time spent in arbitration and, as a result, reduces the expense. Most interest arbitrations under the TNA are done in two hearings. In contrast, many MERA arbitrations consume at least five hearings. Second, having a deadline pushes both sides to face reality and resolve as many

issues as possible prior to arbitration. The fewer the number of issues, the less expensive it is for both management and the union. Our constituents tell us that it is rare to have arbitration over more than a few issues other than wages and health insurance in a TNA arbitration. In contrast, many MERA interest arbitrations have 20, 30 or even more issues. The greater the number of issues, the more time and money is spent in arbitration. Finally, **requiring that the process of negotiations and arbitration be concluded 13 months after a contract has expired means greater certainty about working conditions, enhanced ability to plan and budget, less time that employees wait for any wage or benefit improvements the union has achieved, and less time for management to realize savings or operational benefits it has achieved in the process.**

It is no secret that there is a disconnect between the practice of binding arbitration and the intent of the law. In 2006, the General Assembly's Program Review & Investigations (PRI) Committee published a report analyzing various aspects of the binding arbitration process. This report discovered "**an upward trend in the board not imposing binding arbitration upon the 30-day time period required by statute.**" Consequently, the state board did not enforce such timelines in approximately 56% of these contracts from FY 02 to FY05 – while in FY 05 alone, timelines were not enforced in 68% of the contracts.<sup>1</sup>

The PRI report noted that in 1980, 80% of contracts were extended beyond their expiration dates – that figure rose to 87% between FYs 02-05. Thus, the report concluded that "**the notion that the advent of binding arbitration under MERA would lessen the length of the time settlements occur after contracts expire has not held true.**"<sup>2</sup> [emphasis added]

Among the report's recommendations, was a proposal that would have required both parties of an expired collective bargaining agreement to "follow the mandatory timetable for arbitration outlined in C.G.S. Sec. 7-473c" (*this proposal also called for just a 1-year grace period*).<sup>3</sup>

Local officials concur with the findings of the non-partisan PRI staff that "settlements delayed for extended periods of time are not positive for the collective bargaining system as a whole if a goal of binding arbitration is to bring timeliness to the process notwithstanding each party's current ability to unilaterally force binding arbitration."<sup>4</sup>

Furthermore, **CCM urges the Committee to amend HB 5201** to:

- ✦ (2) Amend Conn. Gen. Stat. § 31-98(a) to require that a grievance arbitration award be issued not more than 60 days following the date post-hearing briefs are filed therefore, establish mandatory time limits to issue grievance arbitration awards in cases before the State Board of Mediation and Arbitration.

#### **Background and Rationale:**

Many municipal collective bargaining agreements call for arbitrating grievances before a panel of the State Board of Mediation and Arbitration (SBMA). The current statute states that an arbitration decision shall be issued within 15 days. However, as a result of attorney general opinions and court rulings, this deadline was found to be only "directory" and not mandatory. As a result, management and unions can

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<sup>1</sup> "Binding Arbitration: Municipal and School Employee," Legislative Program Review and Investigations Committee, January 2006.

<sup>2</sup> Ibid

<sup>3</sup> Ibid

<sup>4</sup> Ibid.

sometimes wait six months, and in a few egregious situations up to a year, to get a grievance arbitration award. Such delays are unfair to an employee or group of employees whose grievance is in arbitration, and equally unfair to the union and management. The delays are particularly harmful in cases where there may be back pay liability, such as a case involving termination or suspension.

Connecticut's arbitration act, which does not apply to the SBMA, requires that an award be issued within 30 days unless the parties' contract has a difference deadline or the parties agree to an extension (see Conn. Gen. Stat. 52-416). The American Arbitration Association's labor arbitration rules require that an arbitrator issue his/her decision within 35 days of the close of a hearing and filing of briefs. There should be the same sort of mandatory deadline for issuance of SBMA arbitration awards.

*Conclusion:*

Simply put, **Connecticut cannot go on conducting business as usual.** Whether we like it or not, we are in an era of limits. Every mandate has its constituency – but it's time to make the difficult decisions necessary so that we will be able to maintain core government services while still protecting employee rights.

**With these proposals we are not looking to abolish binding arbitration, but to make contract and grievance arbitration more efficient, cost effective and responsive.**

CCM urges the committee to **amend HB 5201 as recommended above** and then, **favorably report** it.

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If you have any questions, please contact Bob Labanara, Senior Legislative Associate of CCM  
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