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**Written Testimony of  
Sharon M. Palmer, Commissioner  
Department of Labor  
Labor and Public Employees Committee  
February 17, 2015**

Good Day Senator Winfield, Representative Tercyak, Senator Hwang and Representative Rutigliano and members of the Labor and Public Employees Committee. Thank you for the opportunity to provide you with written testimony regarding **Senate Bill 108 AN ACT CONCERNING THE ABILITY OF ARBITRATION PANELS TO COMPROMISE WHEN RULING ON MUNICIPAL CONTRACT DISPUTES.**

My name is Sharon Palmer and I am the Labor Commissioner.

As Binding Interest Arbitration is part of the continuing bargaining process between labor and management, this proposed change would impact that process. The current process of the Arbitrator having to select the last best offer of labor or management pressures the parties to reach a settlement. Knowing that only the last best offer of either party must be chosen assists in bringing the parties together even prior to the imposition of Binding Arbitration.

During mediation, the parties are more apt to settle with the understanding of what lies ahead. When presenting their positions on each open issue, the parties are aware of the fact that they must present clear and concise reasons why their last best offer should be chosen. Even during the Binding Arbitration process the parties may continue toward reaching settlements through negotiations.

This proposed bill may also add an additional cost to the process by adding to the deliberation time and decision writing.

Thank you for the opportunity to provide input concerning this proposed bill.