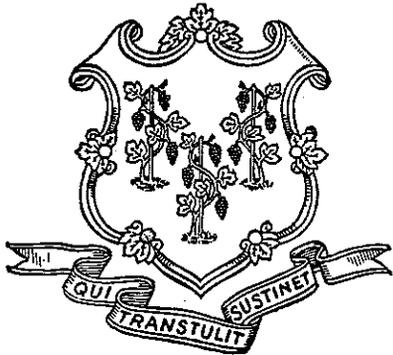


STATE EMPLOYEE CONTRACT BINDING ARBITRATION

Connecticut

General Assembly



LEGISLATIVE
PROGRAM REVIEW
AND
INVESTIGATIONS
COMMITTEE

December 1995

**CONNECTICUT GENERAL ASSEMBLY
LEGISLATIVE PROGRAM REVIEW AND INVESTIGATIONS COMMITTEE**

The Legislative Program Review and Investigations Committee is a joint, bipartisan, statutory committee of the Connecticut General Assembly. It was established in 1972 to evaluate the efficiency, effectiveness, and statutory compliance of selected state agencies and programs, recommending remedies where needed. In 1975, the General Assembly expanded the committee's function to include investigations, and during the 1977 session added responsibility for "sunset" (automatic program termination) performance reviews. The committee was given authority to raise and report bills in 1985.

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LEGISLATIVE PROGRAM REVIEW
& INVESTIGATIONS COMMITTEE

State Employee Contract Binding Arbitration

DECEMBER 1995

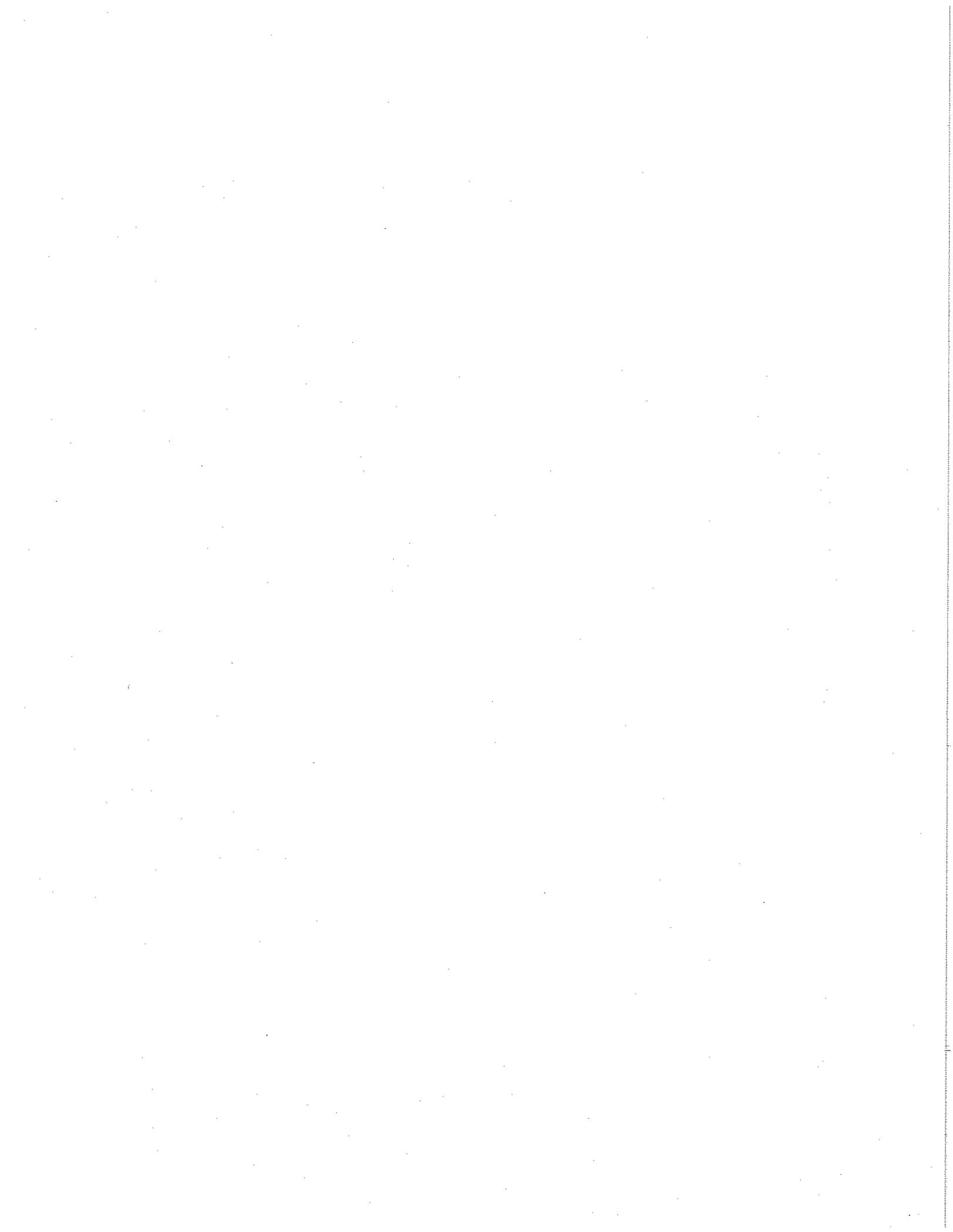


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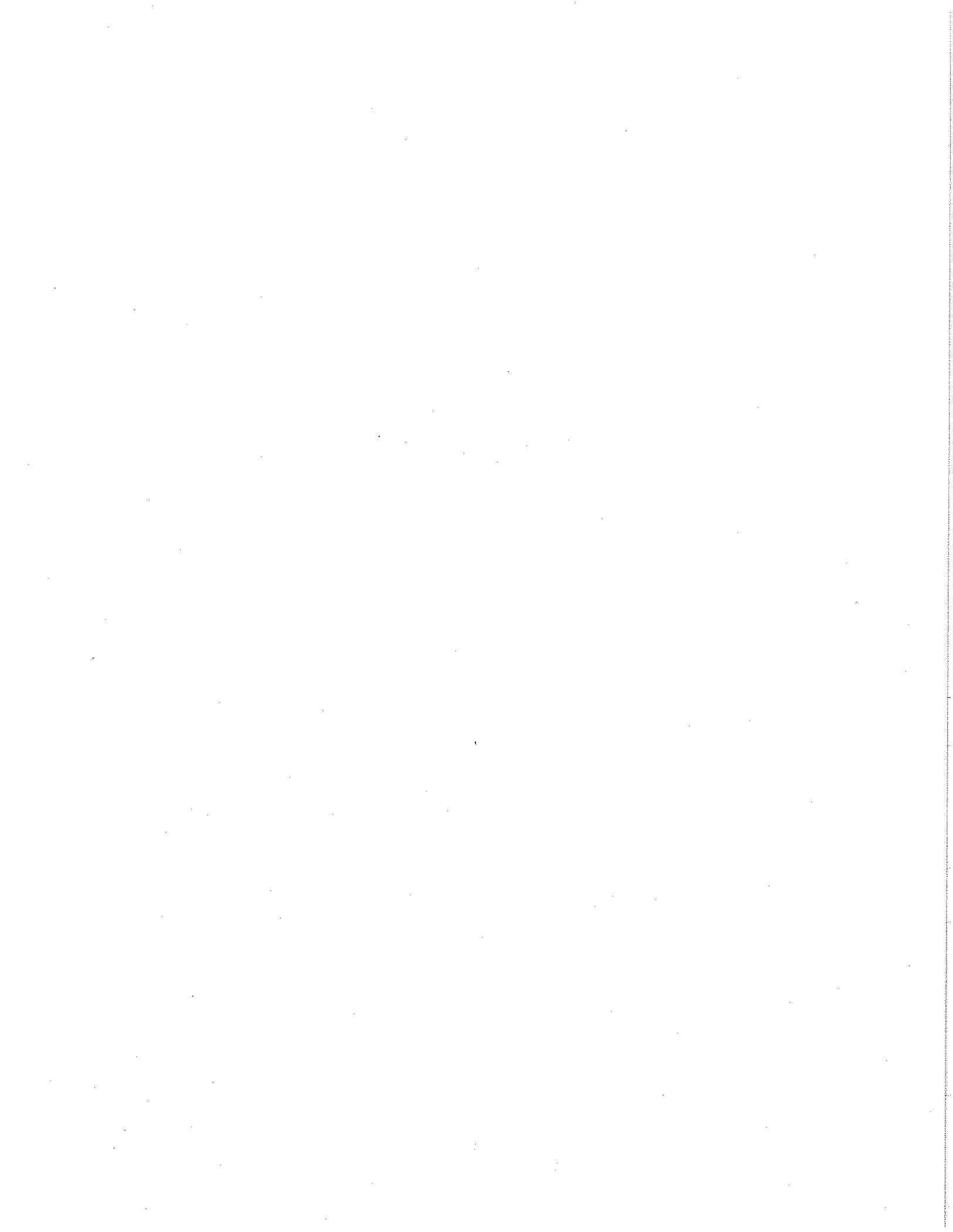
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Key Points

State Employee Contract Binding Arbitration

- Of 26 states with public employee collective bargaining, Connecticut and 14 others have some form of binding arbitration for some or all state employees.
- Connecticut has the only binding arbitration scheme that: includes all employees who collectively bargain; covers wages, pensions, and health benefits; and allows for legislative rejection of arbitration awards.
- The ability to reject arbitration awards allows the legislature to retain control of public fund expenditures, an acknowledgment of the split role of employer between the legislature and the executive in state government, unlike the private sector with its vertical management structures.
- Binding arbitration is considered an alternative to strikes for public sector employees. As with strikes, both sides are supposed to be confronted by risk by going to arbitration.
- Little risk is seen by parties in Connecticut by going to arbitration. Three out of four contracts and half of all wage reopeners have been arbitrated since the procedure became available.
- Legislative rejections have impacted the collective bargaining process by influencing subsequent resolutions.
- Arbitrators are doing what the legislature has asked them to do, given the statutory criteria and the arbitrator discretion in weighting the criteria.
- The criteria should specifically require the arbitrator to consider private sector compensation, the public interest, and other fiscal responsibilities of the state.
- The contract negotiation time frame was established prior to binding arbitration, and should be lengthened to allow for arbitration prior to legislative adjournment.
- As the legislature is a central clearinghouse and final checkpoint for all collective bargaining activity, comprehensive and relevant information should be readily accessible to the legislature.



Executive Summary

STATE EMPLOYEE CONTRACT BINDING ARBITRATION

Binding arbitration is a tool used when parties who are bargaining collectively reach impasse, and cannot resolve issues themselves. Thus, binding arbitration is part of the larger framework of collective bargaining. What the right to collectively bargain means is that employees may organize into groups and bargain in those groups with their employers on matters of wages, hours, and other conditions of employment.

In theory, one goal of public sector collective bargaining is to “help prevent interference with the operations of government by providing an orderly means of resolving disputes with public employees¹.” Specifically, strikes have not been seen as a viable contract resolution tool for public sector employment. Binding arbitration, then, is intended to promote orderliness by achieving finality in contract negotiations, in absence of the right to strike.

The program review committee authorized this study of state employee binding arbitration for contract negotiations (also called interest arbitration) after legislative rejection of several state employee interest arbitration awards during the 1995 legislative session. The purpose of the study is to examine how well binding arbitration is working through a review of the arbitration process and its outcomes, and to assess whether any changes are warranted. (The study does not include the area of grievances for state employees, in which binding arbitration is used to resolve contract interpretation disputes between employers and employees.)

There are variations in binding arbitration mechanisms, but the two main types are called conventional and last best offer. Under conventional arbitration, “the parties [present] their positions on each issue in dispute to the neutral individual selected to hear the dispute. The resulting award could follow one or the other party’s position, but more commonly [falls] somewhere in between . . .”² (e.g., Pennsylvania and Rhode Island systems). Under last best offer binding arbitration, the method used in Connecticut, the arbitrator must select one party’s proposal or the other’s. In theory, last best offer binding arbitration makes the parties propose more reasonable offers because the arbitrator must pick one of the two.

Since the advent of arbitration for state employees in Connecticut, arbitration awards have always been subject to the approval of the legislature, and thus not binding on the state. Similarly, the collective bargaining agreements reached between the parties have always been subject to legislative approval. Infused into the collective bargaining process is control retained by the legislature over expenditure of funds. This feature reflects the fact that the role of

¹ *Bargaining Units in the Public Sector*, Kurtz et al., (The Evolving Process--Collective Negotiations in Public Employment, Association of Labor Relations Agencies, 1985), p.98.

² *Interest Arbitration*, Rehmus, Charles, Ibid., p.254.

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employer is split between the legislature and the executive in state government, unlike the private sector with its vertical management structures.

The committee analysis focuses on three areas: the frequency with which binding arbitration is used; the impact that legislative rejection of arbitration awards has on the collective bargaining process; and the difference in the roles played by arbitrators in contrast to legislators.

Use of binding arbitration. Binding arbitration is considered an alternative to strikes for public sector employees. As with strikes, both sides are supposed to be confronted with risk by entering into interest arbitration. One desired impact of the risk is to encourage parties to settle contracts themselves, as opposed to a third party. Once in arbitration, with the last best offer approach as in Connecticut, another risk factor is that the arbitrator must pick the “more reasonable” of the two, so the parties will be circumspect in determining last best offers.

Based on program review analysis of Connecticut state employee collective bargaining experience, three out of four contracts, and half of all reopeners have been resolved through arbitration since that process became available. A 75 percent usage rate is clear evidence that very little risk is seen by the parties when going to arbitration.

Some practitioners say that the unions have nothing to lose by going to arbitration.¹ With the current state position of a zero percent general wage increase as a negotiating stance (offering a 40-hour work week phase in with accompanying pay to reflect the increased time), the unions would have little to lose by going to arbitration. Essentially, they know they couldn’t do worse than zero. Also, given the statutory factors to be considered by the arbitrators, the unions can predict if their last best offers for wages were closer to inflation, the arbitrators would select them. (This works because the arbitrators generally have not considered annual increments as wage increases). And based on the general arbitrator position to not arbitrate major changes, but rather leave those up to the parties to negotiate, the 40-hour phase-in probably would never be awarded.

From the state perspective, the risk associated with arbitration also seems low. The submission of a zero percent last best offer (absent a negotiation pattern) is like an invitation to “lose”—more than one arbitrator indicated that if the state had come in with some figure as a last best offer, perhaps even as low as 1.5 percent, that probably would have been awarded. The state position possibly reflects that it had post-arbitration alternatives.

One, as it turned out, was legislative rejection (which was exercised for some contracts, but not others). A legislative rejection vote was not new, as it was part of the process established in 1986. It was made easier in 1991, when the provision that both houses had to reject an award by a two-thirds vote was amended to only require rejection by one house. The 1994 legislative session was the first time since the vote change that awards were presented to the legislature, and

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four awards were rejected. Another post-arbitration alternative, which is always theoretically present, is a budget reduction, with the possibility of layoffs.

One risk impacting employees is that failure to control the timing of a resolution in the legislature can mean significant delays in getting a contract in place, since they can only be considered during legislative sessions (or special sessions called for that purpose) This problem for employees grew in 1993, when annual increments would no longer go into effect in the absence of a contract.

Impact of legislative rejection. The legislative rejections have impacted the collective bargaining process. First, in second arbitrations, the union last best offers typically are lower than those previously awarded, and then rejected. Thus the subsequent awards tend to be lower. Second, some unions chose to negotiate instead of repeating an arbitration, and typically have settled for zero percent general wage increases for the 93-94 reopener year. As a result, there is now a pattern of zeroes that the state cites in second arbitrations, and patterns tend to be persuasive to arbitrators.

Arbitrator vs. legislature role. Given the statutory criteria, and the arbitrator discretion in weighting the criteria, it is hard to conclude that the arbitrators are not doing what the legislature has asked them to do. "Ability to pay" is a vague concept, and when applied in the context of a nine billion dollar budget and a single employee unit, it probably can always be found, especially when it is just one of six criteria. The fact that the legislature rejects an award doesn't mean the arbitrator has not done his or her job. The legislature is making a different determination than the arbitrator, an assessment of "insufficient funds."

Often the statement is made during arbitration that the state has the ability to pay, but that when the state argues it does not, what it really is saying is that it is "unwilling" to pay for employee wage increases. However, when the unwillingness versus inability claim is made about the legislative role, it ceases to be an argument and becomes a factual description of the legislative budget setting role. The state budget is exactly that -- an articulation of what the legislature is willing to pay, based on what it perceives to be the best interests of the state. It is the state budget that determines the sufficiency of funds.

Recommendations

One cannot ignore the presence of political influences in the area of state employee contracts, which obviously may impact collective bargaining -- an area beyond the scope of this study. The committee recommendations are intended to promote further understanding and demystification of both the arbitration process and results. The recommendations relate to: the statutory criteria for arbitration awards; negotiations timing; and information availability.

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Statutory criteria. The first recommendation concerns the criteria used by the arbitrators in making their decisions. Currently, the criteria do not specifically require the arbitrator to consider private sector compensation or the public interest, factors that are of interest in public sector contract resolution. Also, adding other fiscal responsibilities of the state to the ability to pay criterion would require arbitrators to address that issue. Including these elements in the criteria would make the state employee criteria more similar to the Municipal Employee Relations Act, which the legislature amended in 1992 to include these elements.

Negotiation time frame. Another recommendation affects the contract negotiation time frame. Currently, notice of intent to bargain for a new contract is supposed to be filed in the January preceding the beginning of the fiscal and contract year of July 1. Typically, the parties do not begin negotiating until March. This time frame was established before binding arbitration was enacted as part of the state collective bargaining process.

Given the length of time after contracts expires that arbitrations take, in part because of the legislative rejections, attempts should be made to have contracts finalized closer to the beginning of the legislative session. This way, if an arbitrated contract award is rejected, there is an opportunity to return to the legislature during that same session with a new resolution.

Obviously, the collective bargaining process is sensitive to the state budget process, which is often just beginning to unfold at the start of a legislative session. However, the biennial budget process presumably decreases budget changes from year to year, and an earlier starting deadline could take advantage of the longer duration of the biennial budget.

Central information gathering for legislature. The final recommendation focuses on information. It is very difficult to obtain complete information about state employee collective bargaining results, in part because there are so many actors involved. The actor common to all collective bargaining activity is the legislature, which must act on all collective bargaining matters that deal with statutory supersedence and cost items. Information is scattered throughout the legislature also well, though, and can be somewhat difficult to access.

A simple example of this is found in the titles of the resolutions drafted for legislative consideration. Some of the titles do not have the name of the bargaining unit in it, but rather the name of its union, which makes it impossible in some cases to identify the employees to which the proposed contract pertains. If the trend of legislative rejection continues, it will be even more important for the legislature to have complete information about collective bargaining experience.

The information should include, among other items, descriptive information on the bargaining units--number of employees, type of work they do, where they work, numbers eligible and ineligible for annual increments, comparisons of annual increments to inflation rates, and in arbitration cases, what the last best offers were from each side.

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STATE EMPLOYEE CONTRACT BINDING ARBITRATION RECOMMENDATIONS

1. *C.G.S. Sec. 5-276a (5) shall be amended to require the arbitrator to consider private sector compensation, other fiscal responsibilities of the state, and the public interest.*
2. *Negotiations for state employee contracts shall begin by October 15 preceding the fiscal year in which a new contract is expected to begin.*
3. *The program review committee recommends that the Office of Fiscal Analysis and the Office of Legislative Research develop a method of collecting and maintaining complete information on process and outcomes.*

Policy Alternatives

Many writers in the field of public sector collective bargaining use the term experimentation when describing the variety of negotiation and impasse resolution mechanisms used by the states. In this mode, in addition to recommendations, the committee also identifies some policy alternatives that could be considered by the legislature, but about which the committee takes no position.

Binding arbitration should only be available to certain "public safety" employees, with the right to strike granted to others.

Connecticut is the only state that provides binding arbitration to all state employees with collective bargaining rights. Seven of the other 14 states that use binding arbitration for certain state employees provide a right to strike for the employees not covered by binding arbitration, while the other states do not.

There is a need for impasse resolution. To the extent that the risk of a strike and worker replacement puts more pressure on the parties to mutually settle contract differences, the collective bargaining process is improved. The threat of strike is seen by many as the way to bring market pressure to bear on collective bargaining decisions. There is always concern, however, about the potential disruption to state services. Providing a right to strike would make such disruption at least a possibility.

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The two-thirds legislative rejection vote should be changed to a simple majority rejection vote.

Supermajority voting mechanisms are found in Connecticut for such actions as overriding a governor's veto and placing a constitutional amendment proposal on a ballot. If the legislature is going to be involved in accepting arbitration awards, it could be argued that the vote scheme should be the same as approving a negotiated settlement or passing the state budget. Thus, changing the rejection requirement to a simple majority would bring arbitration award votes in line with other similar actions.

All state employee contracts should be for two years, coinciding with the biennial budget.

Contract duration is often a matter of negotiating strategy, which would be a problem in mandating that all contracts be of a two-year duration to coincide with the biennial budget. Also, at least until recently, contract terminations have been staggered in the executive branch so that the state labor negotiators are not working on all contracts at the same time.

However, coordinating with the biennial budget could promote a closer connection between the collective bargaining and budget processes, especially if negotiations began earlier, to allow for earlier legislative submission. This coordination would join the trend of longer term planning for state fiscal matters.

Introduction

The program review committee authorized this study of state employee binding arbitration for contract negotiations (also called interest arbitration) after legislative rejection of several state employee interest arbitration awards during the 1995 legislative session. The purpose of the study is to examine how well binding arbitration is working through a review of the arbitration process and its outcomes, and to assess whether any changes are warranted. It should be noted the study does not include the area of state employee grievances, in which binding arbitration is used to resolve contract interpretation disputes between employers and employees.

Methodology

All relevant statutes and regulations were examined, and pertinent literature was reviewed. Personnel from the Department of Administrative Services Office of Labor Relations and the Office of Policy and Management were interviewed, as well as management personnel from the state university and colleges, and the judicial department. State employee union representatives were also interviewed, including representatives from: AFSCME, CSEA, AFT-CSFT, Connecticut Congress of Community Colleges, District 1199 of the New England Health Care Workers, and the Connecticut Employees Union Independent.

Further, a database of collective bargaining activities from 1979 to the present, with an emphasis on binding arbitration, was developed and analyzed. The data were obtained from: legislative records; DAS Office of Labor Relations records; State Board of Mediation and Arbitration files; and arbitration awards. Statutes in other states that have collective bargaining for state employees were reviewed, and some states were surveyed about their actual experiences with contract dispute resolution. Finally, several arbitration awards were examined, and parts of two arbitration proceedings were observed.

Report Format

This report contains five chapters. Chapter One presents information on Program Purpose and Organization. Chapter Two is about Program Operation. Chapter Three is on Program Output. Chapter Four is about other states, and Chapter Five contains analysis and recommendations.

Agency Comment

It is the policy of the Legislative Program Review and Investigations Committee to provide agencies subject to a study with an opportunity to review and comment on the recommendations prior to the publication of the final report. While there are several agencies involved in state employee binding arbitration, the Department of Administrative Services, which handles contract negotiations for a majority of state employees, was invited to comment, but declined.

PROGRAM PURPOSE AND ORGANIZATION

Binding arbitration is a tool used when parties who are bargaining collectively reach impasse, and cannot resolve issues themselves. Thus binding arbitration is part of the larger framework of collective bargaining. What the right to collectively bargain means is that employees may organize into groups and bargain in those groups with their employers on matters of wages, hours, and other conditions of employment. The employer has the duty to bargain collectively with the employee group.

In theory, one goal of public sector collective bargaining is to “help prevent interference with the operations of government by providing an orderly means of resolving disputes with public employees.”¹ Further, strikes generally have not been seen as a viable contract resolution tool for public sector employment. Binding arbitration, then, is intended to promote orderliness by achieving finality in contract negotiations, in absence of the right to strike.

There are variations in binding arbitration mechanisms, but the two main types are conventional and last best offer. Under conventional arbitration, “the parties [present] their positions on each issue in dispute to the neutral individual selected to hear the dispute. The resulting award could follow one or the other party’s position, but more commonly [falls] somewhere in between . . .”² (e.g., Pennsylvania and Rhode Island systems). Under last best offer binding arbitration, the method used in Connecticut, the arbitrator must select one party’s proposal or the other’s. In theory, last best offer binding arbitration makes the parties propose more reasonable offers because the arbitrator must pick one of the two.

Since the advent of arbitration for state employees in Connecticut, arbitration awards have always been subject to the approval of the legislature, and thus not binding on the state. Similarly, the collective bargaining agreements reached between the parties have always been subject to legislative approval. Infused into the collective bargaining process is control retained by the legislature over expenditure of funds. This feature reflects the fact that the role of employer is split between the legislature and the executive in state government, unlike the private sector with its vertical management structures.

Program History

Collective bargaining. In 1935, the federal National Labor Relations Act gave private sector employees the right to bargain collectively with their employers. The National Labor Relations Board was established to monitor compliance with the act. State governments were specifically excluded from the terms of the act in recognition of their sovereign status. Thus, state governments have been on their own in developing ways to manage the relationship between themselves as employers and their employees.

In 1962, federal employees gained the right to collectively bargain through an executive order signed by President Kennedy. It was that action that apparently prompted activity at the state and local level, with many states passing municipal labor relations act, as Connecticut did in 1965. The act granted municipal workers collective bargaining rights. In Connecticut, state employees have had the right to collectively bargain with the state since 1977, under the provisions of the State Employees Relations Act (SERA). Local school teachers obtained the right in 1979.

As established in 1977, there are no statutory deadlines in the state employee collective bargaining process until an agreement has been reached and legislative approval is sought, except for when formal negotiations are to be requested (during January before the contract expires in June). As initially crafted, once a contract agreement was reached, a request for funds to implement it and for approval of any provisions in conflict with statute was to be filed with the legislature within 14 days after the agreement was reached. The legislature then was to vote to approve or reject the agreement within 30 days after the submission period.

In 1986, the legislative approval process was amended so that the 30 days began to run with the submittal of the agreement, and that only new conflicting provisions not previously approved by the legislature had to be presented. In 1991, the statute was again amended to provide that the actual agreement, as well as the request for funds and supersedence authority, was to be filed with the clerks of the House and the Senate within 10 days after the agreement was reached.

The General Assembly may approve the negotiated agreement as a whole by a majority vote of **each** house, or reject the agreement as a whole by a majority vote of **either** house. If the General Assembly is in session, it must vote to approve or reject within 30 days of the agreement's filing. If the General Assembly is not in session, the agreement must be submitted within 10 days of the start of the next regular session or special session called for that purpose

Binding arbitration. Under the National Labor Relations Act, if an agreement has not been reached by a contract's expiration date, private sector employees have the right to withhold their services, i.e., to strike. In contrast, for the most part, laws providing collective bargaining rights to public sector employees make it illegal for those employees to strike under any

circumstances. As agreement finality is a core value of collective bargaining, other ways to resolve impasses in public sector bargaining had to be found.

From 1977 to 1986, SERA offered fact-finding as a method to promote resolution. Under fact-finding, the parties would argue their cases before a neutral third party, (the fact finder), who would issue a report setting out his or her theoretically objective findings. The report was wholly advisory. When binding arbitration was instituted in 1986, fact-finding was eliminated. Under binding arbitration, either party can declare an impasse, by filing notice of impasse with the State Board of Mediation and Arbitration (SBA). Certain deadlines are established internally for the arbitration process, but these deadlines may be waived by the parties or the arbitrator.

Within 10 days after the award is completed and distributed to the parties, the employer bargaining representative submits the award to the legislature with a statement about the amount of funds necessary to implement the award. When arbitration was first initiated, the award would be sent back to the parties if **both** houses determined by a two-thirds vote in each house that there were insufficient funds within 30 days of the award's submission. Failure of the legislature to act made the award binding on all parties.

In 1989, the appropriations committee was given authority to act on awards filed while the legislature was out of session. The committee had 10 days after the filing to consider accepting or recommending rejection of the award. If the committee failed to vote to recommend rejection, the award was binding on all parties unless the legislature voted within 30 days of the filing by two-thirds votes in each house to reject for insufficient funds.

If the committee voted to recommend rejection, the legislature convened in special session, within 20 days of the committee vote, for the sole purpose of accepting or rejecting the award. If the legislature failed to vote in 20 days, the award was binding on all the parties. (Any award filed within 30 days before the start of a session is considered filed on the first day of the session).

The binding arbitration law was amended again in 1991. As part of a major legislative package that established a state personal income tax, a state budget cap, and a biennial budget, two changes were made to the binding arbitration law. The first was an amendment establishing that **either** (instead of each) house could reject an award by a two-thirds vote. The second deleted the provision for approving arbitration awards filed when the general assembly was out of session. Now, arbitration awards are treated the same as negotiated agreements in terms of time frames; if an award is filed when the general assembly is out of session, it must be submitted to the general assembly within 10 days of the start of the next regular session, and deemed approved if the general assembly fails to vote to approve or reject within 30 days.

Finally, the 1993 budget act provided that if a contract expired, and until a new one was in place, the terms of the expired contract would operate only with respect to salary and certain

other items. Annual increments built into the salary schedules in the contract would not go into effect, a change from previous law.

Program Organization

The formal organizational structure within which state employee collective bargaining occurs, of which binding arbitration is a part, involves many players. Some are directly involved in negotiating individual contracts, while others provide indirect input into the resolution process. Main participants include:

- the employers or their designated representatives, including the management bargaining teams;
- the employees in the several bargaining units;
- the employee organizations selected by the employees to be their exclusive bargaining representatives;
- the executive branch leadership providing negotiating guidelines;
- mediators and arbitrators;
- the State Labor Board;
- the State Board of Mediation and Arbitration; and
- the General Assembly.

The State Employee Relations Act defines who is an employer for collective bargaining purposes. Under the Act, an employer is: the State of Connecticut; the executive branch; the judicial branch; the division of criminal justice; and the board of trustees of state-owned or supported colleges or universities.

In practice, there are 10 “employers” who negotiate separately with the 45,000 state employees who fall under collective bargaining. These employees are divided into 30 bargaining units, which are represented by 10 different labor organizations. Figure I-1 shows the different employers and the employee bargaining units with which each employer interacts. Table I-2 identifies the specific bargaining units connected to each employer, along with the unions representing the employees.

Figure I-1. Employers and Bargaining Units

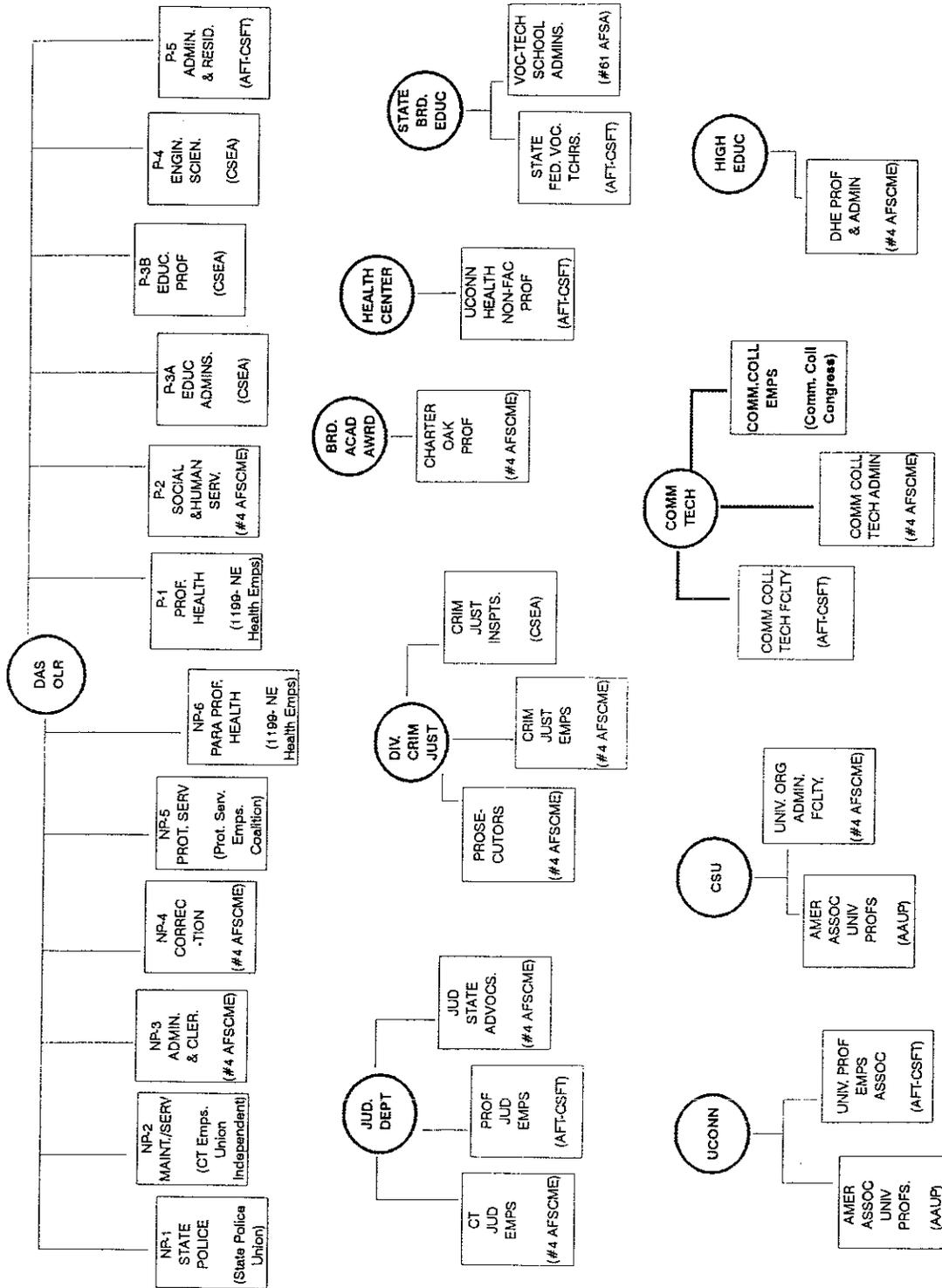


Table I-2. Employers and Employees in State Employee Collective Bargaining

<i>Employer</i>	<i>Employee</i>	<i>No.</i>	<i>Union</i>
DAS-OLR	NP1-State Police	972	CT State Police Union
	NP-2 Maintenance and Service	5,202	CT Emp. Union Independent
	NP-3 Administrative and Clerical	6,118	AFSCME
	NP-4 Corrections	4,856	AFSCME
	NP-5 Protective Services	860	Prot. Services Employees Coalition
	NP-6 Paraprofessional Health Care	4,572	New England Health Care Employees Dist. 1199
	P-1 Prof. Health Care	2,643	New England Health Care Employees Dist. 1199
	P-2 Social and Human Services	3,891	AFSCME
	P-3A Educ. Administrators	240	CSEA
	P-3B Educ. Professionals	995	CSEA
	P-4 Engineering/Scientific	2,867	CSEA
	P-5 Admin. & Resid.	3,383	CSFT
Judicial Department	Professional Judicial Employees	759	CSFT
	CT Judicial Employees	1,337	AFSCME
	Judicial State Advocates	11	AFSCME
Division of Criminal Justice	Prosecutors	203	AFSCME
	Criminal Justice Employees	117	AFSCME
	Criminal Justice Inspectors	67	CSEA
State Board of Education	State Vocational Federation of Teachers	1,004	CSFT
	American Federation of School Administrators	61	AFSA
Board of Trustees, University of Connecticut	UConn Faculty	1,301	AAUP
	UConn Admin. Professionals	895	CSFT

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<i>Employer</i>	<i>Employee</i>	<i>No.</i>	<i>Union</i>
Board of Trustees, Connecticut State University	CSU Faculty	1,133	AAUP
	CSU Administrators	379	AFSCME
Board of Trustees, Community-Technical Colleges	Community College Employees	957	CT Congress of Community Colleges
	Tech. Coll. Fac.	155	CSFT
	Tech. Coll. Administrators	47	AFSCME
Board of Trustees, University of Connecticut Health Center	UConn Health Center Professionals	1,562	CSFT
Board of State Academic Awards	Charter Oak College Professionals	15	AFSCME
Board of Governors of Higher Education	Dept. Of Higher Ed. Professionals	28	AFSCME
Total Union Employees (All Funds)		46,630	

Legend: AAUP= American Association of University Professors
 AFSA= American Federation of School Administrators
 AFSCME= American Federation of State County and Municipal Employees
 CSEA= Connecticut State Employees Association
 CSFT= Connecticut State Federation of Teachers

Source of Data: OPM (Comptroller Payroll Data, Dept. Of Education and OPM Cost Sheets), November 1995

Employers

Office of Labor Relations. The Office of Labor Relations (OLR) is located within the Department of Administrative Services. The office serves as the employer bargaining representative in contract negotiations with 12 bargaining units, representing over 36,000 employees, or 78 percent of the organized state workforce.

The office is divided into four main functional units: Operations; Compensation and Research; Policy and Research; and Administrative Support. These units are overseen by a Labor

Relations Manager and an Assistant Labor Relations Chief. Together, the office employs 10 professional and 3 administrative staff.

The Operations Unit is responsible for negotiating contracts and representing the state in employee grievance matters. The unit is divided into two teams, with the employee bargaining units assigned among the teams. For each contract scheduled for renegotiation, a labor specialist is assigned as chief negotiator.

The Compensation and Benefits Unit provides support and research for the contract negotiation process, focusing on economic, salary and other cost-related information used in negotiations. The unit maintains briefing books keyed to each bargaining unit with information about each unit's past salary history, salaries and increases among other state employees, other states, CPI data, and other relevant information. These briefing books are updated as needed.

The unit is also responsible for costing out all contract proposals made by both the state and bargaining unit, a process that begins as soon as proposals are presented in negotiations. To the extent staff is available, unit staff may sit in on negotiation sessions. If a contract goes to arbitration, the compensation unit is responsible for preparing most of the state's exhibits submitted to the arbitrator. (OPM prepares and presents ability-to-pay information for the state at arbitration.)

Other employers. Within the State Employee Relations Act, the nine other state employers operate under their own administrative and decision-making systems in regard to contract resolutions. These are: the Judicial Department; the Division of Criminal Justice; the State Board of Education; the various Boards of Trustees for the University of Connecticut, the Connecticut State University, the Community-Technical Colleges, the University of Connecticut Health Center, and State Academic Awards; and the Board of Governors of Higher Education.

Many of them utilize assistance from the Office of Labor Relations and the Office of Policy and Management, and in some case, private counsel. Recently, the governor's office has been recommending guidelines for all state negotiators outside the executive branch to follow. And, despite constitutional and statutory bases for independence, reliance on funding through the state budget may serve as a practical check on total independence in this area.

Employees

For collective bargaining purposes, an employee is anyone employed by one of the employers identified above, and who is either classified or unclassified, except for elected or appointed officials, board and commission members, managerial employees, and confidential employees. The Act also sets out a process for delineating other employee bargaining units.

Formation of bargaining units. Employees have the right to bargain collectively through representatives of their own choosing. The State Labor Board, a three-member panel appointed by the governor, is responsible for certifying employee organizations designated to represent the majority of employees in a bargaining unit.

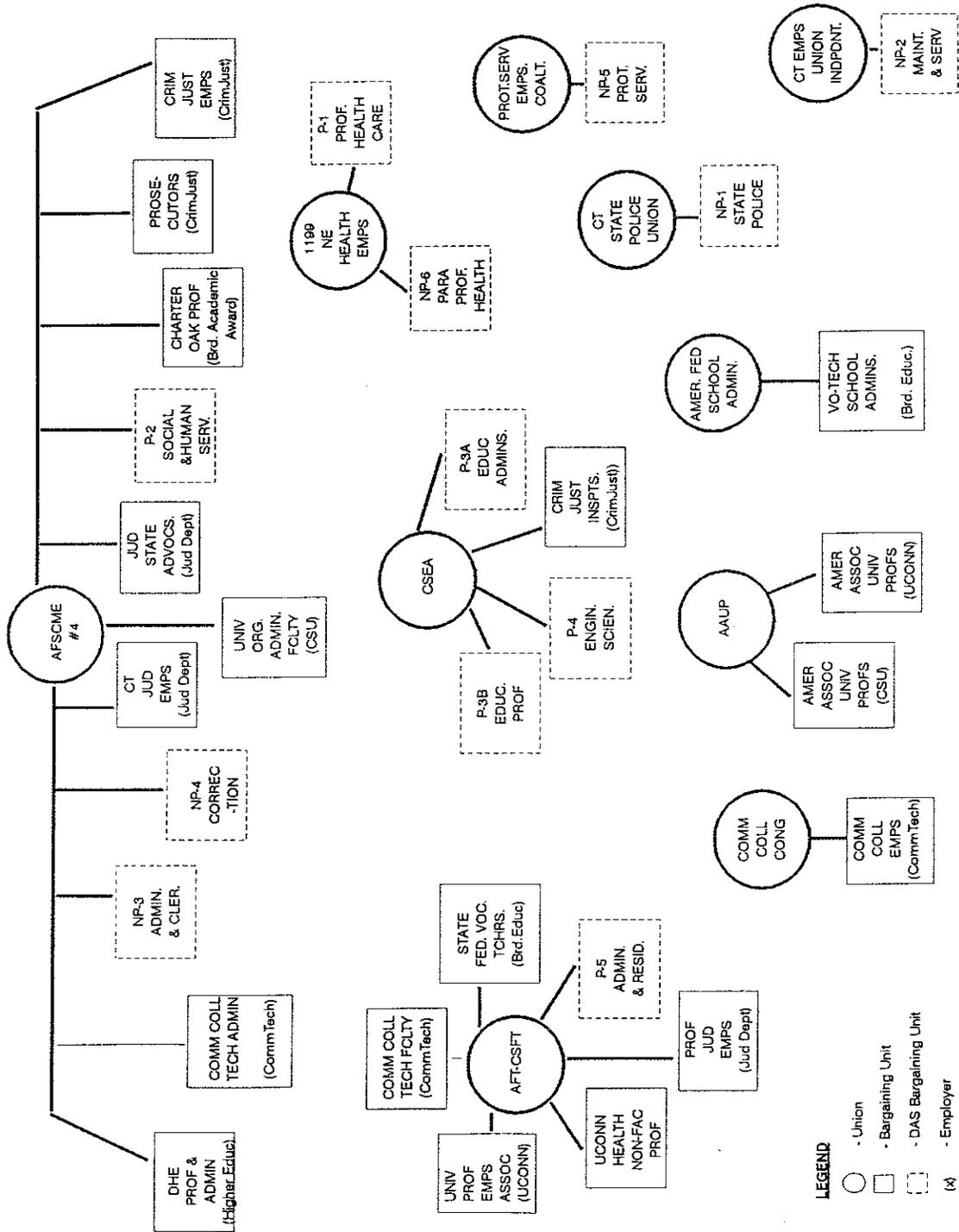
First, a group of employees files a petition with the State Labor Board stating that they want to be a bargaining unit. To determine if the unit would be appropriate, the board is to take into consideration, but not be limited to, the following:

- whether the public employees have an identifiable community of interest, and the effects of overfragmentation;
- denying recognition if both professional and nonprofessional employees are in one unit, unless a majority of professional employees vote for inclusion in the unit;
- when the state is the employer, it will be bargaining on a state-wide basis unless issues involve working conditions peculiar to a given governmental employment locale;
- permitting the faculties of (a) The University of Connecticut; (b) the Connecticut State University system, and (c) the state regional vocational-technical schools to each comprise a separate unit, which in each case shall have the right to bargain collectively with its respective board of trustees or its designated representative; and
- permitting the community college faculty and the technical college faculty as they existed prior to July 1, 1992, to continue to comprise separate units which in each case shall have the right to bargain collectively with its board of trustees or its designated representative. Nonfaculty professional staff of these institutions may by mutual agreement be included in the bargaining units, or they may form a separate bargaining unit of their own.

Exclusive representative for bargaining unit. The next determination is whether the union seeking to represent the bargaining unit has been properly chosen by the employee group. Figure I-3 shows the current breakdown of union representation for the bargaining units.

Other State Labor Board duties. In addition to the certification of bargaining units, the State Labor Board is responsible for determining scope of bargaining questions and handling unfair practice complaints.

Figure I-3. Unions and Bargaining Units



LEGEND
 ○ Union
 □ Bargaining Unit
 □ DAS Bargaining Unit
 (X) Employer

Under SERA, employees have the right to collectively bargain on “questions of wages, hours and other conditions of employment, except as [otherwise provided in statute].” (C.G.S. Sec. 5-271). State agencies still maintain authority and power to establish, conduct and grade merit exams and to rate candidates in order of their relative excellence from which appointments or promotions may be made to positions in the competitive division of the classified service of the state served by the Department of Administrative Services.

Further, the establishment, conduct and grading of merit examinations, the ratings of candidates and the establishment of lists from such examinations and the appointments from such lists are not subject to collective bargaining.

Another labor board duty is to resolve questions about whether an employee or employer has committed an unfair practice.

Unfair practices by employers include:

- Interfering with, restraining or coercing employees in the exercise of [collective bargaining] rights including a lockout; dominating or interfering with the formation, existence or administration of any employee organization;
- discharging or otherwise discriminating against an employee because he or she signed or filed an affidavit, petition or complaint or given any information or testimony under SERA;
- refusing to bargain collectively in good faith with an employee organization which has been designated in accordance with SERA as the exclusive representative of employees in an appropriate unit; including but not limited to refusing to discuss grievances with such exclusive representative;
- discriminating in regard to hiring or tenure of employment or any term or condition of employment to encourage or discourage membership in any employee organization;
- refusing to reduce a collective bargaining agreement to writing and to sign such agreement; and
- violating any of the rules and regulations established by the board regulating the conduct of representation elections.

Unfair practices by employees include:

- restraining or coercing employees in the exercise of [collective bargaining] rights;
- restraining or coercing an employer in the selection of his or her representative for purposes of collective bargaining or the adjustment of grievances;
- refusing to bargain collectively in good faith, with an employer, if it has been designated in accordance with SERA, as the exclusive representative of employees in an appropriate unit;
- breaching their duty of fair representation pursuant to SERA;
- violating any of the rules and regulations established by the board regulating the conduct of representation elections; and
- refusing to reduce a collective bargaining agreement to writing and sign such agreement.

Governor's Office and the Office of Policy and Management

The governor as the state's chief executive officer has direct responsibility for executive branch employees, the largest component of the state workforce. The governor's office participation in the collective bargaining process, including the binding arbitration process, varies depending upon the particular administration involved. Variables include how the Office of Policy and Management is utilized, as well as members of the Governor's staff and private counsel.

Legislature

The legislature's role in collective bargaining as set out in SERA is described earlier in the chapter. In addition, the Joint Rules of the General Assembly contain specific guidelines to be followed when state employee contracts come before the legislature:

- The employer representative must submit one typewritten executed copy and four copies of a negotiated agreement each to the house and senate clerks.
- The employer representative must submit to the house and senate clerks five copies of an arbitration award and a statement of the amount of funds necessary to implement the award. (An arbitration

award will incorporate by reference all contract terms agreed to by the parties).

- The employer representative must also submit a list of the sections of the general statutes or state regulations proposed to be superseded by the contract.
- An agreement is only considered executed (and thus ready for legislative action) when it has been approved by the appropriate employer representative and the executive committee or officers of the appropriate bargaining unit and has been ratified by the employee membership.
- When the general assembly is in session, the agreement or award is stamped with a receipt date by the clerks, and within two calendar days, separate house and senate resolutions must be prepared proposing approval of the agreement or, in the case of an award, regarding the sufficiency of funds for implementation of the award.
- The resolutions are referred to the appropriations committee, which holds a public hearing on the resolutions, and must issue a favorable or unfavorable report within 15 days after referral. If the committee fails to act in this time frame, the agreement is deemed approved and sufficient funds affirmed and the resolutions are reported to the house and senate with favorable reports.
- A file copy is printed for each resolution, and copies of the agreement, the salary schedules and the arbitration awards with the statements setting forth the amount of funds necessary to implement the awards are available in the clerks' offices.
- The Office of Fiscal Analysis prepares an analysis of each agreement and award, and a fiscal note. These materials are supposed to be available to legislators before the resolutions are voted on.
- A resolution must be on the calendar with a file number for two session days and starred for action on the next session day unless it has been emergency certified. The House and Senate are to vote to approve or reject a collective bargaining agreement within 30 days of the first reading of the resolution. In contrast, each award must be voted on within 30 days of the submittal of the award to the senate or house clerk's office.

-
- If a resolution is referred to the appropriations committee after its deadline, but not later than May 12, 1995, or April 17, 1996, the committee may act on the resolution provided the committee reports the resolution to the House and Senate within 12 days after the referral, or May 24, 1995, in the 1995 session or May 1, 1996, in the 1996 session, whichever is earlier.
 - Any award or agreement filed with the clerks within 30 days before the end of the regular session and not acted on by the end of the session is deemed to be filed the first day of the next regular session.

Samples of the cost sheets prepared by OPM and OFA, and an OFA fiscal note may be found in Appendix A.

Another significant role the legislature plays in the collective bargaining process is enacting the budget. Since collective bargaining started, until recently, each budget would include a sum of money in the Reserve for Salary Adjustment Account (RSA), a separate line in the state budget. This sum is set aside in anticipation of collective bargaining agreements and other salary increases that may be approved by the General Assembly, to go into effect during the fiscal year the budget covers. State employee contract negotiations and resolutions are not coordinated with the state budget cycle and the reserve account allows for funds for contract settlements that occur after the finalization of a fiscal year budget. Table I-4 sets out the Reserve for Salary Adjustment Fund amounts for FYs 80-97.

Column 1 shows the proposals made in the Governor's budgets presented to the State Legislature in February, four to five months before the start of the fiscal year addressed by the proposed budget. The proposal is developed by the Office of Policy and Management. OPM bases its recommendation on information received from various state agencies on potential salary adjustments and estimated costs of anticipated collective bargaining negotiations and agreements.

No later than May or June, the Legislature approves a budget that includes an appropriation for the RSA account. (Column 2). Column 3 is the amount in Column 2 added to any funds lapsed from the previous year. Depending upon which projections for salary adjustment become reality, monies are transferred from RSA to various state agencies in order to cover those costs. (Column 4). Often, contracts are not resolved when anticipated and these funds usually continue within RSA in anticipation of resolution. (Column 5). Finally, projections for salary adjustments may prove to be excessive, in which case the funds lapse and are returned to the General Fund (Column 6). As the table shows, no funds were provided for the Reserve account in the FYs 94-95 budgets.

Table I-4. Reserve for Salary Adjustment Fund: Fiscal Years 1980-95

Fiscal Year	Gov.'s Rec.	Appropriated	Initial Approp.	Approp. Adjustment	Approp. Continued	Approp. Lapsed
	1	2	3	4	5	6
1979-80	28,000,000	28,000,000	28,000,000	27,834,059	0	165,941
1980-81*	0	0	0	0	0	0
1981-82	39,000,000	36,000,000	36,000,000	32,587,992	2,335,000	1,077,008
1982-83	50,000,000	50,000,000	52,335,000	48,222,306	2,033,147	2,079,547
1983-84	2,000,000	2,000,000	4,033,147	3,830,494	0	202,653
1984-85	42,700,000	42,700,000	42,700,000	35,296,217	7,403,783	0
1985-86	6,500,000	6,500,000	13,903,783	8,580,290	5,323,493	0
1986-87	15,000,000	17,470,188	22,793,681	12,704,495	10,089,186	0
1987-88	16,000,000	16,747,938	26,837,124	19,088,124	7,749,000	0
1988-89	26,000,000	26,314,000	34,063,000	23,781,729	10,281,271	0
1989-90	27,564,311	25,991,219	36,272,490	10,269,213	10,003,277	16,000,000
1990-91	15,050,000	12,050,000	22,053,277	13,263,220	8,790,057	0
1991-92	11,414,500	9,414,500	18,204,557	1,081,687	17,122,870	0
1992-93	0	3,000,000	20,122,870	3,985,946	16,136,924	0
1993-94	2,100,000	0	16,136,924	6,054,312	10,082,612	0
1994-95	0	0	10,083,000	2,119,000	7,964,000	0
1995-96	36,128,000	109,844,000	117,808,000	xxxxxxxxxxxxxxxxxxxx	xxxxxxxxxxxxxxxxxxxx	xxxxxxxxxxxxxxxxxxxx
1996-97	39,505,000	208,854,000	xxxxxxxxxxxxxxxxxxxx	xxxxxxxxxxxxxxxxxxxx	xxxxxxxxxxxxxxxxxxxx	xxxxxxxxxxxxxxxxxxxx

* Funds for FY '81 salary adjustments & collective bargaining costs were provided in the budgets of the various agencies. These costs totalled approximately \$70.9 million.



PROGRAM OPERATION

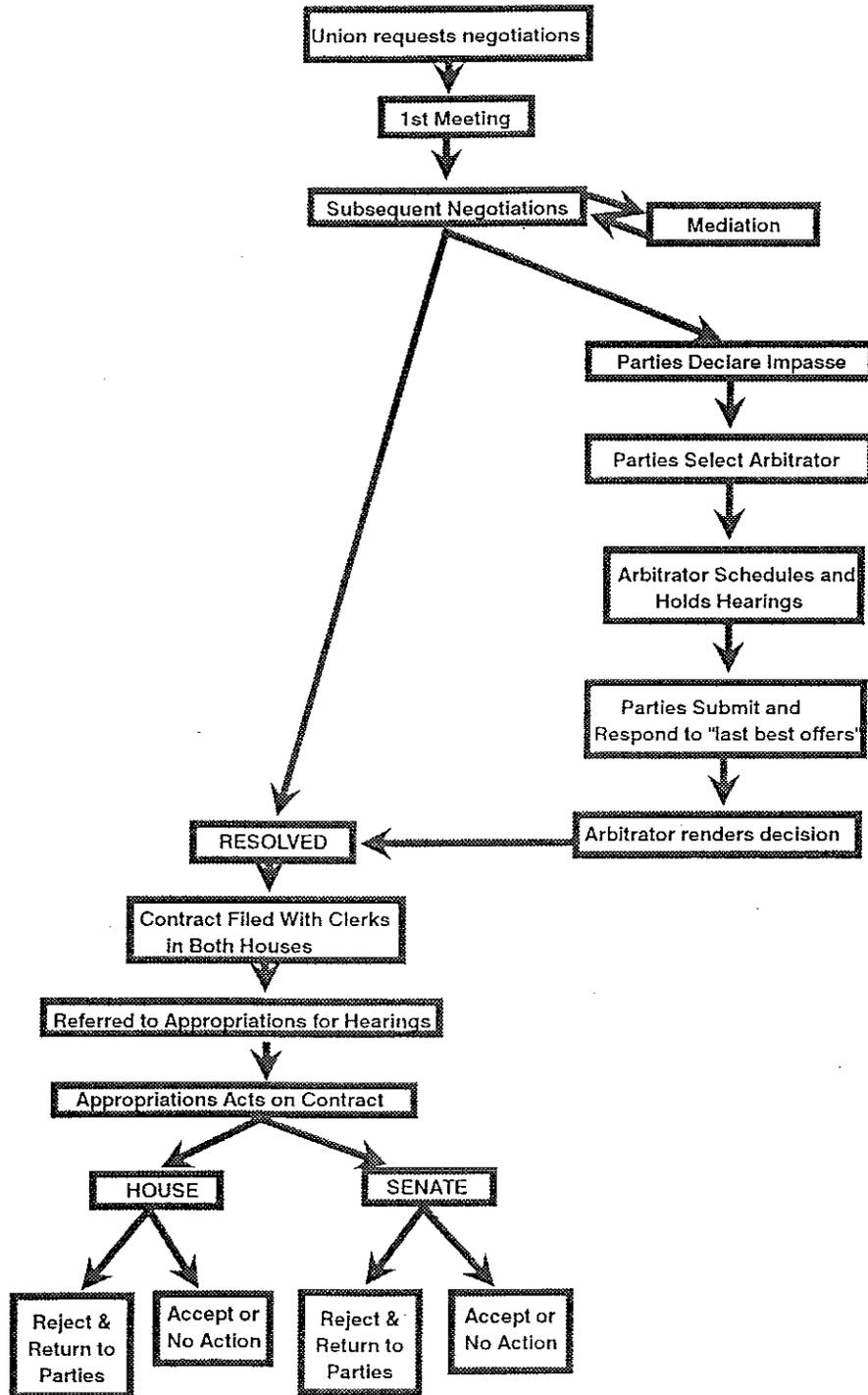
Almost all state employee contracts expire at the end of a state fiscal year, June 30³, with actual contract expiration dates traditionally staggered so not every contract expires in the same year. The State Employee Relations Act requires that a request for negotiation be made in January before the current contract expires, with negotiations to start within 30 days after the request is made. After that, SERA sets no other deadlines in the state employee collective bargaining process, until either a voluntary settlement is reached and submitted to the legislature, or arbitration is requested. (And, as noted earlier, the arbitration deadlines may be waived by the parties and/or the arbitrator).

Figure II-1 shows the main steps in the collective bargaining process. This chapter describes how contracts are negotiated by the Office of Labor Relations in the Department of Administrative Services, which is responsible for 12 of the 30 bargaining units. Information about what contracts contain, especially in the form of wage compensation, may be found in Appendix B.

Negotiations. Each fall prior to the contract expiration date in June, an OLR labor relations specialist is assigned to each contract up for renegotiation, to serve as chief negotiator for the state. The specialist prepares for negotiations by reviewing: the current contract; any grievances filed based on the current contract, as indicators of potential negotiation areas; any changes in federal or state law that might impact on the new contract; and salary and other economic data provided by the Compensation and Benefits Unit. Input from agency managers for the pertinent bargaining units is sought about issues employees might bring up for negotiation or about issues the managers think should be addressed. Agency personnel are also asked for volunteers to be members of the bargaining team. In most cases the top personnel management staff from the affected agencies will be involved in these input sessions. Sometimes commissioners participate in planning.

In January or February, the OLR chief negotiator will draft any language proposals (i.e., items not involving compensation) he or she believes should be negotiated, which are reviewed by OLR management. Sometimes the DAS commissioner and OPM personnel also review the proposals. The state does not

Figure II-1. Contract Resolution Process



develop proposals about general wage increases at this time, because at that point the state budget is not settled. (The biennial budget obviously changes this circumstance every other year). Ultimately, the labor relations specialists serving as the chief negotiators for the state take their cues from executive branch leadership in terms of their bargaining positions.

The first meeting between the parties generally occurs in March. At this meeting, the two parties through their chief negotiators typically discuss and agree upon ground rules for the negotiations. For example, decisions about when written proposals will be exchanged and when and where meetings will be held are made. After proposals are exchanged, the parties meet to clarify and explain the proposals. After that, the frequency with which the parties meet will vary from group to group -- from once a week, once a month, or some other configuration. The state's bargaining teams usually consist of five to eight people, as do most employee teams.

A commonly understood negotiation rule is whatever issues are brought up when proposals are initially exchanged dictate the scope of issues for negotiation. Additional issues cannot be brought up after that point, unless both parties agree. Either party can withdraw or amend its proposals, as long as the amendment is not so different that it is really a new proposal.

Over the course of negotiations, the parties may agree to some issues early in the process while others take longer to resolve. If the parties mutually agree on all contract terms, then the union representatives present the contract to the rank and file for a vote. After the union membership has accepted the contract, the contract is filed with the legislature for its consideration.

Binding arbitration. Since 1986, if the parties are unable to reach agreement "after a reasonable period of negotiations," one or both parties can file a list of issues with the State Board of Mediation and Arbitration on which agreement cannot be reached.

Within 10 days after arbitration is requested, the parties are to select a mutually agreeable arbitrator. The parties can select anyone they want as long as the statutory qualifications are met. These qualifications require that the "person selected shall have substantial, current experience as an impartial arbitrator of labor management disputes," and anybody who serves "partisan interests as advocates or consultants for labor or management in labor-management relations or who are associated with or are members of a firm which performs such advocacy or consultancy work " cannot be used.

The mediation and arbitration board also maintains a list of arbitrators. If the parties cannot agree on an arbitrator within the 10-day period, the selection is made in conjunction with the American Arbitration Association (AAA). In that case, AAA provides a list of nine arbitrators to the parties.⁴ Each party crosses off names on the list of arbitrators who are unacceptable to them, ranks the remaining arbitrators by preference, and sends the list back to AAA. If AAA cannot identify a "closest mutual selection" from the lists sent back from the parties, another list with nine names is

sent, and the process is repeated. If needed, the parties are sent three names, which can only be objected to for a factual or just cause reason. If no match is made then, AAA appoints an arbitrator.

Once selected, the arbitrator and the parties schedule dates and places for hearings, which are supposed to start within 20 days after the arbitrator is chosen. Before the hearings begin, the parties give the arbitrator a list of resolved and unresolved issues, and include their proposals on the issues in dispute. Once the hearings start, no new issue can be considered unless both parties agree. When the arbitrator receives both lists, he/she simultaneously distributes them to the opposing party.

The arbitrator runs the hearings. The arbitrator takes testimony, may put people under oath, and may subpoena people and documents. According to the statutes, the hearings must end within 30 days after they start, unless the period is extended by the arbitrator or both parties. At the hearings, each party presents testimony it feels is appropriate and the arbitrator finds relevant. At any time until an award is issued by the arbitrator, the parties jointly can file with the arbitrator stipulations about disputed issues that the parties have agreed to withdraw from arbitration.

The law requires that within 14 days after the hearings end, the parties file briefs with the arbitrator, including their last best offers on each unresolved issue, and where possible, cost estimates for each issue. The briefs are to contain the written arguments of the parties in support of their last best offers. The arbitrator distributes copies of the briefs to the opposing parties.

Within seven days after receiving the briefs and last best offers, each party may file reply briefs with the arbitrator. Within 20 days after the deadline for filing reply briefs, the arbitrator must file with the secretary of the Board of Mediation and Arbitration the award on all unresolved issues as well as a listing of the issues resolved by the parties during the arbitration.

In making the award, the arbitrator is to:

- pick the most reasonable of the last best offers, based on statutory criteria;
- give a decision on each disputed issue;
- state with particularity the basis for his or her decision on each issue and the manner in which the criteria were considered in arriving at the decision;
- confine the award to the issue submitted and not make observations or declarations of opinion not directly essential to reaching a determination; and
- not affect the rights accorded to each party by law or by any collective bargaining agreement.

The criteria the arbitrator must consider are:

- The history of negotiations between the parties including those leading to the arbitration at hand;
- the wages, fringe benefits, and working conditions prevailing in the market place;
- the overall composition paid to the employees involved in the arbitration proceedings, including direct wage compensation, overtime and premium pay, vacations, holidays and other leave, insurance, pensions, medical and hospitalization benefits, food and apparel furnished and all other benefits received by such employees;
- the ability of the employer to pay;
- changes in the cost of living; and
- the interests and welfare of the employees.

In the written decision, the arbitrator addresses each issue. Typically, the arbitrator will begin the decision with a summary of the arbitration process --- for example, when the arbitrator was appointed, how many hearings were held, how many issues the parties came in with, and how many issues were finally left to be arbitrated. Then the arbitrator will go through the issues one by one, and discuss the evidence both sides presented, state each party's last best offer and select one. The arbitrator will also note that all the issues agreed to by the parties are incorporated into the award.

The award is final and binding on the employer and the employee organization, unless rejected by the legislature. The arbitration award, along with a statement of the fund amount necessary to implement the award, is to be filed with the senate and house clerks' offices within 10 days after the award is filed. Either house can reject the award by a two-thirds vote if it determines there are insufficient funds for full implementation of the award. If it is rejected, the matter is returned to the parties for further negotiations.

As noted, there are no completion deadlines for contract resolution. There are some practical considerations that can act as deadlines, though. Since 1991, if a negotiated agreement or an arbitration award is completed when the legislature is out of session, legislative action waits until the next regular session or a special session is called for the purpose of considering contracts. For example, if the parties agreed to a contract, or received an arbitration award, the day after the legislative session adjourned in 1995, (and assume it is for the fiscal year beginning July 1), unless the legislature came back into special session expressly for the purpose of the contract, no action would

be taken on it until February 1996, seven months later. In addition, the state budget process timing may have a variety of practical impacts on the flow of contract activity.

Impact of expired contract. If an agreement expires before a new one has been approved by the legislature, the following provisions stay in effect:

- salary, excluding annual increments;
- differentials;
- overtime;
- longevity; and
- allowances for uniforms.

Of course, in most cases, any compensation issues that aren't resolved by the time the contract is to begin can be made retroactive.

The statute also states that in the event of a contract expiration, the employer and **designated** employee representative shall negotiate and agree upon payment of an exclusive payroll deduction of employee organization regular dues, fees, and assessments and upon reaching such agreement, such payment shall be made to such exclusive employee representative.

PROCESS OUTPUTS

Background

The first negotiated contract for a majority of eligible employees under SERA was a two-year master contract, in place from 7/1/77 to 6/30/79. In 1979, the individual bargaining units negotiated for individual contracts of two and three year durations, thus establishing a staggered contract expiration cycle. Until recently, most contracts covered a three-year period. As noted earlier, some contracts contain a wage reopener provision, typically in the third year of the contract. With a reopener, the parties agree to postpone any decision on a wage increase and negotiate a third year wage increase closer to the year in which it would be paid.

In 1991, due to severe fiscal problems, the State began negotiating with the State Employee Bargaining Agent Coalition, known as SEBAC, to reduce costs attributable to employee salaries. In most cases, the agreement between the State and the unions covered the three-year period of FY 91-92 through FY 93-94. In FYs 91-92 and 92-93, wage increases were deferred for almost a year and no increments were paid. The third year, FY 93-94, had a wage reopener, with payment of increments. Many of the arbitration awards rejected by the Senate early in the 1995 legislative session involved this third year of the SEBAC coalition agreement. Although not the first time the legislature utilized its authority to reject negotiated agreements and arbitration awards, the 1995 session stands out in terms of the numbers of rejections.

The legislation that established binding arbitration for state employees went into effect on July 1, 1986. The first contract year for which binding arbitration was really used began July 1, 1987. Thus through July 1995, there have been eight complete contract/fiscal years of experience with binding arbitration. This eight-year period can be divided into two distinct segments, though, because of the major fiscal problems faced by the state that came to a head in 1991. The first is from FY 87-88 through FY 90-91, and the second is from FY 93-94 to the present.

Part of the purpose of this study is to describe what actually has happened since binding arbitration went into effect. The descriptive measures

used by the program review committee are:

- how often arbitration is used compared to negotiated settlements;
- how close to the contract start date are arbitrated contracts resolved compared to negotiated contracts;
- comparison of general wage increases for arbitrated contracts with those for negotiated contracts;
- the different arbitrators used and how they are selected;
- the length of time arbitrations take; and
- the number of arbitrations rejected by the legislature and the impact.

Use of Arbitration

Since binding arbitration became available, prior to the state employee contract renegotiations in 1991 and 1992 (the resulting agreement known as SEBAC I), three out of four contracts went to arbitration, in contrast to the situation for one-year wage reopeners, where only 21 percent were arbitrated. In the post-SEBAC I period, beginning with FY 93-94 year, the use of arbitration for contracts is also three out of four. However, all the 93-94 reopeners went to arbitration. Tables III-1 and III-2 set out this resolution information.

Table III-1. Collective Bargaining Resolutions from 1987-88 through 1990-91				
	<i>Contracts</i>	<i>Reopeners</i>	<i>Other</i>	<i>Total</i>
Negotiated	8 (23%)	11 (79%)	3	22 (42%)
Arbitrated	27 (77%)	3 (21%)	0	30 (60%)
Total	35 (100%)	14(100%)	3	52 (100%)

Source of Data: Program Review Analysis of State Employee Collective Bargaining Experience

Table III-2. Collective Bargaining Resolutions from 1993-94 to Present				
	<i>Contracts</i>	<i>Reopeners</i>	<i>Other</i>	<i>Total</i>
Negotiated	6 (26%)	0	0	6 (19%)
Arbitrated	17 (74%)	9 (100%)	0	26 (81%)
Total	23 (100%)	9 (100%)	0	32 (100%)

Source of Data: Program Review Analysis of State Employee Collective Bargaining Experience

Contract Resolution Time By Negotiations or Arbitration

The majority of state employee contracts expire at the end of a fiscal year, with new contracts beginning on the first day of the fiscal year, July 1. Ideally, a new contract should be in place for the start of the fiscal year. What Table III-3 sets out is information on the amount of time after a contract ideally should be in place before a negotiated settlement or arbitration award is submitted to the legislature for its review. It is intended to offer a sense of when in comparison to an ideal (or optimum) start date do the parties actually achieve resolution. The contract start date and legislative submission date were used because data on when negotiations actually started or were considered completed are difficult to obtain.

For most multi-year contract negotiations, parties will begin meeting about four months before the contract start date; in the case of one year wage reopeners, typically talks begin closer to the reopener year. When in session, the legislature has a month after filing to act on it. In some cases, an award or negotiated settlement is submitted to the legislature too late in the session or in between sessions, and so the legislative submission date can be up to eight months before the legislature will act. Table III-3 does not include those delays. (For example, if an award was filed with the legislature on September 1, 1994, for a contract to begin July 1, 1994, it would be deemed to have been filed on the first day of the 1995 session, which would start the legislative clock. For the purpose of Table III-3, in the case of this contract, the contract resolution time would be the difference between July 1, 1994 and September 1, 1994, or two months.)

However, the figures in Table III-3 do reflect accumulated time due to the recent legislative rejections, because the contract start date does not change. A main point of interest is that on average, contracts in arbitration have taken longer to conclude than negotiated settlements did prior to arbitration, a function primarily of the legislative rejections. This result is contrary to one of the stated purposes of enacting binding arbitration for state employees in the first place: finality.

Table III-3. Contract Resolution* Dates Compared to Contract Start Dates by Method of Resolution

	<i>Mean</i>	<i>Latest</i>	<i>Earliest</i>
All Arbitrations (58)	12.5 mo. after contract expires	30.4 mo. after contract expires	0.6 mo. (18 days) before contract expires
All Negotiations (93)	3.9 mo. after contract expires	28.5 mo. after contract expires	5 mo. before contract expires
Negotiations Before Binding Arbitration	2.8 mo. after contract expires	19.7 mo. after contract expires	5 mo. before contract expires
Negotiations After Binding Arbitration	8.1 mo. after contract expires	28.5 mo. after contract expires	4.3 mo. before contract expires

* Both multi-year contracts and reopeners are combined in this table from 1979-present. Not included in this analysis are the SEBAC I negotiations leading to the FY 91-92 through FY 93-94 agreement.

Source of Data: Program Review Analysis of State Employee Collective Bargaining Experience

Arbitration Length

Table III-4 focuses on the time the arbitration process actually takes. The difference between the notice of impasse and appointment of an arbitrator can be attributed to different events, including the filing of issues of arbitrability with the State Labor Board, which suspends the arbitration process.

Table III-4. Length of Time for Arbitrations

	<i>Avg. length of time from notice of impasse filed to submission to legislature</i>	<i>Avg. length of time from appointment of arbitrator to submission to legislature</i>
Contracts	8 months	6.5 months
Reopeners	8.5 months	4.2 months

Source of Data: Program Review Analysis of State Employee Interest Arbitration Experience

Arbitrators

Twenty-eight arbitrators handled 64 arbitrations. Most of the arbitrators are not from Connecticut, and many are appointed through the American Arbitration Association (AAA), based on the parties' choices (made independently of each other from lists supplied by AAA). Although AAA maintains its dealings with its clients confidentially, AAA personnel told program review staff it is very rare for AAA to appoint an arbitrator totally without party input. Most appointments occur based on matches made from the lists. Table III-5 sets out the spread of work among the 28 arbitrators.

<i>No. of Arbitrations</i>	<i>One</i>	<i>Two</i>	<i>Three</i>	<i>Four</i>	<i>Five</i>	<i>Six</i>	<i>Seven</i>
No. of Arbitrators	13	7	2	3	0	2	1

Source of Data: Program Review Analysis of State Employee Interest Arbitration Experience

Wage Increase Comparison

The general wage increases negotiated or awarded to state employees across bargaining units are typically very similar. The question of whether wage increases are different depending on whether they arise from an arbitration or negotiated settlement was the purpose of comparing the information contained in Table III-6 on the next page. As can be seen, the wage increases are very similar.

Legislative Rejection of Arbitrations

Three arbitrated contracts and one reopener were submitted to the 1994 legislature. All four were rejected. In 1995, 11 arbitrated contracts, 6 negotiated contracts, and 7 arbitrated reopeners were submitted to the 1995 legislature. Three of the arbitrated contracts were rejected, and the remaining eight were either approved or not rejected. All but one of the negotiated contracts were approved. All seven reopener awards were rejected.

Appendix B sets out information on the contracts and reopeners that were rejected in 1994 and 1995, and what happened after those rejections. Appendix C contains the outcomes of negotiated contracts that were approved and arbitrated contracts that were approved or not rejected.

As of January 1996, 15 bargaining units have contracts in place, 11 ending in June 1997, one in 1998, and three in 1999. Four units have awards pending legislative action, and 6 units are not settled. The legislature will have awards before it at the beginning of the 1996 session. Theoretically,

the legislature could have 11 collective bargaining matters to act on during the 1997 session, which will be occupied with producing the biennial budget to begin July 1, 1997, through June 30, 1999.

Table III-6. Average General Wage Increases By Contract Resolution Type*

<i>Year</i>	<i>Average GWI</i>
1984	5.06
1985	5.53
1986	5.22
1987 Arb.	5.0
1987 Neg.	5.11
1988 Arb.	4
1988 Neg.	4.09
1989 Arb.	4.29
1989 Neg.	4.30
1990 Arb.	4.42
1990 Neg.	4.50
1991 Arb.	5.34
1992 Arb.	4.5

* Excluded from this analysis are all higher education units because of comparability problems.

Source of Data: Collective Bargaining Salary Increases for Full-Time General Fund Employees, Office of Fiscal Analysis, 12/6/90

What the Arbitrators Say

All arbitrators are required by statute to follow the criteria discussed earlier. They are also supposed to explain in their written awards the bases upon which their decisions are made. While it would be difficult to summarize the statements of all the arbitrators, what follows are excerpts from an award which is representative of the types of thoughts expressed in awards.

On relevancy of the state budget to the arbitrator:

Throughout the four days of hearings in this case [January 4,5,25, and February 8, 1994], there was continued emphasis on the serious economic conditions facing the state and the necessity of the administration framing a fiscally stringent budget in its efforts to cope with those pressing problems. Clearly although Connecticut is beginning to emerge from the shadows of its earlier crisis, it still faces an uncertain future and in establishing a conservative budget, the Administration exercises appropriate restraint in seeking to provide the broadest range of services for the least expenditure of funds. But even though the state may feel the need to strictly abide by the budget it has developed that budget is not the controlling factor in my deliberations on the appropriate levels of compensation to be awarded in this proceeding. Rather, I am bound to follow a set of objective statutory criteria.

The State's budget is not among those criteria. While the budget may reflect the State's perception of how those criteria will impact on its program for the biennium, its conclusions from those criteria cannot override my responsibility to abide by the statutory standards of CGS Sec. 5-276a(5) which controls this interest arbitration. For me to hold otherwise and to restrict my award to that which the Administration has unilaterally inserted in its budget, would not only violate my responsibility under the statute. It would also obviate any role for collective bargaining if the Employer's determination of what it wished or intended to spend was automatically controlling on the union which had been led to rely on the prospects of free collective bargaining with ultimate resolution of impasses by a mutually designated neutral bound by the statutory criteria of CGS Sec. 5-276a(5). (Arbitration Award of Arnold Zack, 3/23/94, p.7.)

On annual increments:

Even before collective bargaining, the Employer unilaterally established an increment system to attract new employees at lower rates with firm prospects of economic advancement, to reward its loyal employees and by right of withholding such increments to establish an inducement for better work performance. That system has remained in place ever since collective bargaining, and has provided a measure of structural stability which would be undermined if eliminated or destroyed. The state has recognized this in its proposal to grant increments in years one and three, and I find that consistency and historical precedent justify that increments also be provided in year two.

On compensation increases:

There is a long history of granting annual increases in compensation with some variations on the effective dates of increases...

That history must be viewed in the light of the unique fiscal pressures on the State, and how they have affected its employees, in this and in other bargaining units. The State has proposed no increase in compensation for the first two of the three years here under consideration. It has also taken that position in other recent interest arbitration cases. The award of the other arbitrators in that case, albeit not yet implemented, provide an important standard determining appropriate increases in compensation for these state employees. While there are clearly separate and distinct bargaining units, the compensation awards of other arbitrators are highly relevant not only in terms of weight given to arguments of the disputing parties in those cases, but also in terms of the desirability of equitable treatment among employees, despite their presence in differing bargaining units.

In that regard, I find particularly persuasive the discussion of Arbitrator Healy in the interest arbitration between the Connecticut State University Board of Trustees and the AAUP. That case, as here, involves a three year agreement, permitting deferred increases for the latter two years and enabling the state to better handle the pressures it still confronts in the first year as it emerges from its fiscal crisis. In that regard, the awards of Arbitrators Foy and Golick are distinguishable because of the nature of the one year wage reopens that were before them. I award the State's last best offer of 0% in year one.

On comparability:

Although it is difficult to exactly match all classifications in these bargaining units with comparable classifications in private and other public employment, a comparison of benchmark jobs persuades me that the awarded increases in years two and three are necessary to maintain wage parity with similarly situated employees in the labor market from which the state draws its health care personnel. Indeed, there are some classifications in which increases are required to assure retention and continuing ability to draw employees of the requisite skills and competence to staff the State's facilities.

[The awards of the union's last best offers] are necessary to preserve the integrity of the overall compensation package afforded these classifications. To freeze their wages for longer than the first year, or to deny their increments during any of the three covered years would be particularly harsh in the light of the raising cost of living and the changes in conditions under which the covered employees must operate...

On ability to pay:

As to the ability of the state to pay the award, I would underscore the view set forth above, the self-imposed restrictions of an administration developed budget do not overcome my duty to apply the statutory criteria of CGS Sec. 5-276a(5). The evidence is convincing that the State has the resources to fund the increases awarded.

As to the statutory and constitutional caps, which do create certain obstacles to uncontrolled state spending in the prescribed areas, I believe that the compensation awarded in this case not only fulfills my statutory obligations under the interest arbitration law, but that the award is similarly consistent with and fundable under, the statutory and constitutional caps relied on by the state. I find that the state's funding restrictions are fairly recognized by the award of the State's last best offer of 0% in year one and by the deferral of the effective date of the Unions proposal to October 1, 1994 in year 2. This will enable the state to proceed without the pressure of any wage increase from the July 1, 1993 effective date of the contract until October 1, 1994, the effective date for the year two increase. Such delay represents an opportunity for realizing substantial savings to help fund increases proposed for the latter two years.

On cost of living:

While there has been some debate between the parties as to the appropriate wage base and base data for determining the applicability of the consumer price index to wages under the prior agreement and for the term of the proposed agreement, any prognosis as to the future cost of living is fraught with risk. The available evidence as to where the compensation levels have been, how they have risen in the past few years, and where they are likely to be by the end of the contract term convinces me that the awarded increases will approximate the increase in the cost of living and thereby do little more than protect the real wage earnings of covered employees. In so doing, it is consistent with the past practice of the parties when they have exercised full control of the bargaining process and results, and reached voluntary agreement on prior contracts. The state has consistently paid the increased cost of goods and services provided by outside vendors as the cost of living has risen over the years. It should do no less in establishing the levels of compensation for its own employees. The evidence demonstrates that the increases in the cost of living have moderated compared to earlier decades, and that has been reflected in the compensation here awarded, closely tracking those increases.

On interests of employees:

Finally, I believe the awards fairly protect the interest and welfare of the employees. Although it would undoubtedly be everyone's wish to be able to substantially increase the

compensation of the bargaining unit members if abundant funds were available, particularly for this essential aspect of government service, both parties acknowledge that the funding capabilities for such largesse are not available in these economically trying times. The award, I find, provides the greatest feasible increase that can be reasonably granted in the context of the fiscal, statutory and constitutional restrictions under which the state must operate and under which I am authorized to rule.

OTHER STATES

Mandatory Binding Arbitration for Public Employees

Twenty-six states, including Connecticut, statutorily permit collective bargaining for public employees.⁵ These states generally put their respective statutory processes into place in the early to mid 70s. Of the states with public employee collective bargaining, Connecticut and 14 others have some form of mandatory binding arbitration for some or all state employees. These include Alaska, Hawaii, Illinois, Iowa, Maine, Michigan, Minnesota, Nebraska, New Jersey, Ohio, Oregon, Pennsylvania, Rhode Island, and Washington. In many of these 14 states, binding arbitration is only available to employees involved in public safety. Other state employees possess a limited right to strike.

Connecticut is the only state that has a mandatory binding arbitration process with all of the following characteristics: (1) all state employees under collective bargaining are included; (2) arbitrators can render binding decisions on wages; and (3) the legislature can reject an arbitration award. Maine and Rhode Island both have mandatory binding arbitration for all public employees, but decisions on issues like wages, that require legislative action, are *advisory only*. In Iowa and Nebraska, the legislature cannot reject an arbitration award, but can choose not to provide the additional funding that may correspond to a particular award.

It should be noted that Connecticut's overall experience with binding arbitration, specifically its frequent usage and recent numerous rejections by the legislature, appears to be unique. On the other hand, while arbitration awards are binding on the negotiating parties, in all states the legislatures either reserve the right to approve or reject the economic aspects of arbitrated contracts or simply do not appropriate sufficient funding.

Similarities in General Collective Bargaining Processes Among States

In an examination of the collective bargaining processes of states that practice interest arbitration, a number of similarities are evident. For example, it is common for higher education and judicial branch agencies to bargain with their own employees. It is also common for states to have a single office that manages and handles negotiations with the various bargaining units, as well as a

Single commission or board responsible for establishing and enforcing the procedures and policies of the respective collective bargaining systems.

Furthermore, states frequently exclude pensions and sometimes health benefit issues from the collective bargaining process which in turn excludes them from the interest arbitration process. And finally, few states have incorporated specific guidelines or references to the budget process into their employee contract negotiation process. In most cases, states have relied upon the negotiating parties to align their negotiations with the pre-existing rules for formulating the state budget. (See Appendix D for a general description and summary of collective bargaining processes of states with mandatory binding arbitration and in New England).

Although many of the issues and areas of importance in collective bargaining and impasse resolution are the same for most of the states with mandatory binding arbitration, there is a great deal of variety in terms of the administration of policies and procedures in the respective systems. Some importance areas in public employee collective bargaining are: public employee right to strike; collective bargaining in relation to legislative budget processes; and criteria by which arbitrators render awards.

Strikes

One of the main purposes of instituting a process of arbitration to resolve contract negotiation impasses between public employees and employers is to protect the public. Striking public employees often represent the withdrawal or interruption of vital public services. Some, of course, would argue that such a possibility forces parties to the bargaining table in good faith.

For the most part, the aforementioned states with some form of mandatory arbitration have had very little experience with striking public employees. This is true even in those states that provide a limited right to strike for some classifications of employees (i.e., Alaska, Hawaii, Illinois, Minnesota, Ohio, Oregon, and Pennsylvania). In a majority of states, it is illegal for state employees to strike, particularly police, fire, correction officers, and mental health employees; in others, "non-essential" employees are permitted a limited right to strike. Appendix D reviews the strike status in several states with binding arbitration and in New England.

In Hawaii, where a limited right to strike is permitted, all but three of the thirteen statutorily determined bargaining units have given up that right for interest arbitration beginning in fiscal year 1996. The legislature still reserves the power to not provide additional funding associated with arbitration awards. The state anticipates a continued decline in the use of fact-finding and significant growth in the use of interest arbitration and will continue to exclude pensions from collective bargaining and interest arbitration.

Relation to Budget Process

In most states with mandatory arbitration there are no formal, statutory deadlines for the submission of a contract resolution for budgetary approval by the legislature. Instead it is left up to the negotiating parties to make sure contracts are resolved and submitted to the legislature in a timely fashion in order to receive approval. Appendix D highlights various states' arbitration processes and their relation to the budget. Also, the column entitled "General Collective Bargaining Process" in Appendix D summarizes the variety that exists among different states' public employee/employer negotiations and guidelines.

Most states do provide statutory guidelines for prompting the negotiation process. These guidelines, in general, limit the number of days over which mediation, fact-finding, or arbitration can extend following the declaration of impasse. Again, in most instances it is left up to the parties to use these deadlines to aid in synchronizing negotiations with the corresponding legislative budget process.

In Alaska where there is mandatory arbitration for "essential" employees, the legislature must vote on the budget items in contracts within 60 days of receiving them. In Michigan, parties must certify impasse by August 15 before the upcoming fiscal year (Oct. 1) or forfeit their right to use the impasse panel. Also, no compensation adjustments are considered after December 1. Finally in New Hampshire and New York, neither of which provide mandatory binding arbitration for employees, requests for impasse resolution must occur 60 days before the employer's budget submission date and 120 days before the end of the fiscal year respectively.

Criteria

All states with arbitration for public employees, except Alaska and Pennsylvania, provide specific statutory criteria for arbitrators to use in making decisions. These criteria generally include the consideration of: overall employee compensation and working conditions along with comparisons to those same issues prevailing in the marketplace; changes in the cost of living; the interests and welfare of employees; the ability of employers to pay; the interests of the public; and the history of negotiations between the two parties. Appendix E identifies the public employee arbitration states and the corresponding criteria.

One purpose of establishing criteria is to ensure that arbitrators make decisions based on facts pertinent to the issues in dispute. In disputes over the economic aspects of employee contracts, all states with criteria obligate arbitrators to compare similar aspects in similar circumstances. Another purpose of criteria is to assure that arbitrators closely consider those factors which all parties involved in the actual dispute and those affected by the results of an arbitrated decision would use in analyzing the issues in question.

New England

In the New England region alone, public employee contract negotiation processes vary significantly. For example, Maine is very similar to Connecticut in that there is a statutory process that leads to binding arbitration, but in contrast there are less than 10 bargaining units with whom the Maine Office of Employee Relations has to bargain. Also an arbitrated decision is rendered by a three-person panel. In Massachusetts, impasses are resolved only through mediation and fact-finding and the constituent units of higher education, the judicial branch, and lottery commission represent individual employers in the state. New Hampshire has 27 bargaining units represented by the State Employees Association and a single master contract is negotiated to cover all units, excluding terms unique to individual units, which are separately negotiated. Also in New Hampshire, the legislature is responsible for approving a single wage increase rate for all state employees.

In Rhode Island, public employees are represented by 18 unions in over 100 individual bargaining units, ranging in size from a two-member unit to larger units of 500-600 members. The state's Office of Labor Relations is responsible for negotiations with all of the various public employee bargaining units. Finally, in Vermont, there are only seven bargaining units and they are all under the auspices of the Vermont State Employee Association (VSEA), except two that are associated with the American Federation of Teachers (AFT). Also, the state's five citizen-member labor relations board serves as the final impasse tool and no outside arbitrators are used.

ANALYSIS AND RECOMMENDATIONS

This chapter analyzes the array of information compiled during the program review committee study. The analysis focuses on three areas: the frequency with which binding arbitration is used; the impact that legislative rejection of arbitration awards has on the collective bargaining process; and the difference in the roles played by arbitrators in contrast to legislators.

Noted earlier was the fact that the binding arbitration experience for Connecticut state employees may be divided into two parts--before and after 1991. The significant fiscal troubles the state faced that year and the accompanying remedies, perhaps most notable the establishment of a personal income tax, changed the climate within which collective bargaining and thus binding arbitration occurs. Since these changes are relatively recent, it is too soon to determine their full impact on state employee collective bargaining. Therefore, the recommendations proposed by the committee in this study do not make drastic changes to the binding arbitration process. The recommendations, however, are intended to illuminate the process, by amending the arbitrators' criteria to specifically relate to the public interest; begin the contract negotiation process earlier; and ensure that more complete information is available to the legislature.

Use of binding arbitration. Binding arbitration is considered an alternative to strikes for public sector employees. As with strikes, both sides are supposed to be confronted with risk by entering into interest arbitration. One desired impact of the risk is to encourage parties to settle contracts themselves, as opposed to a third party. Once in arbitration, with the last best offer approach as in Connecticut, another risk factor is that the arbitrator must pick the "more reasonable" of the two, so the parties will be circumspect in determining last best offers.

Based on program review analysis of Connecticut state employee collective bargaining experience, three out of four contracts, and half of all reopeners have been resolved through arbitration since that process became available. A 75 percent usage rate is clear evidence that very little risk is seen by the parties when going to arbitration.

Some practitioners say that the unions have nothing to lose by going to arbitration.⁶ With the current state position of a zero percent general wage increase as a negotiating stance (offering a 40-hour work week phase in with

accompanying pay to reflect the increased time), the unions would have little to lose by going to arbitration. Essentially, they know they couldn't do worse than zero. Also, given the statutory factors to be considered by the arbitrators, the unions can predict if their last best offers for wages were closer to inflation, the arbitrators would select them. (This works because the arbitrators generally have not considered annual increments as wage increases). And based on the general arbitrator position to not arbitrate major changes, but rather leave those up to the parties to negotiate, the 40 hour phase-in probably would never be awarded.

From the state perspective, the risk associated with arbitration also seems low. The submission of a zero percent last best offer (absent a negotiation pattern) is like an invitation to "lose"—more than one arbitrator indicated that if the state had come in with some figure as a last best offer, perhaps even as low as 1.5 percent, that probably would have been awarded. The state position possibly reflects that it had post-arbitration alternatives.

One, as it turned out, was legislative rejection (which was exercised for some contracts, but not others). A legislative rejection vote was not new, as it was part of the process established in 1986. It was made easier in 1991, when the provision that both houses had to reject an award by a two-thirds vote was amended to only require rejection by one house. The 1994 legislative session was the first time since the vote change that awards were presented to the legislature, and four awards were rejected. Another post-arbitration alternative, which is always theoretically present, is a budget reduction, with the possibility of layoffs.

One risk impacting employees is that failure to control the timing of a resolution in the legislature can mean significant delays in getting a contract in place, since they can only be considered during legislative sessions (or special sessions called for that purpose) This problem for employees grew in 1993, when annual increments would no longer go into effect in the absence of a contract.

Impact of legislative rejection. The legislative rejections have impacted the collective bargaining process. First, in second arbitrations, the union last best offers typically are lower than those previously awarded, and then rejected. Thus the subsequent awards tend to be lower. Second, some unions chose to negotiate instead of repeating an arbitration, and typically have settled for zero percent general wage increases for the 93-94 reopener year. As a result, there is now a pattern of zeroes that the state cites in second arbitrations, and patterns tend to be persuasive to arbitrators.

Arbitrator vs. legislature role. Given the statutory criteria, and the arbitrator discretion in weighting the criteria, it is hard to conclude that the arbitrators are not doing what the legislature has asked them to do. "Ability to pay" is a vague concept, and when applied in the context of a \$9 billion budget and a single employee unit, it probably can always be found, especially when it is just one of six criteria. The fact that the legislature rejects an award doesn't mean the arbitrator has not done his or her job. The legislature is making a different determination than the arbitrator, an assessment of "insufficient funds."

The statement often is made in the arbitration process that the state has the ability to pay but when the state argues it does not before an arbitrator, what really is being expressed is the state's "unwillingness" to pay for employee wage increases. When the unwillingness versus inability claim is made about the legislative role, it ceases to be an argument and becomes a factual description of the legislative budget setting role. The state budget is exactly what the legislature is willing to pay, based on what it perceives the best interests of the state. It is the state budget that determines the sufficiency of funds.

Recommendations

One cannot ignore the presence of political influences in the area of state employee contracts, which obviously may impact collective bargaining -- an area beyond the scope of this study. The committee recommendations are intended to promote further understanding and demystification of both the arbitration process and results. The recommendations relate to: the statutory criteria for arbitration awards; negotiations timing; and information availability.

Statutory criteria. Currently, the criteria do not specifically require the arbitrator to consider private sector compensation or the public interest, factors that are of interest in public sector contract resolution. Also, adding other fiscal responsibilities of the state to the ability to pay criterion would require arbitrators to address that issue. Including these elements in the criteria would make the state employee criteria more similar to the Municipal Employee Relations Act, which the legislature amended in 1992 to include these elements.

C.G.S. Sec. 5-276a (5) shall be amended to require the arbitrator to consider private sector compensation, other fiscal responsibilities of the state, and the public interest.

Negotiation time frame. Currently, notice of intent to bargain for a new contract is supposed to be filed in the January preceding the beginning of the fiscal and contract year of July 1. Typically, the parties do not begin negotiating until March. This time frame was established before binding arbitration was enacted as part of the state collective bargaining process.

Given the length of time after contracts expires that arbitrations take, in part because of the legislative rejections, attempts should be made to have contracts finalized closer to the beginning of the legislative session. This way, if an arbitrated contract award is rejected, there is an opportunity to return to the legislature during that same session with a new resolution.

Obviously, the collective bargaining process is sensitive to the state budget process, which is often just beginning to unfold at the start of a legislative session. However, the biennial budget process presumably decreases budget changes from year to year, and an earlier starting deadline could take advantage of the longer duration of the biennial budget.

Negotiations for state employee contracts shall begin by October 15 preceding the fiscal year in which a new contract is expected to begin.

Central information gathering for legislature. It is very difficult to obtain complete information about state employee collective bargaining results, in part because there are so many actors involved. The actor common to all collective bargaining activity is the legislature, which must act on all collective bargaining matters that deal with statutory supersedence and cost items. Information is scattered throughout the legislature also well, though, and can be somewhat difficult to access.

A simple example of this is found in the titles of the resolutions drafted for legislative consideration. Some of the titles do not have the name of the bargaining unit in it, but rather the name of its union, which makes it impossible in some cases to identify the employees to whom the proposed contract pertains. If the trend of legislative rejection continues, it will be even more important for the legislature to have complete information about collective bargaining experience.

The program review committee recommends that the Office of Fiscal Analysis and the Office of Legislative Research develop a method of collecting and maintaining complete information on process and outcomes.

This should include, among other items, descriptive information on the bargaining units-- numbers of employees, type of work they do, where they work, how many are eligible for annual increments and how many are maxed out and thus ineligible, comparisons of annual increments to inflation rates, and in arbitration cases, what the last best offers were from each side.

Policy Alternatives

Many writers in the field of public sector collective bargaining use the term experimentation when describing the variety of negotiation and impasse resolution mechanisms used by the states. In this mode, in addition to recommendations, the committee also identifies some policy alternatives that could be considered by the legislature, but about which the committee takes no position.

Binding arbitration should only be available to certain "public safety" employees, with the right to strike granted to others.

Connecticut is the only state that provides binding arbitration to all state employees with collective bargaining rights. Seven of the other 14 states that use binding arbitration for certain state employees provide a right to strike for the employees not covered by binding arbitration, while the other states do not.

There is a need for impasse resolution. To the extent that the risk of a strike and worker replacement puts more pressure on the parties to mutually settle contract differences, the collective

bargaining process is improved. The threat of strike is seen by many as the way to bring market pressure to bear on collective bargaining decisions. There is always concern, however, about the potential disruption to state services. Providing a right to strike would make such disruption at least a possibility.

The two-thirds legislative rejection vote should be changed to a simple majority rejection vote.

Supermajority voting mechanisms are found in Connecticut for such actions as overriding a governor's veto and placing a constitutional amendment proposal on a ballot. If the legislature is going to be involved in accepting arbitration awards, it could be argued that the vote scheme should be the same as approving a negotiated settlement or passing the state budget. Thus, changing the rejection requirement to a simple majority would bring arbitration award votes in line with other similar actions.

All state employee contracts should be for two years, coinciding with the biennial budget.

Contract duration is often a matter of negotiating strategy, which would be a problem in mandating that all contracts be of a two-year duration to coincide with the biennial budget. Also, at least until recently, contract terminations have been staggered in the executive branch so that the state labor negotiators are not working on all contracts at the same time.

However, coordinating with the biennial budget could promote a closer connection between the collective bargaining and budget processes, especially if negotiations began earlier, to allow for earlier legislative submission. This coordination would join the trend of longer term planning for state fiscal matters.

Endnotes

1. Bargaining Units in the Public Sector, Kurtz et al., (The Evolving Process--Collective Negotiations in Public Employment, Association of Labor Relations Agencies, 1985), p. 98.
2. Interest Arbitration, Rehmus, Charles, Ibid. P. 254
3. Some higher education contracts coincide with the academic year.
4. As of January 1, 1996, AAA will provide one list of 15 names, and if no match is made, will provide three names, which can only be objected to for just cause.
5. Where collective bargaining is not available to public employees, there is commonly a statutory right-to-work policy.
6. In recent years, there has been a focus on general wage increases under arbitration, which is a focus here. It should be noted that all sorts of issues come to arbitration, and that in fact when arbitration was first available, it was not uncommon for wage increases to not be an issue arbitrated. This is not the case any longer.

APPENDIX A
EXAMPLES OF OPM AND OFA COST SHEETS AND OFA FISCAL
NOTE



OFFICE OF POLICY AND MANAGEMENT
Cost Estimate of Arbitration Award
Dated March 23, 1994 (1)

Bargaining Unit: NP-6 Health Care Non Professionals
 Period of Contract: July 1, 1993 through June 30, 1996

Number of Full Time Employees:	General Fund	4,630
	Other Funds	94
	Total Positions	4,724
Total Annual Wages (2):		\$142,731,300
Total Value of Fringe Benefits (3):		\$58,745,100

	Annualized Basis (26 Pay Periods)			
	Percent Increase			
			Annual	
Average Full Time General Fund Salary:	Salary	New Items	Increment	Total
Prior to New Contract	\$30,827			
1st Year Contract 1993-94	\$31,477	-0.08%	2.18%	2.10%
2nd Year Contract 1994-95	\$33,375	3.80%	2.22%	6.02%
3rd Year Contract 1995-96	\$35,376	3.81%	2.18%	5.99%

FULL-TIME COMPENSATION SUMMARY (General Fund)	Prior to	Annualized Basis (26 Pay Periods)		
	Agreement	1st Year	2nd Year	3rd Year
Total Wages and Related Items	\$142,731,300	3,008,500	8,785,500	\$9,264,400
Fringe Benefits				
Value of Current Items	58,745,100	673,000	1,965,300	2,072,400
Arbitrated Improvements		(112,500)	128,800	(26,800)
TOTAL WAGES AND BENEFITS	\$201,476,400	\$3,569,000	\$10,879,600	\$11,310,000

- (1) Cost Estimate reflects requirements of General Fund employees. Due to bargaining unit employee funding there will be a comparable impact on non-general fund accounts.
- (2) Total Annual Wages include: Base Salary, Longevity Payments, Retention Bonuses, and Shift & Weekend Differential Payments.
- (3) Fringe Benefits include: Social Security, Pension Contributions, Health and Life Insurance, Tuition Reimbursement, Career Mobility, Recruitment & Retention, and Quality of Worklife Funds.

OFFICE OF POLICY AND MANAGEMENT
NP-6 Health Care Non Professionals
Arbitration Award Dated March 23, 1994

Contract Items	General Fund Requirement			1995-96 (a) Annualized
	1993-94	1994-95	1995-96 (a)	
FIRST YEAR 1993-94				
(1) Annual Increments	1,438,500	3,116,700	3,116,700	3,116,700
(2) Decrease in Union Business Leave	(9,700)	(9,700)	(9,700)	(9,700)
(3) Eliminate double time payment for mandatory overtime	(7,600)	(98,500)	(98,500)	(98,500)
(4) Increase Tuition Reimbursement to \$247,500	12,500	12,500	12,500	12,500
(5) Restructure special training funds into NP6/P1 Education & Training Fund of \$382,000 (b)	12,500	12,500	12,500	12,500
(6) Decrease Quality of Worklife Fund to \$175,000 (b)	(137,500)	(137,500)	(137,500)	(137,500)
TOTAL CONTRACT ITEMS - 1ST YEAR	\$1,308,700	\$2,896,000	\$2,896,000	\$2,896,000
SECOND YEAR 1994-95				
(1) 4% General Wage Increase effective 10/1/94		3,814,000	5,539,900	5,539,900
(2) Annual Increments		1,496,000	3,241,400	3,241,400
(3) Increase in on call/standby pay		1,500	1,600	1,600
(4) Increase in EMT Stipend to \$400		2,600	2,600	2,600
(5) Increase in travel reimbursements (meals)		minimal	minimal	minimal
(6) Increased meal rate charged to employees		(minimal)	(minimal)	(minimal)
(7) Rates for rental housing increased		(47,300)	(51,200)	(51,200)
(8) Increase in Tuition Reimbursement to \$270,000		22,500	22,500	22,500
(9) Increase Quality of Worklife Fund to \$350,000 (b)		87,500	87,500	87,500
(10) Conference & Workshop Fund of \$70,000		70,000	70,000	70,000
SUBTOTAL CONTRACT ITEMS - 2ND YEAR		\$5,446,800	\$8,914,300	\$8,914,300
THIRD YEAR 1995-96				
(1) 4% General Wage Increase effective 7/1/95			5,891,100	5,891,100
(2) Annual Increments			1,763,300	3,371,100
(3) Increase in "in charge" pay			2,200	2,200
(4) Rates for rental housing increased			(47,300)	(51,800)
(5) Increase Conf. & Workshop Fund to \$95,000			25,000	25,000
SUBTOTAL CONTRACT ITEMS - 3RD YEAR			\$7,634,300	\$9,237,600
TOTAL CONTRACT ITEMS	\$1,308,700	\$8,342,800	\$19,444,600	\$21,047,900
FRINGE BENEFIT COSTS (c)	\$317,900	\$1,861,800	\$4,351,100	\$4,710,800
TOTAL COST OF CONTRACT	\$1,626,600	\$10,204,600	\$23,795,700	\$25,758,700

(a) In accordance with PA 93-402, which specifies that budgeting will be on a GAAP (generally accepted accounting principles) basis effective July 1, 1995, the 1995-96 costs reflect GAAP budget requirements.

(b) This fund is shared between NP-6, Health Care NonProfessionals, and P-1, Health Care Professionals. The requirement shown represents one-half of the total cost.

(c) Fringe Benefit costs include the following major employee benefits which are impacted by wage increases: Social Security and Pension Contributions.

OFFICE OF FISCAL ANALYSIS
 COST ESTIMATE OF ARBITRATION AWARD
 GENERAL FUND ONLY

Bargaining Unit: NP-6, Health Care Non-Professionals
 Agency Affected: Various (Primarily Mental Health and Mental Retardation)
 Term of Contract: 3 years, July 1, 1993 through June 30, 1996
 Number of General Fund Employees Affected by Contract: 4,630

Average Full-Time General Fund Salary Data:

	<u>Salary</u>	<u>Cash Basis</u>			<u>Annualized Basis</u>			
		<u>% Increase</u>		<u>AI</u>	<u>Salary</u>	<u>% Increase</u>		<u>AI</u>
		<u>Total</u>	<u>w/o AI</u>				<u>Total</u>	
Prior to Contract	\$30,827	--	--	--	\$30,827	--	--	--
1st Year of Contract (1993-94)	31,135	1.00	(0.01)	1.01	31,477	2.10	(0.08)	2.18
2nd Year of Contract (1994-95)	32,626	3.65	2.62	1.03	33,375	6.02	3.80	2.22
3rd Year of Contract (1995-96)	35,027	4.95	3.81	1.14	35,376	5.99	3.81	2.18

Cost Summary Data:

Estimated Costs - General Fund

	<u>Prior to Contract</u>	<u>At End of Contract Annualized</u>	<u>% Increase (3 Years)</u>
Salaries	\$142,731,300	\$163,789,700	14.75
Fringes	58,745,100	63,445,400	8.00
Total	\$201,476,100	\$227,235,100	12.79

4.09% Avg./Yr. (compounded)

DETAIL OF COST ESTIMATES (NP-6)

<u>First Year (1993-94)</u>	<u>1st Year of Contract 1993-94</u>	<u>2nd Year of Contract 1994-95</u>	<u>3rd Year of Contract 1995-96 [1]</u>	<u>Annualized 1995-96 [1]</u>
Annual Increments	1,438,500	3,116,700	3,116,700	3,116,700
Decrease in Union Business Leave	(9,700)	(9,700)	(9,700)	(9,700)
Eliminate Double- Time Payment for Mandatory Overtime	(7,600)	(98,500)	(98,500)	(98,500)
Increase Tuition Reimbursement to \$247,500	12,500	12,500	12,500	12,500
Restructure Special Training Funds into NP6/P1 Education and Training Fund of \$382,000 [2]	12,500	12,500	12,500	12,500
Decrease Quality of Worklife Fund to \$175,000 [2]	(137,500)	(137,500)	(137,500)	(137,500)
Fringe Benefit Costs [3]	<u>317,900</u>	<u>663,400</u>	<u>663,400</u>	<u>663,400</u>
Total - First Year	\$1,626,600	\$3,559,400	\$3,559,400	\$3,559,400

Second Year (1994-95)

4% Wage Increase, eff. 10/1/94	3,814,000	5,539,900	5,539,900
Annual Increments	1,496,000	3,241,400	3,241,400
Increase Oncall/ Standby pay	1,500	1,600	1,600
Increase EMT Stipend to \$400	2,600	2,600	2,600
Increase Travel Reimb. (meals)	minimal	minimal	minimal
Increase Meal Cost Paid by Employees	(minimal)	(minimal)	(minimal)
Increase Cost for Rental Housing	(47,300)	(51,200)	(51,200)
Increase Tuition Reimbursement to \$270,000 [2]	22,500	22,500	22,500
Increase Quality of Worklife Fund to \$350,000 [2]	87,500	87,500	87,500
Conference and Workshop Fund (new)	70,000	70,000	70,000
Fringe Benefit Costs [3]	<u>1,198,400</u>	<u>1,931,053</u>	<u>1,931,053</u>
Total - Second Year	\$6,645,200	\$10,845,353	\$10,845,353

(NP-6, cont'd)	1st Year of Contract 1993-94	2nd Year of Contract 1994-95	3rd Year of Contract 1995-96 [1]	Annualized 1995-96 [1]
<u>Third Year (1995-96)</u>				
4% Wage Increase, Eff. 7/1/95			5,891,100	5,891,100
Annual Increments			1,763,300	3,371,100
Increase In-Charge Pay			2,200	2,200
Increase Cost of Rental Housing			(47,300)	(51,800)
Increase Conf./ Workshop Fund to \$95,000			25,000	25,000
Fringe Benefit Costs [3]			<u>1,756,647</u>	<u>2,116,347</u>
Total - Third Year			\$9,390,947	\$11,353,947
GRAND TOTAL	\$1,626,600	\$10,204,600	\$23,795,700	\$25,758,700

[1] The 1995-96 costs reflect GAAP (Generally Accepted Accounting Principles) budget requirements effective July 1, 1995 in accordance with PA 93-402.

[2] This fund is shared between NP-6, Health Care Non-Professionals and P-1 Health Care Professionals. The requirement shown represents one-half of the total cost.

[3] These costs include the following major employee fringe benefit items which are impacted by wage increases: Retirement Contributions and Social Security.

FISCAL NOTE (Form 4)
 (Office of Fiscal Analysis)
 Analyst: *AGH 4/20/94*
 cz
 Version:

BILL NUMBER: *1800* OFFICE OF FISCAL ANALYSIS
 FILE NUMBER: *1800*
 AMENDMENTS: SAMPLE FISCAL NOTE

TITLE: "A RESOLUTION PROPOSING APPROVAL OF AN ARBITRATION AWARD BETWEEN THE STATE OF CONNECTICUT AND THE NEW ENGLAND HEALTH CARE EMPLOYEES UNION, DISTRICT 1199."

UN FAVORABLY REPORTED BY *APPROPRIATIONS*

SUMMARY: This award covers two bargaining units, the P-1, Health Care Professionals and the NP-6, Para-Professional Health Care Workers. It covers the three-year period of July 1, 1993 through June 30, 1996.

EFFECTIVE DATE: Upon Passage

* * * * *

FISCAL IMPACT STATEMENT - BILL NUMBER SR 18

STATE IMPACT Cost, see below
 MUNICIPAL IMPACT None
 STATE AGENCY(S) Various (primarily the Departments of Mental Health and Mental Retardation)

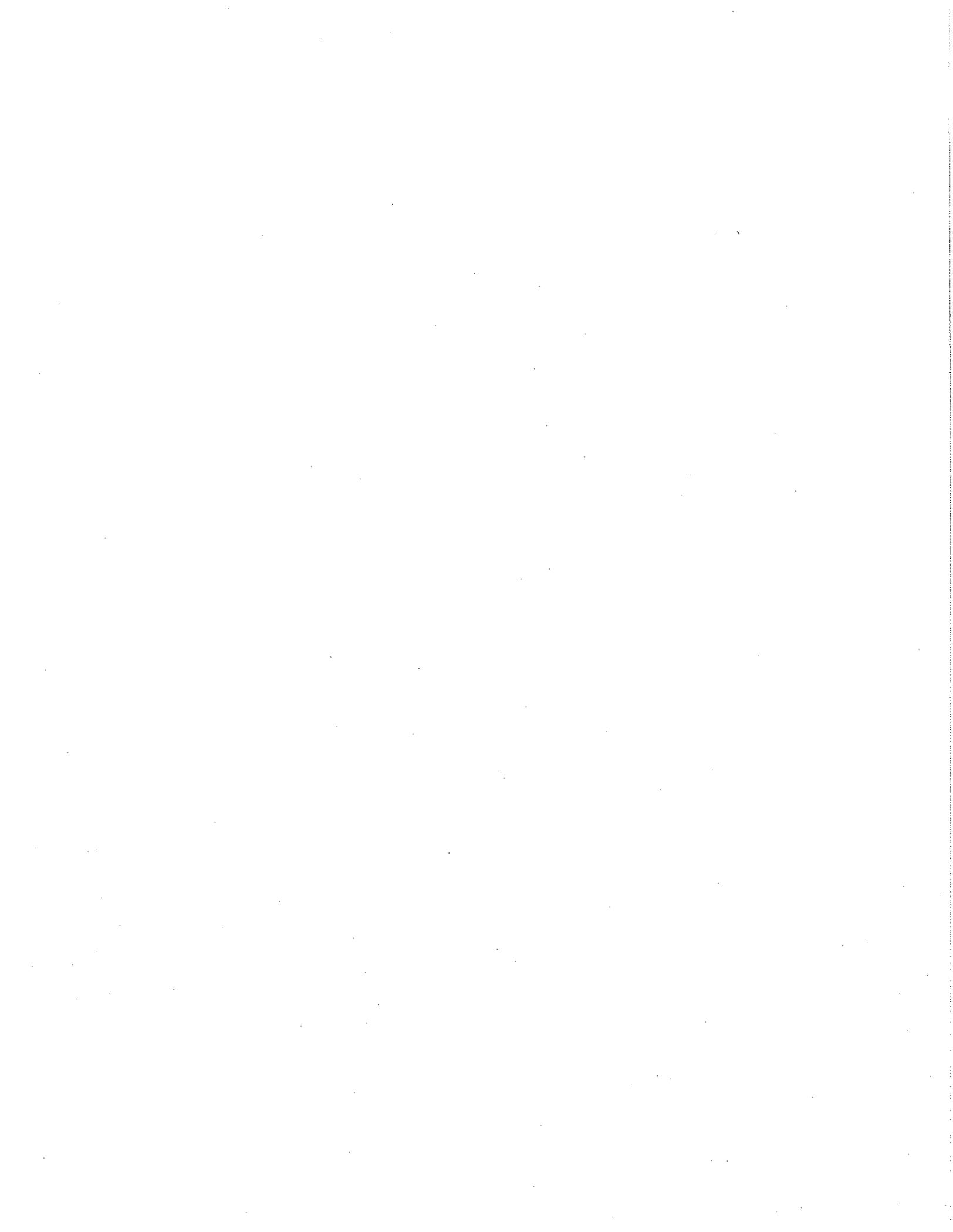
	Current FY	1994-95	1995-96
State Cost (savings)	: 2,590,100	: 17,613,900	: 41,190,000
St Revenue (loss)	: :	: :	: :
Net St Cost (savings)	: :	: :	: :
Municipal Impact	: :	: :	: :

EXPLANATION OF ESTIMATES:

STATE IMPACT: Of the 7,358 employees covered by this contract, 7,132 are General Fund employees. The costs shown above are for General Fund positions only. Details of costs are attached.

For the current fiscal year, the \$2.3 million cost of the annual increments (plus social security) are being handled within agency budgets. The \$1.3 million in costs related to special funds (Tuition Reimbursement, Education and Training and Quality of Worklife) have not been budgeted, however, it is anticipated that they could be covered by the Reserve for Salary Adjustments

account, which has a balance of \$15.9 million as of March 31, 1994. For 1994-95, the costs for the annualized 1993-94 annual increments (including the social security cost) and the special funds have been built into the revised budget as passed by the House on April 16, 1994. This amounts to \$7.0 million. The remaining \$10.6 million of the 1994-95 cost estimate has not been included in the budget at this time.



APPENDIX B
WHAT CONTRACTS CONTAIN

What Contracts Contain

All state employee contracts contain provisions on: employee rights; non-discrimination and affirmative action; no-strikes-no lockout; management rights; union security and payroll deductions; union rights; personnel records; seniority, hours, and compensation. Compensation traditionally is a significant contract issue. Recently, hours have also become significant.

Salary schedules and annual increments. Each position in the executive branch is linked to a salary schedule. Commonly, a job title will have an eight-step salary range. Hypothetically, a person newly hired begins at the first pay step, and over an eight year period in the same job title, assuming satisfactory evaluations, each year is paid at a higher step. The difference between each pay step is called an increment. Once an employee reaches the highest pay step for a position, no further increments are available unless the position is reclassified or the person is promoted to another job title.

Until 1993, by statute, each permanent classified employee with at least nine months of service in any position was to receive the annual increment for that position as long as the performance for the entire previous 12 months is rated at least "good". That provision was repealed in 1993, and now whether employees receive increments is a matter for bargaining.

In addition to the increments built into salary schedules, state employee salaries can be enhanced in other ways. These include general wage increases (can be called cost of living increases if connected to inflation), objective job evaluation increases (OJE), and longevity payments. All of these potential salary enhancements are collectively bargained for by each individual unit. Historically, COLAs and AIs were basically automatic, but since the late 1980's, various changes in the state and national economies altered that trend. Additionally, even though monies are set aside for OJE, such adjustments are also a part of the collective bargaining process.

General wage increases (or cost of living adjustments). General wage increases (GWIs) or cost of living adjustments (COLAs) increase base pay in part to maintain employee salaries at a constant level relative to inflation and increases in basic living costs. GWIs and COLAs are across-the-board percentage increases, traditionally computed annually. GWIs and COLAs increase all pay steps in a salary schedule. Those negotiated through collective bargaining apply to all employees covered by a particular contract. In the past, multi-year agreements usually have included GWIs or COLAs for each year the contract is in effect. In some cases, parties agree to negotiate an increase for the final year of the contract closer to the actual pay-out year, and so they agree to what is called a wage reopener for the final year instead of an actual percentage amount.

The relationship between annual increments and GWIs or COLAs can vary depending on the timing of each. Sometimes an employee receives an increment first and the COLA is applied to the higher pay level; sometimes the opposite occurs. For state employees covered by collective bargaining, the timing of pay increases is governed by their contracts.

Objective job evaluation. Objective job evaluation (OJE) is a term used to describe a system of evaluating jobs based on criteria such as knowledge, skill, effort required, accountability, and working conditions. Points are assigned to each job and each job receives a rating. The purpose of OJE was to eliminate disparities in pay among similar jobs.

The results of OJE evaluations do not automatically result in salary changes but may be used in collective bargaining negotiations and may be a consideration in setting salaries. The General Assembly appropriates funds to eliminate disparities revealed by OJE. That money is distributed through collective bargaining. No inequities may be eliminated by downgrading job classifications or salaries. Extraordinary variations in compensation relative to OJE point values need not lead to job or salary upgrades, but such upgrades are a mandatory subject of collective bargaining. All OJE funds appropriated by the General Assembly must be distributed in a manner to be determined by bargaining (CGS 5-200a).

OJE increases are essentially one-time increases. However, once a job is reclassified pursuant to OJE, the pay range for that position will always be higher. In that respect, the state's increased expense is permanent, just as it is when there are COLAs.

Longevity payments. Longevity payments are payments to state employees based on length of service. All state employees other than those whose compensation is set by statute who have worked for the state for at least 10 years receive them. Payments to employees covered by collective bargaining are governed by the provisions of their individual contracts.

Longevity payments are based on a percentage of an employee's pay. The percentages increase along with years of service according to a schedule set by DAS. Payments begin after 10 years of state service and increase after 15, 20, and 25 years. These payments, which are made yearly in April and October, are mandated by statute.

The next two pages display a sample of a portion of a state employee salary schedule, and the salary steps for 12 selected entry level positions, showing the percentage increase between each step.

Sample State Employee Salary Schedule (Administrative and Clerical Unit, First 10 Salary Grades)

SALARY GRADE	PERIOD	STEP 1	STEP 2	STEP 3	STEP 4	STEP 5	STEP 6	STEP 7	STEP 8
CL 1	ANNUAL	\$ 16322.00	16600.00	16876.00	17153.00	17428.00	17704.00	17978.00	18255.00
	BI-WK	625.37	636.02	646.60	657.21	667.74	678.32	688.82	699.43
	DAILY	62.54	63.61	64.66	65.73	66.78	67.84	68.89	69.95
	HR(\$5.00)	8.94	9.09	9.24	9.39	9.54	9.70	9.85	10.00
CL 2	ANNUAL	\$ 16876.00	17153.00	17428.00	17704.00	17978.00	18255.00	18528.00	18991.00
	BI-WK	646.60	657.21	667.74	678.32	688.82	699.43	709.89	727.63
	DAILY	64.66	65.73	66.78	67.84	68.89	69.95	70.99	72.77
	HR(\$5.00)	9.24	9.39	9.54	9.70	9.85	10.00	10.15	10.40
CL 3	ANNUAL	\$ 17153.00	17428.00	17704.00	17978.00	18255.00	18528.00	18805.00	19277.00
	BI-WK	657.21	667.74	678.32	688.82	699.43	709.89	720.50	738.59
	DAILY	65.73	66.78	67.84	68.89	69.95	70.99	72.05	73.86
	HR(\$5.00)	9.39	9.54	9.70	9.85	10.00	10.15	10.30	10.56
CL 4	ANNUAL	\$ 17545.00	17880.00	18214.00	18549.00	18888.00	19230.00	19587.00	20046.00
	BI-WK	672.23	685.06	697.86	710.69	723.68	736.40	749.32	768.05
	DAILY	67.23	68.51	69.79	71.07	72.37	73.64	74.94	76.81
	HR(\$5.00)	9.61	9.79	9.97	10.16	10.34	10.52	10.71	10.98
CL 5	ANNUAL	\$ 17861.00	18214.00	18568.00	18921.00	19278.00	19630.00	19996.00	20495.00
	BI-WK	684.33	697.86	711.42	724.95	738.63	752.11	766.14	785.25
	DAILY	68.44	69.79	71.15	72.50	73.87	75.22	76.62	78.53
	HR(\$5.00)	9.78	9.97	10.17	10.36	10.56	10.75	10.95	11.22
CL 6	ANNUAL	\$ 18298.00	18650.00	19003.00	19359.00	19713.00	20065.00	20499.00	21011.00
	BI-WK	701.08	714.56	728.09	741.73	755.29	769.55	785.41	805.02
	DAILY	70.11	71.46	72.81	74.18	75.53	76.96	78.55	80.51
	HR(\$5.00)	10.02	10.21	10.41	10.60	10.79	11.00	11.23	11.51
CL 7	ANNUAL	\$ 18975.00	19499.00	20022.00	20546.00	21070.00	21591.00	22115.00	22669.00
	BI-WK	727.02	747.09	767.13	787.21	807.28	827.25	847.32	868.55
	DAILY	72.71	74.71	76.72	78.73	80.73	82.73	84.74	86.86
	HR(\$5.00)	10.39	10.68	10.96	11.25	11.54	11.82	12.11	12.41
CL 8	ANNUAL	\$ 19713.00	20175.00	20694.00	21227.00	21755.00	22287.00	22819.00	23390.00
	BI-WK	755.29	772.99	792.88	813.30	833.53	853.91	874.30	896.17
	DAILY	75.53	77.30	79.29	81.33	83.36	85.40	87.43	89.62
	HR(\$5.00)	10.79	11.05	11.33	11.62	11.91	12.20	12.49	12.81
CL 9	ANNUAL	\$ 20195.00	20737.00	21291.00	21847.00	22401.00	22951.00	23511.00	24099.00
	BI-WK	773.76	794.53	815.75	837.05	858.28	879.35	900.61	923.34
	DAILY	77.38	79.46	81.58	83.71	85.83	87.94	90.09	92.34
	HR(\$5.00)	11.06	11.36	11.66	11.96	12.27	12.57	12.87	13.20
CL 10	ANNUAL	\$ 20785.00	21363.00	21941.00	22522.00	23101.00	23692.00	24300.00	24907.00
	BI-WK	796.37	818.51	840.66	862.92	885.10	907.74	931.04	954.30
	DAILY	79.64	81.86	84.07	86.30	88.51	90.78	93.11	95.43
	HR(\$5.00)	11.38	11.70	12.01	12.33	12.65	12.97	13.31	13.64

ANNUAL INCREMENTS FOR ENTRY LEVEL POSITIONS OF SELECTED BARGAINING UNITS*

STEP	STATE POLICE #1		MAINTENANCE #1		CLERICAL #1		CORREC. OFFICER #1		PROTEC. SERV. #1		HEALTH CARE #1	
	NP-1 (3)	% change	NP-2 (43)	% change	NP-3 (43)	% change	NP-4 (12)	% change	NP-5 (35)	% change	NP-6 (43)	% change
1	\$30,384		\$15,189		\$16,322		\$21,294		\$22,595		\$12,444	
2	\$31,525	3.8%	\$15,480	1.9%	\$16,600	1.7%	\$21,938	3.0%	\$23,259	2.9%	\$12,746	2.4%
3	\$32,666	3.6%	\$15,771	1.9%	\$16,876	1.7%	\$22,579	2.9%	\$23,924	2.9%	\$13,046	2.4%
4	\$33,807	3.5%	\$16,064	1.9%	\$17,153	1.6%	\$23,228	2.9%	\$24,592	2.8%	\$13,343	2.3%
5	\$34,948	3.4%	\$16,359	1.8%	\$17,428	1.6%	\$23,902	2.9%	\$25,259	2.7%	\$13,643	2.2%
6	\$36,090	3.4%	\$16,651	1.8%	\$17,704	1.6%	\$24,574	2.8%	\$25,926	2.6%	\$13,943	2.2%
7	\$37,231	3.3%	\$16,943	1.8%	\$17,978	1.5%	\$25,250	2.8%	\$26,589	2.6%	\$14,244	2.2%
8	\$38,372	3.2%	\$17,367	2.5%	\$18,427	2.5%	\$25,882	2.5%				
9	\$39,750	3.1%										
10	\$41,126	3.6%										
11	\$42,504	3.5%										

STEP	HEALTH CARE #1		SOCIAL & HUMAN #1		EDUC ADMIN. #1		EDUC. PROF. #1		ENGIN. & SCIEN. #11		ADMIN. RESID. #1	
	P-1 (43)	% change	P-2 (43)	% change	P-3A (43)	% change	P-3B (43)	% change	P-4 (33)	% change	P-5 (43)	% change
1	\$14,725		\$14,779		\$14,432		\$14,606		\$21,002		\$14,655	
2	\$15,087	2.5%	\$15,139	2.4%	\$14,786	2.5%	\$14,964	2.5%	\$21,640	3.0%	\$15,017	2.5%
3	\$15,444	2.4%	\$15,502	2.4%	\$15,135	2.4%	\$15,318	2.4%	\$22,284	3.0%	\$15,370	2.4%
4	\$15,803	2.3%	\$15,856	2.3%	\$15,485	2.3%	\$15,672	2.3%	\$22,923	2.9%	\$15,730	2.3%
5	\$16,161	2.3%	\$16,221	2.3%	\$15,837	2.3%	\$16,141	3.0%	\$23,584	2.9%	\$16,084	2.3%
6	\$16,522	2.2%	\$16,579	2.2%	\$16,191	2.2%	\$16,500	2.2%	\$24,256	2.8%	\$16,446	2.3%
7	\$16,878	2.2%	\$16,940	2.2%	\$16,541	2.2%	\$16,858	2.2%	\$24,930	2.8%	\$16,799	2.1%
8					\$16,894	2.1%			\$25,554	2.5%		
9									\$26,193	2.5%		
10									\$26,850	2.5%		
11												

* As of 5/14/93

APPENDIX C
1994 AND 1995 ARBITRATION REJECTIONS:WHAT HAPPENED NEXT



WHAT HAPPENED AFTER REJECTION

I. Arbitrated Contracts and Reopeners Rejected	II. What Happened After
1994 Rejections	
<p>CSUAAUP 93-96 arb. Award rejected by Senate 3/16/94 ULBO: 4.11; 4.7; 6.3 (15.11) SLBO: 0; 0; 4.03 (4.03) AA: 0;0;6.3 (6.3) (avg. 2.1/yr.)</p>	<p>Went back into arbitration for 93-97, and the second award was approved 4/26/95 ULBO: 1; 1; 3; 3 (8) SLBO: 0; 1.75; 2.75; 2.8 (7.3) AA: 0; 1.75; 2.75; 3 (7.5: avg. 1.8/yr.)</p>
<p>CSUADFAC 93-94 reopener award rejected by Senate 3/16/94 ULBO: 3.78 SLBO: 0 AA: 3.78</p>	<p>Went back into arbitration for the reopener and full contract for 94-97, which was approved 4/26/95 ULBO: 2; 2; 3.5; 4 (11.5) SLBO: 0; 1.75; 2.75; 2.8 (7.3) AA: 0; 1.75; 2.75; 4 (8.5)</p>
<p>NP4 93-94 Reopener rejected by Senate 4/13/94 ULBO: 3.75* SLBO: 0 AA: 3.75</p>	<p>Went back into arbitration for the reopener, which was filed 11/95. The arbitrator awarded the state's 0% LBO, so there is no cost and thus no need for legislative submission. ULBO: SLBO: 0 AA: 0 (No contract negs. currently going on)</p>
<p>NP6 and P1 93-96 contract awards rejected by the Senate on 5/4/94 ULBO: 3; 4; 4 (11) (avg. 3.6/yr) Ais all years SLBO: 0; 0; 2 (2) (avg. .67/yr) AI first and third yrs AA: 0; 4; 4 (8) (avg. 2.67/yr) AI all yrs.</p>	<p>Went back into arbitration for a 93-97 contract, which was not rejected on 1/18/95, thereby going into effect. ULBO: 3; 3; 3; 3 (12) (avg. 3/yr) AI for all yrs. SLBO: 0; 0; 0; 0 (0) AI in first yr. AA: 0; 0; 3; 3 (6) (avg. 1.5/yr) AI for all yrs.</p>

I. Arbitrated Contracts and Reopeners Rejected	II. What Happened After
1995 Rejections	
<p>NP1 93-94 Reopener rejected by the Senate on 1/18/95</p> <p>ULBO: 3.25 SLBO: 0 AA: 3.25</p>	<p>Negotiated a 95-99 contract approved on 6/5/95</p> <p>93-94 and 94-95 were reopeners that the parties rolled into the negotiations for the 95-99 contract 93-94: 0 (AI); 94-95: 0 (AI); 95-99: 3; 3; 2 (11/1/98) (AI every yr., delayed in 3rd yr.)</p>
<p>NP2 93-94 Reopener rejected by Senate on 1/18/95</p> <p>ULBO: 3.75 SLBO: 0 AA: 3.75</p>	<p>Went back into arbitration for reopener, which is in progress. Arbitrator for 94-99 contract selected, but hasn't started. State won't start until reopener taken care of.</p>
<p>NP3 93-94 reopener rejected by Senate on 1/18/95</p> <p>ULBO: 3.75 SLBO: 0 AA: 3.75</p>	<p>Went back into arbitration for reopener, which is in progress.</p> <p>Negotiations for a contract to begin 7/1/94 are in progress.</p>
<p>P2 93-94 reopener rejected by Senate on 1/18/95</p> <p>ULBO: 3.75 SLBO: 0 AA: 3.75</p>	<p>Went back into arbitration for reopener, which came in at 0.</p> <p>ULBO: 2.75 SLBO: 0 AA: 0</p> <p>Negotiations for a contract to begin 7/1/94 are in progress.</p>
<p>P3A 93-94 reopener rejected by Senate</p> <p>ULBO: 3.25 SLBO: 0 AA: 3.25</p>	<p>Arbitrator for 94-97 contract had been selected when 93-94 reopener rejected; rolled 93-94 into contract arbitration, which was not rejected on 6/1/95, thereby going into effect.</p> <p>ULBO: 3; 3; 3; 3 (12) SLBO: 0; 0; 0; 0 AA: 0;0;3;3 (6)</p>
<p>P3B 93-97 contract award rejected on 1/18/95</p>	<p>Parties are in progress of arbitration for contract beginning 1993 (this unit never had reopener provision)</p>
<p>P4 93-94 reopener award rejected on 1/18/95</p> <p>ULBO: 3.25 SLBO: 0 AA: 3.25</p>	<p>Parties negotiated an agreement for the 93-94 reopener, for 0% GWI (already had AI), which was filed with legislature on 11/3/95. Arbitration is in progress for 94-97 contract.</p>

I. Arbitrated Contracts and Reopeners Rejected	II. What Happened After
JDADV 93-97 negotiated contract rejected 1/18/95	Parties entered arbitration for 93-97 contract, which award was rejected 5/31/95
CJINS 93-94 reopener award rejected 2/15/95 ULBO: 3.25 SLBO: 0 AA: 3.25	Parties entered arbitration for 94-97 contract with 93-94 rolled in. Award filed 7/17/95 with legislature.
CCTEC 93-97 contract award was rejected 2/15/95 ULBO: 1.75; 1.75; 3.75; 4% (11.25) SLBO: 0; 0; 0; 0 AA: 1.75; 1.75; 0; 4 (7.5)	Parties entered arbitration again for 93-97 contract, which was approved 5/30/95 ULBO: 3 +.6; 0+.6; 2.75 +.67; 2.75+.67 (11.04) SLBO: 0;0;0;0 AA: 0;0; 2.75 + .67; 2.75 + .67 (6.84)
JDEMP 94-97 contract award was rejected on 5/31/95 ULBO: 2; 1.5; 3.75; 4 (AI for last 3 yrs) (93-94 AI already settled) SLBO: 0; 0; 0; 0 (No Ais) AA: 0; 3.5; 0; 4 (AI for last 3 yrs.)	
** 3.5-gwi awarded in first year	
NOTE: In many cases, the LBOs include a delay in implementation of the GWI.	
Source: Legislative Records, Arbitration Awards, and personnel with the DAS Office of Labor Relations	

APPENDIX D
NEGOTIATED SETTLEMENTS AND ARBITRATION AWARDS
APPROVED OR NOT REJECTED IN 1995

Negotiated Settlements and Arbitration Awards Approved or Not Rejected in 1995

NP5 Negotiated Contract settled 5/12/95

93-94: 0 GWI; AI

94-95: 0 GWI, no AI, \$300 lump sum

95-96: 1.5 (7/7/95); AI deferred 3 mos.

96-97: 1.5 (7/5/96); AI

97-98: No GWI; AI

98-99: 1.5 (10/9/88) AI

For last four years, phase in 15 extra minutes a day with pay increased by 3.5 each yr.

P5 Negotiated Contract

93-94: 0 GWI; AI

94-95: 0 GWI; 300 lump sum, delayed AI

95-96: 0 GWI

96-97: 0 GWI

97-98: 0 GWI

98-99: 0 GWI

For last four years, phase in extra 15 minutes a day with pay increased by 3.5 each yr.

JDPRO Negotiated Contract (rolled in reopener)

93-94: 0 GWI; (AI already provided)

94-95: 0 GWI; no AI; \$300 bonus

95-96: 0 GWI; AI

96-97: 0 GWI; delayed AI

97-98: 0 GWI; delayed AI

98-99: 0 GWI; delayed AI

Last four yrs phase in to 40 hours w/ accompanying \$.

Uconnpea Arbitrated Agreement: Not Rejected 4/12/95

93-94 Reop: 94-97 contract

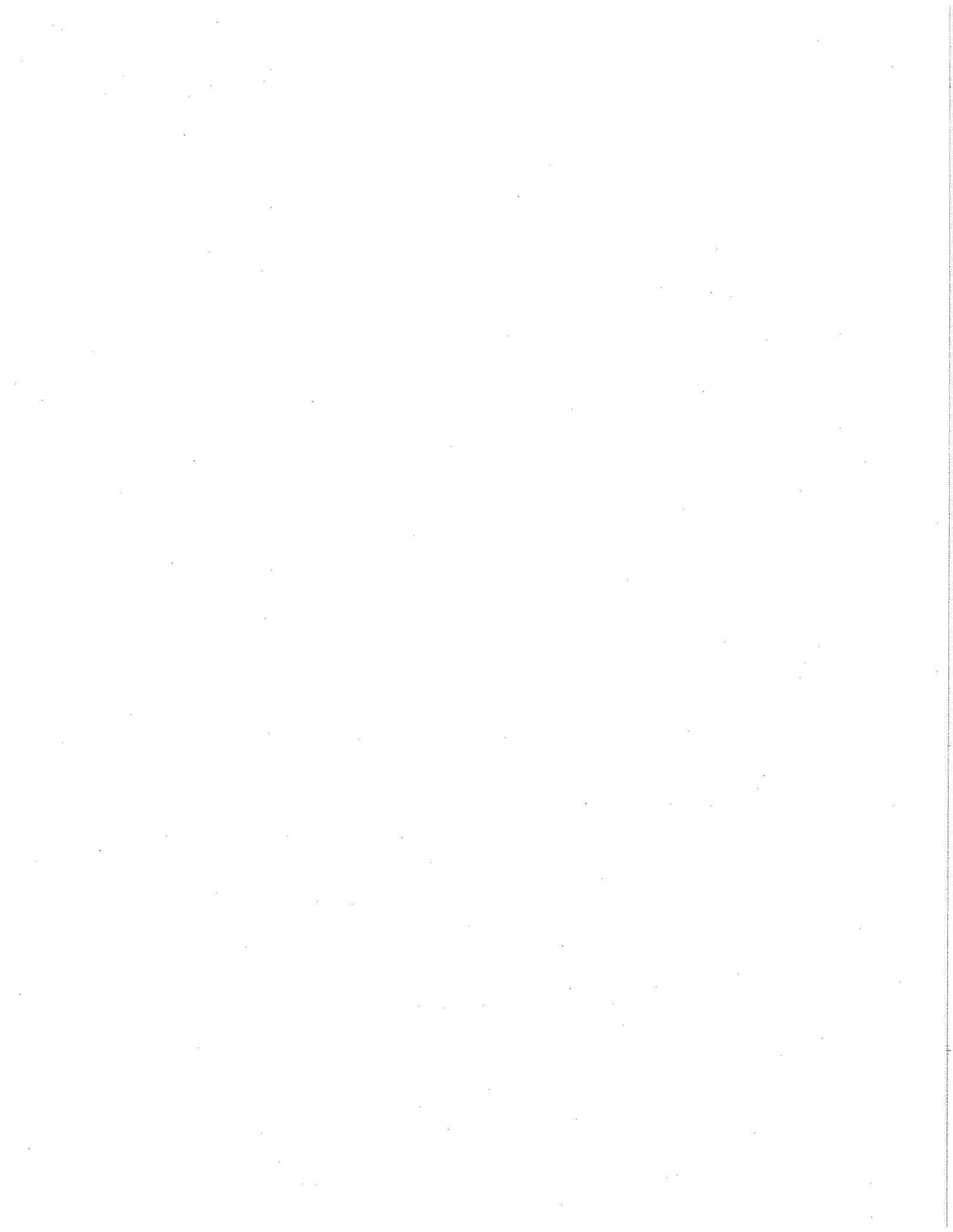
ULBO: 93-94 2.75 (1/1/94)

94-97: 3 (1/1/95); 4 (7/1/95); 4 (1/1/97)

SLBO: 93-94: 0

94-97: 2 (4/14/95); 2.5 (6/30/95); 2.8 (7/5/96)

AA: 0; 3; 2.5; 2.8



APPENDIX E
DESCRIPTION OF COLLECTIVE BARGAINING PROCESSES IN
STATES WITH MANDATORY BINDING ARBITRATION AND NEW
ENGLAND

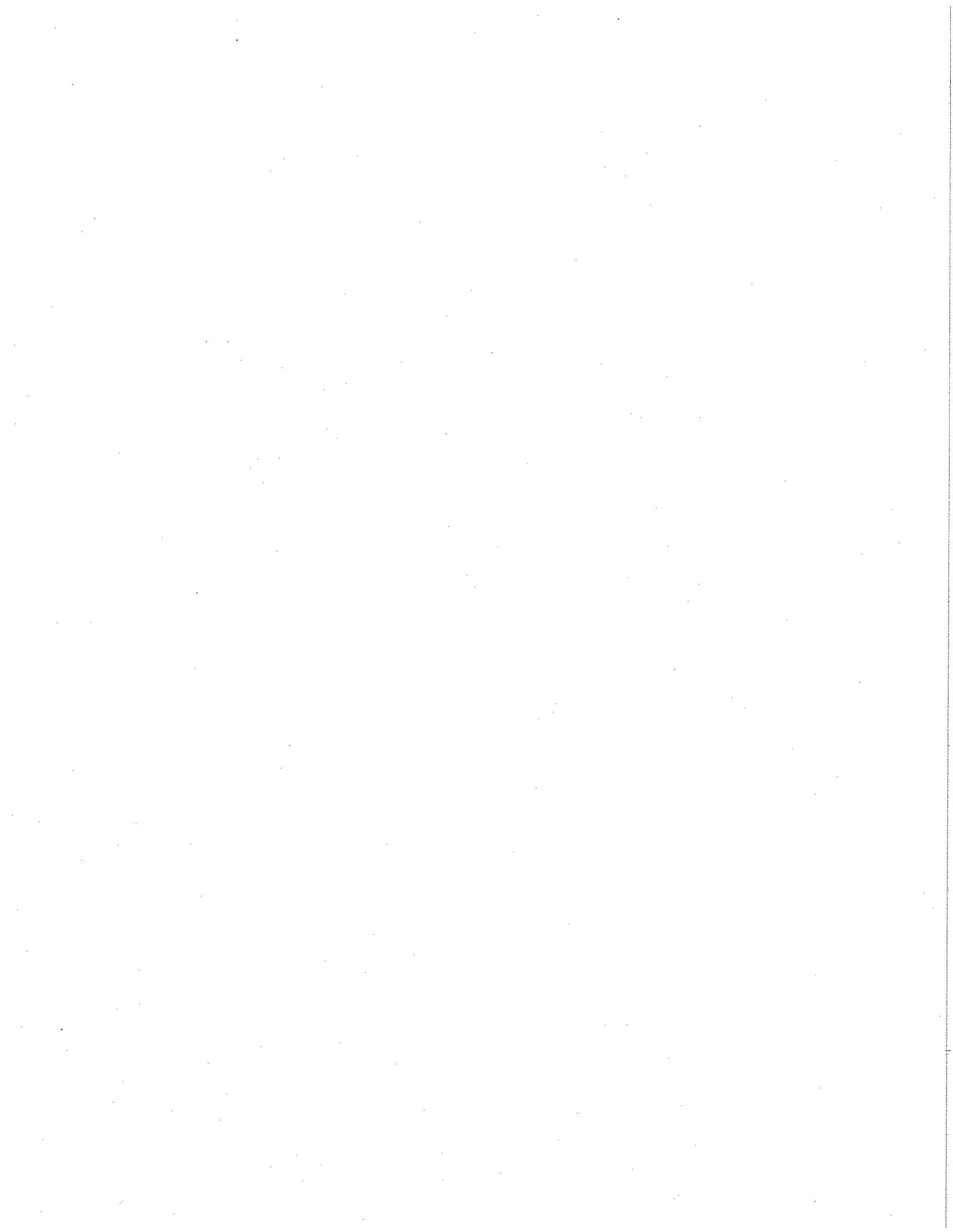
APPENDIX D		PUBLIC EMPLOYEE COLLECTIVE BARGAINING		(Mandatory Binding Arbitration States & New England)	
STATE	Coll Barg since...	Single Coordinating Employer Rep	Total State Employees (1991 FTE's)	Barg. Units/ Certifying Auth.	General Collective Bargaining Process
ALASKA (police, fire hosp., corr.)	1972	Yes, except for judicial & state hi-ed units	22,360	11 gen'l units, not incl. judicial & hi-ed units Labor Relations Agency	if deadlock exists after "reasonable period" of negotiations, either party may request impartial mediator appointed by labor relations agency; police, fire, hospital, & correction employees can not strike & must use binding arbitration; all monetary adjustments must be approved by Leg. via memoranda within 60 days of receiving agreement
CONNECTICUT (all)	1976	Yes, except for judicial & state hi-ed units	58,015	12 gen'l units, 6 judicial, & 11 hi-ed Labor Relations Board	parties may jointly request the designation of a mediator to assist in negotiations; if after a reasonable period there is impasse, either party may file for arbitration & jointly select arbitrator within 10 days or one will be appointed; hearings must occur 20 days after selection & last no longer than 30 days
HAWAII (police, fire)	1970	Yes	50,758	13 statutory units Labor Relations Board	If impasse determined, parties can labor board to appoint mediator; if still unresolved after 15 days a public fact-finder panel is appointed & must submit recommendations in 10 days; if still unresolved 30 days after impasse, parties may mutually agree to binding arbitration, strike, or have fact-finder recommendations submitted to legislature for approval of \$ items
IOWA (all)	1974	Yes, except hi-ed units & constitutional offices	55,719	13 gen'l units Public Empmt. Rel. Bd.	the negotiation of a contract shall be complete not later than March 15 of the year when the agreement is to become effective; mediator must be requested no less than 120 days before budget submission date & if still unresolved in 10 days, a fact-finder shall be appointed; FF report submission must be within 15 days & if unresolved after 10 days, parties can continue negotiations or request arbitration
ILLINOIS (police, fire, corr)	1984	Yes, except for judicial & state hi-ed units	140,645	21 gen'l units, not incl. judicial & hi-ed units Labor Relations Board	in impasse, either party may request mediation assistance via labor relations board, if unresolved after a reasonable period of negotiations or contract expiration, the mutual consent of the parties may initiate fact-finding; in no more than 30 days the fact-finder must submit advisory recommendations for public review
MAINE (all)	1975	Yes, except for judicial & state hi-ed units	21,772	5 gen'l statutory units & 2 univ. statutory units Labor Relations Board	parties must meet 10 days after written notice; parties must bargain in good faith & execute written agreement of no more than 3 yrs; \$ items must be submitted for inclusion in the Gov.'s budget 10 days after ratification, legislatively rejected items will be returned to negotiations; 30 days prior to contract expiration fact finding must be requested & if unresolved in 15 days, arbitration
MASSACHUSETTS	1973	Yes, except for judicial state hi-ed units, & lottery comm. empms.	87,865	12 gen'l units, 25 hi-ed 4 judicial, & 1 lottery Labor Relations Comm.	after a reasonable period of negotiations, parties may petition for the determination of impasse; 5 days after determination mediator is appointed & mediation ensues for not more 20 days; if still unresolved joint petition for fact-finding may occur & within 30 days the public fact-finder must submit findings; if unresolved still, findings are made public & returned to negotiations
MICHIGAN (state police)	1980	Yes, except for judicial & state hi-ed units	138,973	11 gen'l units, not incl. judicial & hi-ed units Civil Service Comm	if no agreement is reached by Aug. 15 (FY begins Oct. 1), either party may certify impasse but if applications are untimely, parties may forfeit their rights to impasse panel & must rely on advisory fact-findings to resolve disputes (no compensation adjustments are considered after Dec. 1); all \$ items approved by commission & Leg.
MINNESOTA (police, fire, corr.)	1973	Yes, except judicial	66,313	19 gen'l units Bur. of Mediation Services	either party may petition for or Emp. Relations Comm. can prompt mediation; if still unresolved, parties may request binding interest arbitration in which parties must agree to individual or panel arb. & items to be excluded; final positions on issues in dispute are submitted prior to beginning arbitration
NEBRASKA (all)	1980	Yes, except hi-ed units & constitutional offices	29,450	12 statutory units (not incl. hi-ed or constitnl. units) Labor Relations Comm.	all contracts shall cover a two-year period coinciding with the biennial state budget & shall begin on or prior to the 2nd Wed. in Sept. of the year preceding the beginning of the contract period ending on or before March 15 of the following year; if no agreement is reached by Jan 1, dispute shall be submitted to mediation & if still unresolved on Jan 15, issues in dispute must be submitted to the special master

APPENDIX D PUBLIC EMPLOYEE COLLECTIVE BARGAINING		(Mandatory Binding Arbitration States & New England)		General Arbitration Process		
STATE	Impasse Tools	Arbitrator Selection Process	Statutory Criteria	Leg. Approval of \$ items	Coil Barg & Arb. In Relation to Budget Process	Strike Status
ALASKA (police, fire hosp., corr.)	pensions	AAA, FMCS	no statutory criteria	K must be rejected by Leg within 60 days of rec'd or it becomes effective	informal	limited
CONNECTICUT (all)	n/a	AAA	Yes, see appendix	if rejected by 2/3 of one house, can return K to negotiations	informal	prohibited
HAWAII (police, fire)	pensions	AAA - tripartite	Yes, see appendix	Leg can choose to not include sufficient funding in budget	informal	limited
IOWA (all)	pensions	state list & AAA	Yes, see appendix	Leg. can decide not to include sufficient funding for K in budget	formal see "Coil. Barg."	prohibited
ILLINOIS (police, fire, corr)	n/a	AAA, FMCS	Yes, see appendix	Leg can choose to not include sufficient funding in budget	informal	limited
MAINE (all)	wages, pensions & health benefits advisory only	AAA & State Bd. of Arb & Concl. (tripartite)	Yes, see appendix	if rejected by simple majority, Leg can return K to negotiations	formal see "Coil. Barg."	prohibited
MASSACHUSETTS	n/a, health benefits not negotiated	AAA	n/a	Leg can choose to not include sufficient funding in budget	informal	prohibited
MICHIGAN (state police)	n/a	Employment Relations Board (tripartite)	Yes, see appendix	Leg must reject \$ items by 2/3 vote in 60 days or K becomes effective	formal see "Coil. Barg."	prohibited
MINNESOTA (police, fire, corr)	pensions	state/local lists	Yes, see appendix	Leg. must approve separate bills on K's by majority vote in both houses	informal	limited
NEBRASKA (all)	pensions	state list & AAA FMCS	Yes, see appendix	Leg. can decide not to include sufficient funding for K in budget	formal see "Coil. Barg."	prohibited

APPENDIX D		PUBLIC EMPLOYEE COLLECTIVE BARGAINING		(Mandatory Binding Arbitration States & New England)	
STATE	Coll Barg since...	Single Coordinating Employer Rep	Total State Employees (1991 FTE's)	Barg. Units/ Certifying Auth.	General Collective Bargaining Process
NEW HAMPSHIRE	1975	Yes	16,188	27 units Pub. Emp. Relations Bd.	request for mediation or fact-finding must occur within 60 days of the employer's budget submission date; parties must notify the labor board of their acceptance or rejection of the impasse report within 10 days of report filing; legislature approves \$ items & if rejected, then issues returned to negotiations
NEW JERSEY (police & fire)	1969	Yes, except for judicial & 3 state hi-ed units	112,580	20 gen'l units (incl. unit for hi-ed prof. emps) Labor Relations Comm.	parties must resolve contract negotiations through mediation or fact-finding at least 50 days prior to the public employer's budget submission date & if not, parties must make request for arbitration to Comm.; prior to proceedings parties must submit final offers to panel
NEW YORK	1967	Yes	269,051	11 units Pub. Emp. Relations Bd.	impasse must be declared 120 days before end of employer's fiscal year, if mediation or fact-finding are unsuccessful parties can either follow instructions of labor board or agree on other impasse proceedings; all agreements are submitted to Leg. for budgetary approval; if impasse 60 days before end of fiscal year, fact-finding recs. can be submitted to Leg. for approval via hearings
OHIO (police, fire, hosp., corr.)	1983	Yes, except hi-ed units & constitutional offices	140,802	15 gen'l units State Emp. Relations Bd.	public employer or exclusive rep. must give notice of desire to negotiate not less than 60 days prior to the expiration of the existing agreement; if 50 days before expiration, there is impasse either party may request mediation & if still at impasse 31 days before expiration, board shall appoint factfinder; within the first seven days after factfinder report, Leg can reject recommendations by a 3/5 vote & if not rejected, the agreement is final; if rejected, arbitration is mandatory for "essential employees"
OREGON (police, fire, hosp., corr.)	1974	Yes, except for judicial & state hi-ed units	54,558	32 gen'l units Employee Relations Board	if after a reasonable period no agreement has been reached, parties can request mediation & after 15 days, the parties can request fact-finding from which a report must be completed in not more than 30 days; if parties do not accept recommendations & do not have a right to strike, they must make a request to the board for binding arbitration
PENNSYLVANIA (prison, courts)	1972	Yes, except for judicial & faculty at hi-ed units	124,427	24 gen'l units State Labor Relations Bd.	if after a reasonable period of negotiations, parties can submit to mediation; if after 20 days & not later than 130 days prior to the budget submission date board may appoint a fact-finder; the fact-finder report must be issued no more than 40 days after proceedings; parties have 10 days to reject report & if rejected issues can return to negotiations or strike can result
RHODE ISLAND (all)	1968	Yes	19,705	over 100 units Labor Relations Board	parties must meet 10 days after written notice; parties must bargain in good faith in order to achieve a written agreement; if no agreement in 30 days, issues go to fact-finding; if still unresolved, remaining issues go to binding arbitration (\$ items advisory only)
VERMONT	1973	Yes	12,783	6 gen'l units & 2 univ. Labor Relations Board	if after a reasonable period of negotiations, impasse is reached, either party can petition labor board for mediation; if still unresolved after 15 days, mediator can refer to fact-finding panel; one member is selected by each party and these mbrs. select 3rd; if unresolved after 15 days, each party submits last best offers to board & in 30 days chooses one; Leg approval of \$ items
WASHINGTON (all)	1975	No, all state agencies barg. with own emps.	96,077	150+ units Personnel Resources Bd.	(all state agencies bargain with all of their own emps.) in order to coordinate agreements with "the submission of the budget to the legislature" negotiations must begin accordingly; issues can be resolved through mediation and fact-finding & those "uniformed personnel" must commence negotiations 5 mos. prior submission of budget to Leg.; if after 60 days there is impasse, parties can request mediation

APPENDIX D PUBLIC EMPLOYEE COLLECTIVE BARGAINING		(Mandatory Binding Arbitration States & New England)	
STATE	Impasse Tools	Arbitrator Selection Process	Statutory Criteria
NEW HAMPSHIRE	n/a	state & AAA lists	n/a
	\$ exclusions from Arb. Process (where applicable)		Leg. Approval of \$ Items
	mediation fact-finding		Leg can choose to not include sufficient funding in budget
			informal
			prohibited
			n/a
NEW JERSEY (police & fire)	pensions	3 mbr. panel	Yes, see appendix
	mediation fact-finding binding arbitration		Leg. can decide not to include sufficient funding for K in budget.
			informal
			prohibited
			arbitration decision is binding & irreversible upon the parties & must be one of the last best offers submitted at end of proceedings; in all contracts where Leg does not provide sufficient funds, agencies are responsible for adjusting accordingly
NEW YORK	n/a, but pensions not negotiated	NY residents- AAA	n/a
	mediation fact-finding		Leg. approves K's as individual bills, & if approved, funding is provided
			prohibited
OHIO (police, fire, hosp., corr.)	pension rate can not be lowered	state AAA mbrs.	Yes, see appendix
	mediation fact-finding binding arbitration		Leg. can decide not to include sufficient funding for K in budget
			informal
			limited
			within next 30 days arbitration begins & issues of dispute are first submitted to arbitrator, following hearings, arbitrator must choose one of the last best offers which constitutes a binding mandate on both parties to take steps to implement award
OREGON (police, fire, hosp., corr.)	health & pensions	state & AAA lists	Yes, see appendix
	mediation fact-finding (optional) binding arbitration		Leg. can decide not to include sufficient funding for K in budget
			informal
			limited
			not more than 30 days after hearings, the arbitrator shall issue findings based on the last best offer of one of the parties & that if "supported by competent, material, and substantial evidence, shall be binding upon the parties
PENNSYLVANIA (prison, courts)	pensions	3 mbr. panel state & AAA lists	none
	mediation fact-finding binding arbitration		Leg. can decide not to include sufficient funding for K in budget
			formal see "Coll. Barg."
			limited
			parties with prohibited right to strike, must submit issues to binding arbitration whose decisions shall be final & binding except those which require Leg. action and are therefore advisory only; arbitrators may modify the last best offers of parties in making a decision.
RHODE ISLAND (all)	wages, pensions & health benefits advisory only	RI residents- AAA	Yes, see appendix
	mediation fact-finding binding arbitrn.		if rejected by simple majority, Leg can return K to negotiations
			informal
			prohibited
			following the selection of an single arbitrator, a report must be submitted within 30 days, arbitrators are not restricted to last best offers
VERMONT	n/a	State Labor Relations Board	n/a
	mediation fact-finding		Leg. approves K's through separate "Pay Act" in budget
			informal
			prohibited
WASHINGTON (all)	wages set by Leg., pensions & health ins. by separate boards	Dept. of Personnel - Div of Emp. Rel. 3 mbr. panel	Yes, see appendix
	mediation binding arbitration		Leg. can by majority vote reject bills on K's, but never has
			formal see "Coll. Barg."
			prohibited
			if impasse still exist after a reasonable period of mediation & negotiation, issues go to binding arbitration for hearings not longer than 25 days; the panel's report is binding on both parties & can be the result of a modified last best offer

APPENDIX F
SURVEY OF STATUTORY CRITERIA IN STATES WITH MANDATORY
STATE EMPLOYEE BINDING ARBITRATION



STATUTORY CRITERIA FOR STATE EMPLOYEE BINDING ARBITRATION

	CONNECTICUT	ALASKA	HAWAII	ILLINOIS
Characteristics of BA	BA for all state employees - no topics excluded	BA for police, fire, hosp., & corr. employees - pensions excluded	BA for police & fire - pensions excluded	BA for police, fire, & correction officers - no topics excluded
Current Employee Compensation	The overall compensation paid to the employees involved in the arbitration proceedings, including direct wage compensation, overtime and premium pay, vacations, holidays and other leave, insurance, pensions, medical and hospitalization benefits, food and apparel furnished and all other benefits received by such employees	NONE	Overall compensation presently received by the employees, including direct wage compensation, vacation, holidays and excused time, insurance and pensions, medical and hospitalization benefits, the continuity and stability of employment, and all other benefits received	The overall compensation presently received by the employees including direct wage compensation, vacation, holidays and excused time, insurance and pensions, medical and hospitalization benefits, the continuity and stability of employment, and all other benefits received
Comparison of Wage Rates	The wages, fringe benefits, and working conditions prevailing in the market place		Comparison of wages, hours, and conditions of employment of the employees involved in the arbitration proceeding with the wages, hours, and working conditions of other persons performing similar services, and other State and county employees in Hawaii	Comparison of the wages, hours, and working conditions of the employees involved in the arbitration proceeding with the wages, hours, and working conditions of other employees performing similar services and with other employees generally, in (A) public employment in comparable communities, and in (B) private employment in comparable communities
Changes in Cost of Living	Changes in the cost of living;		The average consumer prices for goods or services, commonly known as the cost of living	The average consumer prices for goods and services, commonly known as the cost of living
Interest of Employees	The interests and welfare of the employees			
Financial Status of Employer	The ability of the employer to pay		The financial ability of the employer to meet these costs	The interests and welfare of the public and the financial ability of the unit of government to meet those costs
History of negotiations	The history of negotiations between the parties including those leading to the arbitration at hand		The present and future general economic condition of the counties and the State	
Working Conditions				
Interests of the Public			The interests and welfare of the public.	See "Financial Status of Employer"

OTHER			<p>Such other factors, not confined to the foregoing, which are normally or traditionally taken into consideration in the determination of wages, hours, and conditions of employment through voluntary collective bargaining, mediation, fact-finding, arbitration, or otherwise between the parties, in the public service or in private service.</p> <p>Stipulations of the parties.</p> <p>The lawful authority of employer.</p> <p>Changes in any of the foregoing circumstances during the pendency of the arbitration proceedings.</p>	<p>Such other factors, not confined to the foregoing, which are normally or traditionally taken into consideration in the determination of wages, hours, and conditions of employment through voluntary collective bargaining, mediation, fact-finding, arbitration, or otherwise between the parties, in the public service or in private employment.</p> <p>The lawful authority of the employer.</p> <p>Stipulations of the parties.</p> <p>Changes in any of the foregoing circumstances during the pendency of the arbitration hearing.</p>

	IOWA	MAINE	MICHIGAN	MINNESOTA
Characteristics of BA	BA for all state employees - pensions excluded	BA for all state employees - \$ items advisory only	BA for state police - no topics excluded	BA for essential employees - pensions excluded
Current Employee Compensation		The overall compensation presently received by the employees including direct wage compensation, vacation, holidays and excused time, insurance and pensions, medical and hospitalization benefits, the continuity and stability of employment, and all other benefits received	Total compensation, including fringe benefits, presently received by employees, including continuity and stability of employment and all other benefits	
Comparison of Wage Rates	Comparisons of the wages, hours and conditions of employment of the involved public employees with those of other public employees doing comparable work, giving consideration to factors peculiar to the area and the classifications involved	Comparison of the wages, hours, and working conditions of the employees involved in the arbitration proceeding with the wages, hours, and working conditions of other employees performing similar services in public and private employment in other jurisdictions competing in same labor market;	Comparisons of wages, hours, and conditions of employment of the employees involved with employees performing similar services and other employees generally	
Changes in Cost of Living			Appropriate economic indicators and forecasts	
Interest of Employees		The need to establish fair and reasonable conditions in relation to job qualifications and responsibilities		
Financial Status of Employer	The interests and welfare of the public, the ability of the public employer to finance economic adjustments and the effect of such adjustments on the normal standard of services, The power of the public employer to levy taxes and appropriate funds for the conduct of its operations	The interests and welfare of the public and the financial ability of the state government to finance the cost items proposed by each party to the impasse	The interests and welfare of the public and the financial condition and ability of the state	The statutory rights and obligations of employers to efficiently manage and conduct their operations within the legal limitations surrounding the financing of these operations
History of negotiations	Past collective bargaining contracts between the parties including the bargaining that led up to such contracts			
Working Conditions		Conditions of employment in similar occupations outside state government;		
Interests of the Public	See "Financial Status of Employer"	The need of state government for qualified employees, See "Financial Status of Employer"	See "Financial Status of Employer"	See "Financial Status of Employer"

<p>OTHER</p>		<p>Such other factors, not confined to foregoing, which are normally and traditionally taken into consideration in determination of wages, hours, and working conditions through voluntary collective bargaining, mediation, fact-finding, arbitration, or otherwise between the parties, in the public service or in private employment, including the average consumer price index</p> <p>The need to maintain appropriate relationships between different occupations in state government</p>	<p>Such factors that are normally taken into consideration in the determination of wages, hours, and condition of employment.</p> <p>Stipulations of agreements.</p>	
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	NEBRASKA	NEW JERSEY	OHIO	OREGON
Characteristics of BA	BA for all state employees - pensions excluded	BA for police, fire, corrections, & motor vehicle inspectors - pensions excluded	BA for police, fire, emergency medical staff, exclusive nurses unit, deaf/blind school staff, penal & mental facility guards - no topics excluded	BA for police, fire, corrections officers, & mental hospital employees
Current Employee Compensation		Overall compensation presently received by the employees, including direct wage compensation, vacation, holidays and excused time, insurance and pensions, medical and hospitalization benefits, the continuity and stability of employment, and all other benefits received		The overall compensation presently received by the employees, including direct wage compensation, vacations, holidays, and other excused time, insurance and pensions, medical and hospitalization benefits, the continuity and stability of employment, and all other benefits received
Comparison of Wage Rates	Comparisons of the wages, hours and conditions of employment of the involved public employees with those of other public employees doing comparable work, giving consideration to factors peculiar to the area and the classifications involved	Comparison of wages, hours, and conditions of employment of the employees involved in the arbitration proceeding with the wages, hours, and conditions of employment of other employees performing similar services, and with other employees generally: (a) in public employment in the same or similar comparable jurisdictions, (b) in public and private employment in general, and comparable private employment	Comparisons of the issues submitted to final offer settlement relative to the employees in the bargaining unit involved with those issues related to other public and private employees doing comparable work, giving consideration to factors peculiar to the area and classification involved	Comparisons of wages, hours, and conditions of employment of other employees performing similar services with other employees generally: (A) In public employment in comparable communities, (B) In private employment in comparable communities
Changes in Cost of Living		The cost of living		The average consumer prices for goods and services commonly known as the cost of living
Interest of Employees				
Financial Status of Employer	The interests and welfare of the public, the ability of the public employer to finance economic adjustments and the effect of such adjustments on the normal standard of services, The power of the public employer to levy taxes and appropriate funds for the conduct of its operations	The financial impact on the governing unit, its residents, and taxpayers	The interests and welfare of the public and the ability of the public employer to finance and administer the issues proposed, and the effect of the adjustments on the normal standard of public service	The interests and welfare of the public and the financial ability of the unit of government to meet those costs
History of negotiations	Past collective bargaining contracts between the parties including the bargaining that led up to such contracts	Past collectively bargained agreements between the parties		

	PENNSYLVANIA	RHODE ISLAND	WASHINGTON
Characteristics of BA	BA for prison guards, & judicial emps. - pensions excluded	BA for all employees --\$ items advisory only	BA for uniformed personnel & ferry system employees wages, pensions, & health insurance are not negotiable
Current Employee Compensation	NONE		
Comparison of Wage Rates		Comparison of wage rates or hourly conditions of employment of the state employees involved with the prevailing wage rates or hourly conditions of work or employees exhibiting like or similar skills under the same working conditions in this state and neighboring states in private industry and public employment on state and local levels	Comparisons of the wages, hours and conditions of employment of personnel involved in the proceedings with the wages, hours, and conditions of like employers of similar size on the west coast of the United States. However, when an adequate number of comparable employers exists within the state of Washington, other west coast employers shall not be considered
Changes in Cost of Living			The average consumer prices for goods and services commonly known as the cost of living
Interest of Employees			
Financial Status of Employer			
History of negotiations			
Working Conditions		Comparison of peculiarities of employment in regard to other industries, trades, or professions, specifically: (a) hazards of employment, (b) physical, educational, and mental qualifications, and (c) job training and skills	
Interests of the Public		Interests and welfare of the public	

OTHER			Such factors that are normally taken into consideration in the determination of wages, hours, and condition of employment. The constitutional and statutory authority of the employer. Changes in any of the foregoing circumstances during the pendency of the arbitration proceedings.
			Stipulations of the parties.

NOTES

- Massachusetts (*no BA or criteria*)
- New Hampshire (*no BA or criteria*)
- Vermont (*no BA, criteria for factfinders*)
- New York (*no BA, criteria for voluntary arbitration*)