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FISCAL NOTE(Form 1)  
(Office of Fiscal Analysis)  
Analyst: mw #12/92  
kr  
Version:

BILL NUMBER: SHB 5566  
FILE NUMBER:  
AMENDMENTS:

TITLE: "AN ACT CONCERNING BINDING ARBITRATION FOR MUNICIPAL EMPLOYEES"

FAVORABLY REPORTED BY Planning and Development, Labor and Public Employees

EFFECTIVE DATE: 7/1/92

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FISCAL IMPACT STATEMENT - BILL NUMBER SHB 5566

STATE IMPACT	Minimal Cost, Can be Absorbed, see explanation below
MUNICIPAL IMPACT	Potential Savings, see explanation below
STATE AGENCY(S)	Department of Labor

EXPLANATION OF ESTIMATES:

STATE IMPACT: The passage of this bill would result in minimal additional costs to the Department of Labor that would be absorbed within existing resources. The bill creates a panel of at least 20 neutral arbitrators to chair arbitration panels that resolve collective bargaining impasses between municipal employers and employee unions under the Municipal Employee Relations Act. It establishes a selection committee, made up of labor and municipal employer representatives appointed by the Labor Commissioner, to appoint the members of the new arbitrator panel. Minimal, absorbable costs would result from these new requirements.

MUNICIPAL IMPACT: The passage of this bill could result in savings to various municipalities that cannot be determined at this time. The changes in the appointment of arbitrators is intended to reduce the perceived employee bias of arbitrators. The bill also changes the criteria that these arbitrators must use in arriving at their decisions to make the public interest and the municipality's ability to pay paramount, and to require arbitrators to look at pay and benefits in the private sector when considering municipal salaries, benefits and employment conditions. To the extent that these changes reduce the cost of municipal employee contracts, indeterminate savings would result.