PUBLIC ACT 312 IN MICHIGAN

AN OVERVIEW OF COMPULSORY INTEREST ARBITRATION FOR PUBLIC SAFETY EMPLOYEES

by

Tim D. Johnson

Presented to the Public Administration Faculty
at The University of Michigan-Flint
in partial fulfillment of the requirements for the
Master of Public Administration Degree

December, 1988

First Reader _____

Second Reader _____

TABLE OF CONTENTS

ABSTRACT

Compulsory arbitration for "essential" public safety employees in Michigan has been the law since the passage of Public Act 312 in 1969. The purpose of this research is to examine the conditions found in public safety collective bargaining prior to the enactment of the law, as well as the law's effects on current collective bargaining efforts.

Special attention is given to proposed changes in the current legislation through both legislative and administrative perspectives. Major alternatives to the Act are also discussed in detail, as are the Act's economic considerations. Both general and specific conclusions are then advanced based upon the findings of the research.

CHAPTER I

INTRODUCTION

Compulsory arbitration in labor disputes involving essential services has been the law in Michigan since 1969 with the passage of Public Act 312. Arguments about labor disputes in the public sector had become more heated in the preceding decade. While a large majority of all those involved opposed strikes in the area of "essential" public services, the means to settle these disputes were far from reaching any consensus.

Some persons involved are not only opposed to strikes by police and fire personnel, but are also opposed to compulsory arbitration to settle the disputes. These individuals are the ones involved in trying to repeal or substantially alter Public Act 312 in its current form.

The large majority however seem to be against strikes in the public sector, especially in the area of "essential" services, but favoring some form of mandatory dispute resolution which is fair to both the municipality and worker alike. The major question appears to be in what form will the dispute resolution exist, not whether it will exist.

Debate has intensified in the past few years with critics of Public Act 312 calling for either its repeal, or drastic amendments to its use and implementation. Most of these calls for change appear to originate with the administrators of the municipalities where the employee unions have invoked the process to settle a labor dispute. They have been joined by a limited number of researchers who also believe the current process has some serious drawbacks.

One of the major concerns of these proponents of change is that the law allows for a third party outside of the groups involved to make decisions only the group will have to live with. Arbitrators merely render a decision, they do not tell the governmental unit how to pay for the award given.

The problem which must be faced would appear to be one of how and when the compulsory arbitration process is invoked, as well as the criteria on which the arbitrators must base their decision. Still others do not argue with the criteria already in place. They would like the arbitrator to consider certain points more important than others when he renders his decision.

The importance of this topic is as great today as it was almost twenty years ago. Initially, there remains almost no public support for work stoppages or slowdowns by police and fire personnel. If this premise is accepted, some mechanism must be in place to resolve the dispute. Arguments as to form and context can be made and subsequently supported, but the need for some type of law is clearly seen.

Secondly, the law affects literally every unit of government as well as every citizen in the State of Michigan, some arguably more so than others. Life and property as well as general living conditions are generally adversely affected by strikes or slowdowns by essential public sector employees.

Most would also agree that, when two parties come to an impasse in negotiations and the workers are prohibited from withholding services because of state law, there should be some place for them to turn for relief. Police personnel, and to a lesser extent fire personnel, are called upon to render fair and impartial decisions as a routine part of their job performance. In order to maintain these attitudes, they also need to feel that they will receive a fair and impartial hearing on their demands, and in turn receive a fair decision based upon properly considered evidence. Tens of thousands of police and fire personnel, without the right to strike, have nowhere else to turn.

Through a thorough search of the literature, the history of unionism in the public sector will be examined as will the legislative history of Public Act 312. The major issues surrounding Public Act 312 will be discussed and conclusions will be drawn as to their validity and importance by using the findings of previous studies.

An investigation will also be conducted to ascertain how other states and countries have dealt with the issue of compulsory arbitration in the area of essential public employees. Conclusions

will be drawn as to their efficiency and fairness and whether any parts of the laws could be successfully applied in Michigan.

The major issue concerning Public Act 312 involves wage increases which police and fire personnel have received since the law went into effect. Critics have contended that the law has given police and fire personnel an unfair advantage in their negotiations with municipalities. Some have contended that arbitration awards have been higher than what was supported by the evidence. Still others have contended that municipalities have settled voluntarily for more than they should have simply because they were afraid of arbitration.

To test claims about arbitration awards increases in salaries achieved through arbitration will be contrasted with several other indices. For statistical purposes, the year 1967 will be used as a base year for all statistics.

The first statistic will be the Consumer Price Index (CPI). This will make it possible to track the growth of inflation through the periods to be examined, and will also serve as a well accepted benchmark by which comparisons can be made.

By using information from publications of the Michigan Municipal League, both police and fire personnel wage increases will be examined. To maintain uniformity, wages for the groups will be taken from municipalities with populations of 25,000-50,000 for each of the periods. From this information, an average wage can be obtained for each year and the increases followed from before the Act's inception to today.

The Michigan Education Association will provide the necessary information on the wage increases of teachers in Michigan through each of the periods. This information will be extremely important for comparison purposes because while school teachers are public employees and, by law, are not allowed to strike, they do in fact strike. The obvious question would then be, have teachers received higher wage increases by occasionally resorting to a strike? Have teachers needed to withhold services on occasion to maintain their wages in relation to the CPI and police and fire personnel who have compulsory arbitration?

One final comparison will be made using the average manufacturing wage measured against the CPI as well as police and fire wage increases. This aspect of the analysis will focus on how the legal right to strike has affected wage increases in the private sector.

After these analyses are completed, conclusions can be drawn as to whether police and fire personnel have received abnormally large wage increases or merely kept pace with inflation and other employee groups. With these analyses completed, suggestions will be made as to possible changes in the law which could improve its efficiency or fairness.

CHAPTER II

LEGISLATIVE HISTORY

As recently as the 1950's, only a small percentage of all public sector employees were organized into any type of union. In addition, no state allowed for collective bargaining in the public sector. Strikes were illegal and offenders were dealt with in harsh manner. Most individuals involved in union organizing were of the opinion that the public sector simply could not be organized (Freeman, 1986, p. 41). The specific exclusion of public sector employees from the National Labor Relations Act of 1935 also served as a major impediment to union organization for these employees.

Public employees in Michigan were first given collective bargaining rights with the passage of the Hutchinson Act in 1947. Legislation however allowed for little more than employees to "meet and confer" with their employers to determine wages and other working conditions. Employees were specifically denied the right to strike which left the final terms and conditions of employment resting solely with management (Kruger, 1985, p. 497). Public employees were protected by Civil Service but this provided no relief in terms of contract negotiations.

By the beginning of the 1960's, membership in "associations" was quite common in the public sector. The associations were opposed to collective bargaining in writing, but continued to demand wage parity with the private sector. While unions in the public sector were not illegal, they had to function without legal protection and exclusive recognition.

Various states soon began to grant limited status to these employee associations as they grew in both size and political strength. The most significant governmental action originated on the national level in the nature of Executive Order 10988, signed by President John F. Kennedy in 1962. The order provided for the actual recognition of unions to represent federal employees, while at the same time limiting the actual amount of bargaining power they held during negotiations (R. Theodore Clark, 1972, pp. 111-112).

By the mid-1960's, with Executive Order 10988 behind them, unions in the public sector had quadrupled in size (Freeman, 1986, p. 41). This tremendous upswing in public sector union membership occurred at the same time union formation in the private sector was slowing its pace, and even declining in some areas.

The Hutchinson Act was also amended in 1965, becoming the Public Employment Relations Act (PERA). While retaining the original strike prohibition, it also lessened the penalties. It also gave the employees specific rights to both organize as well as bargain collectively. Mediation and fact finding were continued into PERA from the Hutchinson Act.

It is important to realize at this point in labor law history that the current laws provided for little more than allowing employees to vote for or against collective representation, and requiring management to negotiate with them. At no time were employees allowed to strike or engage in work slowdowns without facing sanctions. Employees were faced with a "take it or leave it" approach from their hierarchy on literally every issue.

Some types of work stoppages in the public sector were more "tolerable" than others, while still other groups were dealt with swiftly and harshly. Strikes and slowdowns of employee labor were tolerated for at least short periods of time with the exception of essential services" (Freeman, 1986, pp. 42-44).

"Essential services" soon came to be defined as police and fire services. Public safety personnel now found themselves in a lonely and awkward position. Frustrations at the bargaining table and a perceived inability to achieve an equitable contract soon led to illegal work slowdowns and "blue flu".

Public employers countered with the notion that the public employee had no right to withhold services which were not available from the private sector. A major proposition also advanced was the fact that demand for public sector labor is highly inelastic. No matter how high the price of wages and benefits were to climb, there would always remain a demand for those services (Chimezie A.B. Osigweh, 1985, pp. 75-77).

It was also reasoned that essential services could effectively be held hostage by greedy, unyielding civil servants waiting for a ransom to return to work. After much discussion, it was determined that the only truly essential services were those of police, fire, corrections, and possibly sanitation workers (Osigweh, 1985, p. 77).

Various arguments from both sides of the issue soon surfaced. Possibly the largest roadblock forwarded at the time and still argued now is the "sovereignty theory". They held that it was the government's sole responsibility to make budgetary decisions, as well as set rates of pay. These decisions could not be abdicated to the employee.

Unions countered with the idea that government suppliers of goods, as well as services, were allowed to negotiate construction and delivery schedules as well as price terms. If it were indeed permissible to bargain over goods, the price of services should also be negotiable (Osigweh, 1985, p. 81).

It soon became apparent to all those involved that a fair and equitable way was needed to resolve these differences in the public sector. With striking illegal, procedures were needed to resolve disputes when an impasse was reached in negotiations.

Governor George Romney appointed an advisory committee in 1966 to conduct a thorough review of how the Public Employment Relations Act had effected public employee labor relations. This was done in part as a response to the numerous labor disputes that had taken place with police and firefighter labor groups (Kruger, 1985, p. 41).

The committee's final report to then Governor George Romney was presented to him on February 15, 1967. One of the committee's strongest recommendations was for the establishment of mandatory compulsory arbitration for both police and fire labor.

Like much legislation, Public Act 312 took more than one legislative session to become law. After the presentation of the committee's report, the recommendations were drawn up into a formal legislative proposal in the form of House Bill 2350 with a total of 12 co-sponsors. At the time, the legislation dealt only with fire departments. No mention is made of why police departments were not included at this time. The legislative purpose was relatively simple in dealing only with the selection of members to the arbitration panels, and to provide for procedures as well as authority and enforcement of the award. Similar legislation was also proposed in the Senate under Senate Bill 367. Both the House and Senate versions were allowed to die in their respective committees.

Similar legislation was proposed again on February 20, 1968 under House Bill 3725. The legislation however now included police personnel in addition to fire personnel, and now had 23 co-sponsors. This additional support came as a result of including police as "essential services" and was responsible for almost doubling support for the Bill. On April 12, 1968, the House passed the bill on a vote of 80-15. Because of Senate inaction, the Bill still did not become law.

Support for the legislation continued to grow and was again introduced in the early days of February, 1969. Titled House Bill 2324 with 31 co-sponsors, hearings were finally held on April 29, 1969, by the Standing Committee on Labor. Members of the Senate also introduced three separate bills concerning compulsory arbitration for both police and fire personnel. Senate Bill 937 eventually took the forefront and was passed after considerable debate on June 6, 1969 on a 20-17 margin.

State Senator Carl Levin, an outspoken opponent of the legislation requested permission to attach a written explanation of his "no" vote to the legislative record. Levin questioned whether the new legislation would in fact improve upon the already existing laws that provided for only mediation and fact finding provisions. Levin also questioned whether the new legislation was really necessary in light of a settlement rate of over 95% of all labor disputes without any work stoppages under current laws.

Levin also made note of a perceived "drift in Lansing" which he blamed on then Governor Milliken. Noting that the Governor's office was also opposed to parts of the legislation, Levin noted that little influence was exerted over the Republican controlled Senate to adopt the executive's viewpoint.

On July 18, 1969, the House voted 77 to 5 in favor of the Bill. After a short conference committee, a joint committee sent the Bill to Governor Milliken who signed it August 14, 1969. A Republican controlled Senate and a Democratic controlled House had finally agreed

on major labor law legislation which was subsequently signed by a moderate Republican governor.

One compromise the opponents of the law were able to gain was an expiration date of June 30, 1972 unless it was renewed by the legislature. The opponents felt that the law would now only be a temporary problem which would fix itself in due time.

Public Act 312's Major Provisions

In order to assist in analysis of the law's effectiveness at a later point, the Bill's major provisions and intended effects must be examined. The legislative intent concerning compulsory arbitration for police and fire personnel provided for a prohibition of strikes while also maintaining the morale of the employees in negotiating a fair and just contract.

The bill's purpose is described in its statement of public policy. It states:

> It is the public policy of this state that in public police and fire departments, where the right of employees to strike is by law prohibited; it is requisite to the high morale of such employees and the efficient operation of such departments to afford an alternate expeditious, effective, and binding procedure for the resolution of disputes and to that end the provisions of this act, providing for compulsory arbitration shall be liberally construed. (M.S.A., p. 561)

Clearly the overriding concern of the legislation was to allow for a peaceful, equitable and expeditious resolution of labor disputes affecting policemen and firemen.

The Act requires both parties to participate in the compulsory arbitration process once either party requests arbitration. Judicial participation is not required as this would undermine the legislative intent in regards to the expeditious handling of the disputes.

In the legislation, only personnel engaged as policemen, fire-fighters, emergency medical service personnel employed by police or fire departments and emergency telephone operators for police and fire departments were considered "essential", and therefore covered under this Act. The very issue of who should be covered is an important question which will be examined in greater detail later in this analysis.

The compulsory arbitration process cannot be invoked until both sides have at least gone to mediation and the dispute is not able to be settled to both parties satisfaction within 30 days or within a longer period of time agreed to by both parties. At this time, either party may apply for binding arbitration proceedings by putting the request in writing to the other party. A copy is also supplied to the Michigan Employment Relations Commission.

Once one of the parties decides to invoke the formal compulsory arbitration proceedings, the process works as follows. Within ten days, both sides are to choose their respective delegates which will make up two of the three member tripartite arbitration panel. They must then advise the opposing side, as well as the mediation board, of their choice. Should the two delegates be unable to agree upon an "impartial, competent, and reputable person to act as arbitrator" the

chairman of the state mediation board will submit a list of three prospective neutrals to each side. Each party may strike one name from the list. Should two names remain, the chairman of the mediation board will select the neutral from the remaining two names. Should only one name remain, that individual is the designated neutral.

The impartial arbitrator will be designated as the chairman and call a hearing to begin within 15 days. The panel will list the evidence, and arrange for an accurate transcript of the proceedings. The expenses are borne equally by the two parties and the state, and, unless an extension is agreed to, hearings will conclude within 30 days.

The arbitration panel is empowered to administer oaths and subpoenas to witnesses and have them enforced in Circuit Court. The panel will render a decision within 30 days of the hearing's conclusion unless an extension is agreed to by the parties.

The panel, in rendering its verdict is required to consider the following factors in its findings, opinions and orders.

> (a) The lawful authority of the employer.
> (b) Stipulations of the parties.
> (c) The interests and welfare of the public and the financial ability of the unit of government to meet those costs.
> (d) Comparison of the 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:
>
> (i) In public employment in comparable communities.
>
> (ii) In private employment in comparable communities.

> (e) The average consumer prices for goods and services, commonly known as the cost of living.
> (f) 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.
> (g) Changes in any of the foregoing circumstances during the pendency of the arbitration proceedings.
> (h) 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.

The order is enforceable in Circuit Court and fines of up to $250 a day can be assessed against a recalcitrant employer refusing to comply with a proper finding of the arbitration panel. Judicial review is allowed only in cases of a panel exceeding its authority, issuing an order unsupported by the evidence, or evidence of fraud or collusion.

The Act requires the terms of the expired contract to be adhered to during the proceedings. It also exempts any disputes under the authority of this Act from any provisions in the Hutchinson Act which may require factfinding.

Amendments to Public Act 312

The Act was amended in 1972 in two important ways. This was due to concerns in the legislature that the law as it was now written did not place a high enough level of importance on voluntary settlements.

The legislature also felt that the arbitrators needed more power in making decisions issue by issue, rather than being limited to choosing between two complete packages.

The power of the Chairman was altered by way of allowing him/her to remand the dispute back to the parties for up to three more weeks of negotiations if he/she felt it would be useful and beneficial to the voluntary settlement of the contract. There was no appeal to this decision and it was binding on both parties.

Secondly, and most importantly, the arbitration format was altered, from "conventional" to last-best-offer-by-issue, in the area of economic issues from "conventional" to last-best-offer-by-issue. Instead of having to select one party's entire package, the arbitrator was now required to choose issue by issue, basing his/her decision on the most reasonable "last best offer" of each side. Noneconomic issues remained to be decided through "conventional" arbitration.

To summarize the basic requirements of Public Act 312: It is intended strictly for use by police and fire personnel, as well as some other related emergency personnel. The basic premise of the Act is to provide for compulsory binding arbitration in the area of economic demands, while maintaining conventional arbitration in noneconomic issues. This type of dispute resolution is offered in lieu of allowing their respective groups to engage in legal strike activity, or be subjected to a "take it or leave it" approach to collective bargaining.

The Michigan Employment Relations Commission's Role in Public Act 312

The Michigan Employment Relations Commission (MERC) has been charged with administering Public Act 312, while also being severely limited in how it may actually influence the process. Once the Commission receives a request to invoke Public Act 312, it must first require that the mediator state that negotiations have been conducted in good faith, and further negotiations will not result in a negotiated settlement. The Commission will then select three possible arbitrators from their list and send the names to the opposing parties.

Each party will then have the opportunity to strike one name from the list, leaving one name remaining. This individual will then assume the position of chairman of the tripartite panel. Should both parties strike the same name, the Commission would then select the Chairman. With this done the Commission is then temporarily removed from the process and the Chairman assumes control of the proceedings.

The Act has continued to evolve by way of amendments on an almost continuous basis. The legislature in March, 1975 extended the Act indefinitely by repealing the section which required the Act to expire in June, 1975. Subsequent amendments also provided for additional service personnel being brought under control of the Act as well as minor procedural issues.

CHAPTER III

EFFECTS OF PUBLIC ACT 312

A considerable number of studies have been devoted to analysis of the effects of compulsory arbitration on the impact of collective bargaining in the area of police and fire personnel. The studies have analyzed various aspects of behavior as well as problems which are sometimes believed to accompany compulsory arbitration.

During the debates held in state legislatures concerning compulsory arbitration, both proponents and opponents of the legislation questioned whether the existence of the legislation would impair the negotiating process already in place and working relatively well in a large majority of cases. Numerous studies have shown concern for both the subsequent lack of negotiation as well as the subsequent reliance on arbitration for contract resolutions.

Some individuals speaking on the topic felt that the mere presence of compulsory arbitration would cause the parties to suffer a "chilling effect". Negotiators would be less inclined to give and take or arious points and prefer to maintain original, extreme positions on the issues.

The studies have shown it to be important in distinguishing whether conventional arbitration or some form of final offer

arbitration are used to determine the extent of the "chilling effect". Conventional arbitration could be defined as "the required submission of a bargaining impasse to a third party who fashions the award he deems proper on the issues "in dispute" (Feuille, 1975, p. 303).

The "chilling" or deterrent effect could be seen if the parties lost their incentive to bargain in good faith.

> If either party, the argument goes, anticipates that it will get more from the arbitrator than from a negotiated settlement, it will have an incentive to avoid the trade-offs of good faith bargaining and will cling to excessive or unrealistic positions in the hope of tilting the arbitration outcome in its favor. This lack of hard bargaining will occur because of a significant reduction in the costs of disagreement. Not only will there be no strike costs, the uncertainties associated with continued disagreement are reduced because of the usual compromise outcome: the arbitrator gives less than the union has asked for and more than the employer has offered. (Feuille, 1975, p. 309)

Final offer arbitration attempts to increase the costs to the parties by eliminating arbitral discretion. Faced with having the arbitrator selecting one offer or the other, in theory the sides will move closer together and create their own settlement. Peter Feuille (1975) made note of this in reporting his findings on the chilling effect as it relates to final offer arbitration. While Feuille does not actually state a preference between conventional and final offer arbitration, his research does show that final offer arbitration not only negates the chilling effect found in conventional arbitration, but also reduces the number of issues to be decided by the arbitrator.

> Arbitration awards as a proportion of all settlements in the final offer jurisdictions, are lower than the comparable award proportions in the conventional jurisdictions: ...This information suggests that under final offer procedures with entire package selection the parties reduce the number of disputed issues and hence move closer to a greater extent than occurs under conventional arbitration and under final offer procedures with issue by issue selection. (Tables 1 and 2)

Feuille is careful to note that the particular form chosen by the policy makers should reflect the priorities they have established and what they expect the law to accomplish.

> First, final offer arbitration procedures appear to do a somewhat better job of producing negotiated agreements than do conventional arbitration procedures. If policy makers place a higher priority on negotiated agreements than on imposed awards, the implication is that where arbitration is deemed necessary final offer procedures should be implemented instead of conventional ones. However, if policy makers are indifferent between negotiated and imposed outcomes, there is no reason for them to prefer the final offer process. Second, different bargaining behaviors may result from different selection decision rules. Package selection increases the "all or nothing" risk of not reaching a negotiated agreement on all the issues; issue selection decreases the risk attached to not reaching agreement on any particular issue. However, the preferred selection rule cannot be specified without first knowing the policy makers' priorities (e.g., to maximize the incentive to move together, to minimize the chance of inequitable arbitration awards, etc.). In short, the normative conclusions that people reach about the existence and shape of final offer arbitration procedures will depend on the priorities they attach to various outcomes. (Feuille, 1975, p. 309)

Charles Feigenbaum (1975) agrees with Feuille on the potential for the "chilling effect" to affect negotiations in cases of interest

arbitration, but concludes that the final-offer approach is not the solution. After examining awards in Michigan, Wisconsin, Eugene, Oregon and Indianapolis, Indiana. Feigenbaum made two conclusions.

Mediation and further negotiations must be allowed and encouraged even after the arbitration process is invoked. By allowing this, as well as giving the arbitrator greater flexibility in making the award, parties would be encouraged to arrive at a negotiated settlement. This should also lend itself to the rendering of a quality decision should a negotiated settlement be unattainable.

Lipsky and Barocci (1978) studied the "chilling effect" in Massachusetts from the perspective of pre-law and post-law periods. The pre-law period encompassed the years of 1972-1974 while the post-law period covered 1975-1976 (see Table 3). The number of impasses increased approximately 70%, specifically, fire 157%, police 85% and teachers 33%.

Lipsky and Barocci however exercised great caution in using this to determine the existence or strength of a "chilling effect". They noted numerous changes in the bargaining environment, such as shrinking municipal budgets, increases in unemployment, as well as higher rates of inflation. They believed that an important test was not the number of cases that went to impasse, but rather the number which were completed with a formal award. In Fiscal 1975, less than 9% of all police and fire bargaining units resorted to arbitration. In Fiscal 1976, the figure was only 2%.

Their conclusion was that while final offer arbitration led to a greater reliance on arbitration. it did not lead to a large number of formal awards being issued. The cases were settled at some point in the process before an award became necessary.

Craig A. Olson (1979) made use of recent case studies in an attempt to conclude whether final offer arbitration encouraged good faith bargaining that was obviously "chilled" by conventional arbitration. Using the State of Wisconsin and the years 1973-1977. Olson arrived at a variety of conclusions.

Initially. the assistance of an arbitrator was needed in 35% of all the negotiations. A formal award by an arbitrator was required in only 14% of the cases. The remainder were settled with the arbitrator's assistance prior to the issuance of a formal award.

Olson also examined the number of issues which were involved in the formal award through 1976. It was found that 32% of all final awards had only one issue while 76% had three or fewer issues.

Studies also demonstrated that the use of arbitration in Wisconsin increased four years in a row until it appeared to level off in 1977. Olson believed that the participants had gained experience with the new law and finding it to be no panacea. simply chose to settle without invoking the process.

Studies done in the State of New Jersey by Jeffrey B. Tener (1982) have found positive results in this area. Tener notes that the system of final offer arbitration has "worked well". noting the large number of voluntary settlements without work stoppages. wage increases

seemingly in relation to the cost of living, and little legislative support to repeal the law. The number of formal awards has decreased each year, appearing to prove that the emphasis on voluntary settlements appears to be working.

Robert Emmet Murray (1982) found similar results in his examination that interest arbitration appears to be working well for all parties. Murray states that:

> ...real negotiations during med-arb are enhanced... Interest arbitration represents the beginning of the end. Arbitrators have great authority in their capacity as mediators, and under final offer procedures. the parties are given a definite incentive to modify their bargaining positions. Failure to do so may well mean loss of the entire economic case.

Murray also states that "final arbitration cases are not won, they are lost." It was found that in analyzing awards and interviewing the arbitrators, the least unreasonable offer is selected, not the most reasonable. Arbitrators often chose the least offensive offer, deciding that offers which were too extreme would automatically be excluded. This in turn would lead to more reasonable proposals by the parties because an unreasonable proposal would cause their party to lose automatically.

The chilling effect's true impact is more easily examined by referring to Table 1. The table is divided into two parts, conventional arbitration and final offer arbitration. Two general conclusions can be observed from the data which are presented. Initially, more cases of arbitration requests and decisions are found

TABLE 1

Conventional and Final Offer Experiences Compared

	Proportion of negotiation cases in which arbitration was invoked (per cent)	Proportion of cases which resulted in an arbitration award (per cent)	Period of time	Number of negotiation cases involved
Conventional arbitration:				
(1) Canadian federal government	32	18	1967-74	305
(2) British Columbia schools (teachers)	n.a.	1. 21 2. 31 3. 42	1. 1960-64 2. 1965-68 3. 1969-73	1. 415 2. 333 3. 389
(3) Ontario (Canada) public hospitals	n.a.	1. 15 2. 25	1. 1966 2. 1970	1. 84 2. 153
(4) Pennsylvania public safety	n.a.	1. Approx. 40-50 2. Approx. 33	1. 1968-71 2. 1973-74	Several hundred (exact number unknown)
(5) Michigan public safety	29	19	1969-71	327
(6) Firefighters in several states	37 (estimate)	27 (estimate)	1970-72 (selected years)	Several hundred (exact number unknown)
(7) Minnesota non-profit hospitals	n.a.	19	1947-69	n.a.
Final offer arbitration:				
(8) Michigan public safety	Approx. 25-29	Approx. 10-12	1973-74	n.a.
(9) Wisconsin public safety	Approx. 15	Approx. 10-12	1973-74	More than 300 (exact number unknown)
(10) Eugene (Oregon) city government	55	33	1972-75	9
(11) Major league baseball	Approx. 11	Approx. 6	1974	Approx. 500

Sources for rows: (see following page)

TABLE 1

(continued)

Sources for rows:

(1) John Finkelman, "What's New in Dispute Resolution Techniques," paper presented at the Second Annual Convention of the Society of Professionals in Dispute Resolution, Chicago, November 12, 1974, p. 5.

(2) Mark Thompson and James Cairnie, "Compulsory Arbitration: The Case of British Columbia Teachers," Industrial and Labor Relations Review, XXVII (October, 1973), 12.

(3) Robert J. Hines, "Mandatory Contract Arbitration--Is It a Viable Process?" Industrial and Labor Relations Review, XXV (July, 1972), 536.

(4) Mollie H. Bowers, A Study of Legislated Interest Arbitration and Collective Bargaining in the Public Safety Services in Michigan and Pennsylvania. Ph.D. dissertation, Cornell University, 1974, p. 220; and Mollie H. Bowers, "A Practical Appraisal of Legislated Arbitration in the Public Sector," unpublished manuscript, September, 1974, p. 64.

(5) Bowers, A Study of Legislated Interest Arbitration...., p. 180.

(6) Hoyt N. Wheeler, "Compulsory Arbitration: A 'Narcotic Effect'?" Industrial Relations, XIV (February, 1975), 119. These states (and years) include Michigan (1970-1971), Nebraska (1971-1972), Nevada (1971-1972), Pennsylvania (1970-1971), South Dakota (1971-1972), and Wyoming (1970-1972), so there is some overlap with the data in rows (4) and (5). Unlike the actual count data in the other rows, the row (6) data is based on estimates of the total number of firefighter negotiations in these states during these years.

(7) Bowers, A Study of Legislated Interest Arbitration...., p. 181.

(8) Charles M. Rehmus, "Is a 'Final Offer' Ever Final?" Monthly Labor Review, XCVII (September, 1974), 45; Charles M. Rehmus, "Legislated Interest Arbitration." Proceedings of the Twenty-Seventh Annual Winter Meeting of the Industrial Relations Research Association, San Francisco, California, December 1974 (Madison, Wisc.: Industrial Relations Research Association, 1975), p. 313; and Charles M. Rehmus, "The Final Offer Arbitration Example," PERB News, New York State Public Employment Relations Board, VIII (January, 1975), 2-3.

TABLE 1

(continued)

(9) James L. Stern, "Final Offer Arbitration--Initial Experience in Wisconsin." Monthly Labor Review, XCVII (September, 1974), 40; and Rehmus, "Legislated Interest Arbitration." p. 313.

(10) Gary Long and Peter Feuille, "Final Offer Arbitration: 'Sudden Death' in Eugene." Industrial and Labor Relations Review, XXVII (January, 1974), 196; and Gary Long, telephone conversation, February 24, 1975.

(11) Correspondence from Marvin Miller, Executive Director of the Major League Baseball Players Association, to the author, April 10, 1974.

in areas using conventional arbitration than in areas which use final offer arbitration. This would reflect the perception of more arbitration when the "risks" are perceived as being lower.

Secondly, there are more cases of arbitration in the early years of the law's existence than in later years after the law has been enacted. This would tend to support the premise that both sides of the bargaining table may have tried the process simply to see how they would fare. After finding it to be less than perfect, they returned to negotiated settlements in a larger percentage of cases. In the area of final offer arbitration in the public sector, it is noted that approximately 10% of all negotiations in which arbitration had been invoked ended in an arbitrated settlement.

The "chilling effect" as it relates to Michigan has yet to be addressed directly. One could assume Michigan's experience would parallel those experiences of other states such as Wisconsin and New Jersey, with similar legislation and populations. This is a reasonable assumption due to the lack of studies stating findings to the contrary.

Compulsory interest arbitration is also believed to have an impact on the attitudes of the opposing parties. One of the most important considerations in this area deals with the "Narcotic Effect". The Narcotic Effect's basic premise is that the two parties in a labor dispute will come to rely more and more on the arbitration process in place of good faith, hard collective bargaining. In essence, they would become addicted to this easy way out.

With relatively limited information, Hoyt N. Wheeler (1975) attempted to ascertain if there was in fact a narcotic effect on collective bargaining after compulsory arbitration laws were in place. In the study, Wheeler found considerable evidence of the narcotic effect, but did not suggest this was necessarily undesirable in comparison to strikes. Rather, he found that everything is relative, and must be considered in its entirety before reaching conclusions.

> Under compulsory arbitration, an average of 37.3 per cent of the fire fighter negotiations per year in each state resulted in the institution of arbitration proceedings. In those states which had fact finding laws, 21.5 per cent of the fire fighter negotiations went to fact finding. In those states which had voluntary arbitration or both fact finding and voluntary arbitration, only 2.1 per cent of the negotiations resulted in the use of these impasse-resolution procedures...Under compulsory arbitration, an average of 26.8 per cent of fire fighter negotiations per year in each state ended in an award. In fact finding states, 12.9 per cent of the negotiations produced the issuance of a fact finder's report. In states which had voluntary arbitration, or both fact finding and voluntary arbitration, only 2.1 per cent of the negotiations resulted in the issuance of an arbitrator's award or a fact finder's report.
>
> In Michigan and Pennsylvania, both of which had compulsory arbitration laws, an average of 53.9 per cent of fire fighting negotiations per year in each state resulted in the institution of arbitration proceedings. In Illinois, Connecticut, New Jersey, New York, and Massachusetts, which had fact finding laws, an average of only 25.7 per cent of these negotiations per year in each state resulted in the institution of fact finding proceedings. (Wheeler, 1975, pp. 119-120)

While supporting the presence of the narcotic effect, qualifications must be made in regards to all these findings. Wheeler also emphasized that most of the states with compulsory arbitration laws had only recently begun their use of the law. Both management and union alike were simply trying out the new laws to see how they would fare under the new provisions. Neither management or union was at an advantage or disadvantage in this respect.

Both sides had the same information in regards to the process. The unions had felt for a long time that their requests for better wages and working conditions had been kept inordinately below their counterparts in the private sector and had little to lose by going to arbitration. Management would not agree to large wage increases voluntarily and felt arbitration offered them no less than an even chance to maintain the status quo.

Conflicts in Studies on the Narcotic Effect

Thomas Kochan and Jean Baderschneider (1978) found a substantial narcotic effect in the State of New York after the enactment of the Taylor Law, and their evidence showed a pattern of dependence on the process. These same results were later confirmed by Richard J. Butler and Ronald G. Ehrenberg (1981) when they also studied the Taylor Law.

Butler and Ehrenberg differed however in respect to the length of the narcotic effect, in that the narcotic effect may only be "positive" for the first few rounds of negotiations. A positive narcotic effect was defined as the situation in which parties were

more inclined to go to arbitration because of the law's existence, then they would be if the law were not on record. A negative narcotic effect would be defined as when parties would be less likely to go to arbitration because of the law's existence.

Butler and Ehrenberg found that after going through the arbitration process on two or three occasions and having an arbitrator decide against them on critical points and issues, some parties no longer cared for the uncertainties of arbitration. Impasse had become too expensive, and the uncertainty of winning the issue in arbitration proceedings too great.

Butler and Ehrenberg found that some groups merely wanted to test the new law and ascertain whether they could expect a better contract from the arbitrator than from collective bargaining. Finding the results too often to be less than perfect, and considering the costs in time and money, they simply chose to avoid the process in later rounds of negotiations.

In conclusion, both the studies done by Kochan and Baderschneider (1978) and Butler and Ehrenberg (1981) agreed as to an initial positive narcotic effect. Kochan and Baderschneider however maintained this positive effect continued on into later negotiations while Butler and Ehrenberg contended that it diminished significantly.

James R. Chelius and Marian M. Extejt (1985) sought to review and analyze the evidence and counter claims in an attempt to resolve the issue of whether a narcotic effect exists in later bargaining years. Their conclusions supported Butler and Ehrenberg in that, given an

initial period of adjustment to a new law, no positive effects were observed. In addition, only scattered negative effects were observed in later years. Any positive effect at all was limited strictly to the early years and were exaggerated even then.

Harold Newman, Chairman of the New York State Public Employment Relations Board also supported Butler and Ehrenberg's contention. In December, 1982, Newman stated:

> Over the years we have heard the cry repeated with tiresome redundancy regarding the "chilling" or "narcotic" effect that availability of arbitration provides. Last year, in New York, only 18 police and fire fighter cases went to arbitration and they represented 11 percent of the total negotiations involving policemen and fire fighters that took place in 1981 in the state. Furthermore, arbitration awards provided smaller wage settlements for police and fire than those that were achieved by their unions at the bargaining table. Myths die hard, but our statistics are harder still. (Arbitration Journal, December, 1982, p. 8)

The thrust of Newman's statement appears to be clear and concise. The facts at least in New York State do not support any notion of a "chilling" or "narcotic" effect. The mere fact that the "chilling" and "narcotic" effects have received so much attention does not make them important factors in the abstract process.

The narcotic effect can be easily counted by referring to the data in Table 2. In the years of 1969-1971, the median number of issues taken to conventional arbitration was eleven for police and twelve and one-half for fire personnel. In the years of 1973-1974 under final offer arbitration, the number of issues was twelve on an

TABLE 2

Range and Number of Arbitration Issues

	Conventional jurisdictions		Final offer jurisdictions	
	(1) Michigan public safety	(2) Pennsylvania public safety	(3) Wisconsin public safety (package selection)	(4) Michigan public safety (issue selection)
Median or average number of issues taken to arbitration in selected cases	11-police 12.5-fire (median)	6.5 (median)	Approx. 3 (median)	12 (average)
Number of cases included in analysis	at least 63	110	23	14
Period of time	1969-1971	1968-1971	1972-1974	1973-1974

Sources for columns:

(1) Mollie H. Bowers, A Study of Legislated Interest: Arbitration in the Public Safety Services in Michigan and Pennsylvania. Ph.D. dissertation, Cornell University, 1974, pp. 126, 159.

(2) Bowers, op. cit., pp. 209, 213.

(3) James L. Stern, "Final Offer Arbitration--Initial Experience in Wisconsin." Monthly Labor Review, XCVII (September, 1974), 42.

(4) Robert C. Howlett, "Experiences with Last Offer Arbitration--Michigan," paper presented at the annual meeting of the Association of Labor Mediation Agencies, July 31, 1974, p. 4.

average. There was no tendency shown by the two sides to bargain with any less enthusiasm and simply let the arbitrator decide the issues and their decisions for the parties.

The Chilling and Narcotic Effects in Michigan

Specific studies on the impact of compulsory arbitration on negotiations and attitudes in Michigan are difficult to locate. The Department of Labor and the Department of Management and Budget noted in a study entitled Review of Michigan's Compulsory Arbitration Act, Public Act 312 of 1969, submitted May 21, 1979, did attempt to address the issue.

Citing studies by Dr. Charles Rehmus, Chairman of the Michigan Employment Relations Commission, the review finds the availability of arbitration to have little effect on collective bargaining. Rehmus noted that large cities have unique problems such as race, strong politization and a shrinking tax base as the issues which encourage arbitration proceedings.

It was also noted that in a study by Ernst Benjamin entitled "Final-Offer Arbitration Awards in Michigan, 1973-1977," Benjamin noted that the percent of voluntary settlements had in fact increased with the inception of final offer arbitration in 1973. Benjamin however was careful to note that:

Neither party has seen arbitration as a panacea, but (that) does necessarily disprove the view that public management is settling high out of fear of arbitration. However, if arbitration awards were in fact generally pro-union, we would expect an increasing number of union locals to insist on arbitration and this has not occurred.

CHAPTER IV

PROPOSED CHANGES IN PUBLIC ACT 312 BY VARIOUS GROUPS

As with most any law in effect in Michigan today, Public Act 312 has both proponents and opponents. On one extreme, some would prefer to see the groups of workers covered by the law expanded to include other public sector personnel such as teachers and sanitary workers. Others still would prefer to see the law repealed in its entirety. While there appears to be little support for either extreme, there does appear to be some support to amend the law in a variety of ways.

On the one extreme, some municipal officials and researchers are convinced that Public Act 312 is first and foremost unconstitutional, even though the state supreme court has ruled otherwise. They have questioned whether the power of taxation can be surrendered, suspended, or contracted away by any piece of legislation. Questions have also been raised as to whether constitutional powers granted to the cities under home rule have in fact been denied to the cities by this legislation.

Another issue involves whether compulsory arbitration represents an unconstitutional delegation of legislative and executive branch power to private persons as well as whether the Act surrenders to the panel of arbitrators the power to tax. These were in fact the issues

raised in a lawsuit entitled Dearborn Fire Fighters Union Local No. 412, IAFF, v. City of Dearborn (1972). The Michigan Court of Appeals affirmed that the Act was constitutional and the Michigan Supreme Court split 4-4 as to the Act's constitutionality, allowing the Court of Appeals' verdict to stand.

Failing to repeal the Act on a constitutional basis, calls of abolishing the law through the legislative process soon came to be heard. Most of these calls are being heard from the Metropolitan Detroit area municipalities who have perceived themselves as losing far more issues than they have won in the process. There has been almost no public support for Public Act 312's repeal.

With little likelihood of repeal of Public Act 312, what then are some of the more likely changes which may be invoked to "improve" the process? As demonstrated earlier in this paper, there are extremes on both sides as well as a more moderate approach to change.

On the one end of the spectrum, the Michigan Municipal League presented its version of needed changes during its 89th annual convention which was held September 9-11, 1987 in Detroit, Michigan.

The Employee Relations Committee proposed the following amendments:

4. Employee Relations Committee

4-A. Compulsory Arbitration

1. The Michigan Municipal League urges that Act 312 of 1969, the Police-Fire Compulsory Arbitration Act, be amended to:

a) provide for access to the Act 312 procedure only in the event of a true bargaining impasse with a limited number of issues, and so certified by the State mediator;

b) provide for arbitrators with more training and experience particularly with respect to knowledge of local government;

c) provide for an objective system of arbitrator selection from a list of five names;

d) provide for total package final offer, to be irrevocably exchanged by the parties and submitted to the mediator prior to the arbitration hearings with optional procedures for conventional arbitration or issue-by-issue final offer, by mutual agreement;

e) entitle either party to convene a pre-hearing conference or a post-hearing conference of the arbitration panel;

f) require that the arbitration panel not be allowed to issue an award that would increase the cost to the local unit of government without first determining that the local unit of government has the ability to pay such award, whenever such ability to pay is disputed;

g) require that the Michigan Employment Relations Commission review, within a specified time limit, each Act 312 arbitration award to assure that it is in compliance with Act 312; and

h) require that the Michigan Employment Relations Commission publish, at State expense, all Act 312 awards and make them readily available to the public.

2. The Michigan Municipal League urges the Michigan Employment Relations Commission (MERC) to promulgate and adopt formal rules and regulations regarding the administration of P.A. 312 of 1969. Such rules and regulations should include:

a) minimum standards for the appointment of arbitrators to MERC's panel of Act 312 arbitrators.

b) a procedure for the training requirements of Act 312 arbitrators.

c) an objective procedure for the selection from the panel of arbitrator nominees for individual cases.

d) the right of either party to reject the first list of arbitrator nominees selected by MERC.

e) a requirement that the biographical sketches on the arbitrators include more information including a record of the cases in which the arbitrator has previously served as a neutral in disputes involving Michigan public jurisdictions.

f) a provision that, if requested by either party to an Act 312 arbitration, a pre-hearing conference is required and a post-hearing conference of the arbitration panel is also required in order to clarify the issues and expedite the process.

g) a requirement that the last best offers of the parties contain the specific language of the proposed contract section or sections and that the arbitrator include the specific contract language in the award.

h) a provision that MERC will designate ad hoc mediators, when selected by the parties, to expedite the settlement of disputes.

i) procedures to ensure that the time limits of Act 312 are followed.

Upon initial examination, the amendments appear to be quite limited in nature when the existing legislation is so much more extensive. Some of the changes have drawn little opposition, while still others have enjoyed wide support. Some are already in the present law, but in different words with more or less emphasis than is now suggested in the amendments.

Few from either side of the bargaining table would argue with any of the first five items (a-e) found in Section 1. Everyone would prefer a bargained settlement instead of any awarded settlement, but should an awarded settlement be the only way to resolve an impasse,

the award should be made by an individual with sufficient knowledge and expertise in the area to decide the issues intelligently. Raising the number of prospective arbitrators from three to five should also cause no particular advantage for one side over the other side.

Section 1d providing for total package final offer to be irrevocably exchanged and submitted before arbitration is a substantial change from the present form now used in arbitration hearings. It does not appear to be tilted in favor of one side over the other side and also allows for optional procedures to be used if both parties agree.

Some scholars such as Charles M. Rehmus, who is a strong advocate of the Med-Arb system, would surely have serious reservations with this point. Rehmus as well as others are strong believers in both sides being allowed to modify their positions as the hearing progresses, thereby increasing the chances of a negotiated settlement.

Giving either party the right to a pre-hearing or post-hearing conference of the arbitration panel should cause little disruption or time delay. The pre-hearing conference could help in avoiding arbitration in the present dispute, while a post-hearing conference could help in avoiding arbitration during the next round of negotiations.

Section 1f however is a radical change from the present law. This would significantly change the "ability to pay" question and place the burden of proof on the panel to prove the municipality has the ability to pay the award. By merely raising the issue, the

municipality appears to be off the hook in being required to provide further information.

As early as 1980, the issue of ability to pay and its various criteria were already being examined. Dr. Charles T. Weber concluded that: "... lack of ability to pay is generally not absolute, but relative." Therefore, while acknowledging that the ability to pay should not necessarily lead to unlimited pay increases, it was also noted that:

> When citizens refuse to vote to assume the burden required to pay their employees a "fair wage," it is not the ability, but the will to pay that is lacking and should not be allowed as a defense in arbitration nor accepted in negotiations. (Weber, 1980, p. 220)

In addition, Weber also notes that potential sources of funding could be inadequately utilized, therefore hurting the municipalities' ability to pay (p. 220).

Howard G. Foster (1984) concurred with the study done by Weber and also added more specific difficulties the arbitrator could be faced with inability to pay questions.

Foster states:

> More specifically, it is submitted here that a neutral cannot incorporate the ability to pay standard into his decisional matrix without making judgments about the appropriate level and character of public services in a community. I strongly suspect that most citizens in the community would be wholly unwilling to defer those judgments to him or her if presented the choice in any other context. I also suspect that the vast majority of legislators who have voted for factfinding and arbitration procedures had no intention whatever of permitting outsiders to make

> such judgments about the provision of public services. Yet, in specifying ability to pay as a criterion in wage determination, they have effectively thrust that very responsibility on the outsider. (pp. 123-124)

It would also seem logical to assume that the union's panel member and the neutral chairman would be the two members to vote for the increase. Where would they obtain the information if they were to be the ones to justify the raise, as to justifying a lower raise. Should the employer choose, they could certainly transfer money from one part of the budget to another and then claim not to have the necessary funds. An accounting firm would have to be employed should the burden of proof be placed on the neutral and union panel members.

Trying to consider this issue and keeping past court decisions in mind, especially those involving any constitutionally mandated legislative and administrative functions of duly elected and appointed members of the governmental unit, additional questions would now be placed on the arbitrator. Foster believes the following questions would have to be raised by the arbitrator.

> Can the community reasonably be asked or required to devote more of its wealth to the provision of police services? Is the community already taxing itself at a level beyond which further taxes may be deemed excessive? Can the community reasonably be asked or required to increase its allocation to police services at the expense of other services? Can the community reasonably be asked to reduce the level of police services in order to pay higher wages? Would protection in that event be adequate? ... (Even if the community cannot tax itself more, why can it not relegate garbage collection to private contractors in order to raise police salaries, or simply employ fewer police offers?) Even here, moreover, the

> constitutional limit itself may not be an absolute one, as where the citizens are empowered to exceed it by referendum. (p. 125)

As noted in 1980 by Dr. Weber:

> Certainly further legislative experimentation of this type is warranted if we are to provide fair compensation to our public workers and still avoid disruptive strikes. (p. 220)

The ability-to-pay question was also addressed in some detail in a review of the Compulsory Arbitration Act by the Department of Labor and Department of Management and Budget (1979). While none of the factors considered by the arbitration panel are mandated to be given more weight, it is generally thought that comparability, cost of living and ability to pay are the three most important factors.

The report states:

> The statute does not allow the arbitrator to look at the whole universe of other employee groups and their needs, capital expenditure needs, programmatic improvements and the like, which city officials must deal with. To do so would allow arbitration panels to take over all the legislative and budgetary functions of elected officials. (p. 48)

The report also finds fault with the lack of attention to political considerations in the ability to pay arguments. Commission member Ellman stated:

> The parties that have been negotiating politically over a period, we assume, want an arbitrator in the final analysis to make a political decision and get them both off the hook, if possible. (p. 48)

Because of political considerations, the settlement could not be voluntarily negotiated, but arbitration awards get both parties "off the hook" with their respective constituencies.

The report further coincides with Weber's essay in stating:

> Unwillingness to pay should not be confused with inability to pay. The statute does not require the panel to consider unwillingness to pay because other programmatic areas and budgets might then need to be revised. Value judgments about the desirable levels of other public services are not required to be made by the arbitrator. The arbitrator is only statutorily prescribed to determine the issue before him. If management does not argue an absolute inability to pay and does not present evidence to support that claim, then the arbitrator must assume an ability to pay. In fact, as Dr. Rehmus has said, the argument of absolute inability to pay is rarely made by management. (pp. 51-52)

The review found that the arbitrators did in fact consider the governmental unit's ability to pay and found no cause to provide additional weight to this particular provision. It also found that the burden of proof in regards to the ability to pay belonged on the governmental unit because the knowledge is not readily available to the union.

Sections 1g and 1h should provide for relatively little controversy in requiring the Michigan Employment Relations Commission to both review the award for compliance with the law, as well as publishing the award so it is generally available to the public. Both sides, as well as the public, are entitled to know that the laws are being properly administered as well as seeing how the laws worked and were applied in specific cases.

Sections 2a and 2b requiring minimum standards as well as training requirements should greatly improve the process for all concerned. An extremely competent arbitrator will not only provide improved and more justifiable awards, but will also be able to do so in a much shorter time frame.

Allowing for either side to reject an entire list of proposed neutrals should also create no undue hardships on the participants. However, if one side were to reject the first list, then certainly the other side should be able to reject the second list. Some type of limit would have to be placed on the number of rejections each side could employ. More specific biographical sketches on the arbitrators should also propose no specific problems as long as both sides are provided with identical material.

Sections 2f, 2h and 2i are of similar nature and address a real, rather than perceived problem in the compulsory arbitration process. The stated public policy placed a high level of importance on not only resolving disputes, but in doing so "expeditiously". Most awards take up to a full year and some longer than a year. All groups involved would like to see the time from the beginning of the hearings to the time of the award shortened. This however should not be done at the expense of allowing every conceivable chance for a negotiated settlement to occur.

The proposals of the Michigan Municipal League are obviously tilted towards management's perspective of the issues. Perhaps a more middle of the road approach regarding Public Act 312 was issued on

May 21, 1979 by the Department of Labor and Department of Management and Budget. The review was conducted in response to Governor Milliken's 1979 State of the State Address which directed the two departments to thoroughly review Michigan's employment relations statutes and then recommend proposed revisions.

The review involved almost 80 pages of observations and recommendations, some of which were later adopted in the form of amendments to the Act. It also provided a short summary of the relatively new law.

Early in the review, it was stated that in order for the review to be attempted, the premise that was initially made by the legislature that a strike involving public safety personnel such as police and fire personnel is always more costly to society when compared to the costs of an arbitrated settlement must be accepted (p. iv). While this policy judgment could be questioned, and will be at a later point, it is the foundation of the review.

Legislative Recommendations

The first point the review considered was allowing the Michigan Employment Relations Commission to remand any dispute back to mediation and collective bargaining as many times as they chose to do so. The rationale involved here was this amendment would nullify any "chilling" or "narcotic" effects which have been previously discussed (p. iv). This point has yet to be adopted.

The second major point of the review involved a variety of points in relation to maintaining a complete transcript and written award for each arbitration proceeding. The State would assume the costs and publish the arbitration awards on a regular basis. It was felt this would assist in achieving more equitable awards, as well as achieving a level of peer review. These provisions have only been partially implemented (pp. v-vi).

A final major legislative recommendation parallels the recommendation of the Michigan Municipal League previously discussed. The review also felt there was a need for at least a pre-hearing conference to determine certain issues and try to resolve as many issues as possible before convening the hearings (p. vii).

Administrative Recommendations

As early as the release of this report, minimum requirements for arbitrators were seen as necessary, which was seen as a way of increasing the availability of competent arbitrators (p. vii). This same point is still being made by the Michigan Municipal League.

The review is supported by the League again in trying to formulate rules which will lead to more expeditious award decisions. Both find no fault with the parties or the arbitrator, but rather just the system itself. Periodic reporting is seen as a possible solution to this dilemma (p. viii).

There was also a discussion of raising the arbitrator's fees to deter the parties from proceeding to arbitration. It was found

The second major point of the review involved a variety of points in relation to maintaining a complete transcript and written award for each arbitration proceeding. The State would assume the costs and publish the arbitration awards on a regular basis. It was felt this would assist in achieving more equitable awards, as well as achieving a level of peer review. These provisions have only been partially implemented (pp. v-vi).

A final major legislative recommendation parallels the recommendation of the Michigan Municipal League previously discussed. The review also felt there was a need for at least a pre-hearing conference to determine certain issues and try to resolve as many issues as possible before convening the hearings (p. vii).

Administrative Recommendations

As early as the release of this report, minimum requirements for arbitrators were seen as necessary, which was seen as a way of increasing the availability of competent arbitrators (p. vii). This same point is still being made by the Michigan Municipal League.

The review is supported by the League again in trying to formulate rules which will lead to more expeditious award decisions. Both find no fault with the parties or the arbitrator, but rather just the system itself. Periodic reporting is seen as a possible solution to this dilemma (p. viii).

There was also a discussion of raising the arbitrator's fees to deter the parties from proceeding to arbitration. It was found

however that the parties rarely used cost as a major consideration in deciding whether or not to go to arbitration. It is believed that by raising the costs, financially deprived communities and small unions would be unable to use compulsory arbitration because of an inability to pay.

The review also discussed limiting the number of issues placed before an arbitrator. It was found however that in contracts being negotiated for the first time, this would be impractical. No consensus could be reached on how many issues should in fact be allowed (p. 20).

Total package last offer was also rejected for a variety of reasons. Supported by some because it would limit the number of issues taken to arbitration, the premise was unanimously rejected. The panel found that the party who believed they were the most reasonable on the major issues would "slip" several other issues into their proposal that they would have no hope of winning through negotiation or arbitration. Arbitrators in Wisconsin criticize the whole package approach because it in effect causes them to choose between two unreasonable offers (p. 41).

In conclusion. the review of the act found no evidence that collective bargaining was adversely affected by the mere presence of Public Act 312. After looking at numerous cases and examples, it was found that large cities and municipalities have special labor problems which in and of themselves often lead to the use of compulsory

arbitration. These often involve issues of "ability" or "willing" to pay issues.

The review also found that last best offer by issue resulted in far more voluntary settlements than total package of conventional arbitration. It also found no evidence of "excessively high" arbitration awards because voluntarily negotiated settlements are usually given greater weight by arbitrators in forming their awards.

CHAPTER V

MAJOR ALTERNATIVES TO PUBLIC ACT 312

The previous discussions have generally dealt with changing or emphasizing specific points of the existing law. The manner in which Public Act 312 is administered in Michigan is only one of many ways that labor disputes are dealt with in police and fire services in both the United States and Canada.

Pre-1969 Model

An alternative to Public Act 312 supported by some public administrators and political scientists involves the total repeal of Public Act 312, allowing "essential service" public employees to be treated the same as other public employees such as school teachers. Strikes would continue to be outlawed and there would be no binding impasse resolution method.

This is not as an unreasonable proposal as it might first appear. It is important to remember that more than 95% of all labor disputes in the area of "essential services" were settled without the use of strikes or compulsory arbitration proceedings. This was one of the main arguments against Public Act 312 during its legislative hearings prior to 1969.

All other public employees are required to confine their impasse resolution remedies to nonbinding alternatives such as mediation and factfinding. While mediation has always been used in labor disputes involving police and fire personnel, factfinding appears to have been ignored as a possible alternative.

No studies were found that proposed the idea of eliminating the mediator from the process of assisting the opposing parties to reach agreement. A mediator has often proved to be instrumental in improving communication between the two parties and moving contract negotiations somewhere off dead-center.

Referendum Model

In order to take the pressure off themselves to negotiate a contract, some municipalities have instituted referendum procedures to settle contract disputes. J.L. Matthews and J.B. Helburn (1980) conducted a study on using a vote of the people as an alternative to collective bargaining and/or arbitration.

Using the State of Texas for an example, research found that the idea of allowing collective bargaining issues to be settled by a vote of the people has been in use since 1947. Legislation passed in 1973 provided for collective bargaining by police and fire personnel only after a vote of the local electorate. This is yet to become widely used as only eight cities have adopted the premise of collective bargaining.

Matthews and Helburn found interesting results in the use of the referendum procedure. Employee groups prevailed in almost 75% of the elections concerning levels of pay and hours of work. The only area where the employees lost an issue more than 50% of the time was in the area of wage parity between police and fire personnel (see Table 3).

TABLE 3

Referenda Results by Issue

Issue	Passed	Defeated	Percent Passed
Hours	2	1	66.7
Civil Service	10	3	76.9
Fire and Police Pay Raise	14	5	73.7
Fire Pay Raise	4	1	80.0
Pay Parity	10	13	43.4

Matthews and Helburn, 1980, p. 99

Employees in smaller and/or less affluent municipalities also seemed to fare as well, or better than their counterparts in larger and more affluent areas. Results ranged from 83% passage rate in cities below 25,000 in population to 57% in cities with a population over 250,000 (Table 4). Cities with per capita income of less than $2,000 approved 85% of all elections for pay raises while cities with

per capita income of $3,000 or more approved almost 54% of all elections (Table 5).

TABLE 4

Referenda Results by City Size

City Size	Passed	Defeated	Percent Passed
Under 25,000	5	6	83.3
25,000-99,000	21	30	70.0
100,000-249,999	5	8	62.5
250,000+	4	7	57.1

Matthews and Helburn, 1980, pp. 99-101

TABLE 5

Referenda Results by Per Capita Income

Per Capita Income	Passed	Defeated	Percent Passed
-2,000	6	1	85.7
2,000-2,999	22	31	71.0
3,000+	7	13	53.8

Matthews and Helburn, 1980, pp. 99-101

Matthews and Helburn also point out that the use of the referendum has almost become nonexistent. They state that:

> In all of the nonbargaining situations, the threat or actual use of the referendum remains one means by which firefighters and police might attempt to gain improvements in pay and working conditions. (p. 103)

The most recent example of the referendum cited was in August, 1978. Prior to the election, there had been widespread local publicity about the city's ability to hire and retain the desired number of police officers due to a low pay scale. A record turnout of almost half the registered voters approved a 48% pay raise by more than a two-to-one margin (p. 103).

Matthews and Helburn conclude their study by stating:

> ...It is possible that city governing bodies have generally provided acceptable pay and working conditions rather than take the chance of provoking referenda either on these aspects of employment or on collective bargaining rights. (p. 103)

In light of these findings, referendum, in some form may provide a solution to some of the collective bargaining difficulties found in the public sector.

Legal Strike Model

The Michigan Municipal League, along with some public administrators have argued that police and fire personnel should be allowed to strike when they feel negotiations have become meaningless. Some administrators have argued that they end up with more help in

these areas than they originally had by invoking mutual aid pacts with surrounding communities, as well as county and state service organizations.

The review in 1979 of the Compulsory Arbitration Act by the Department of Labor and Department of Management and Budget attempted to deal with this issue by proposing a limited right to strike, compulsory arbitration and the public interest by using political pressure in lieu of economic pressures found in the private sector.

In the proposal, strikes are declared legal for all police and fire personnel providing the following conditions are followed. The Court of Appeals could issue a back to work order after a finding that the public health and safety were being subjected to irreparable harm. With the granting of an injunction, the arbitration process would then be invoked automatically (p. x).

This proposal appears to be a workable model, but in all likelihood, would simply postpone arbitration hearings a few extra days. It would be almost a given that a strike of any length by police and fire personnel would subject the citizenry to irreparable harm. The right to strike, given these conditions, would not only be very restricted, but quickly and easily eliminated.

What may be an alternative to both the review's option as well as Canada's option is found in Minnesota and Wisconsin. In these states, the arbitration process is the same in general as it is in Michigan. However, should the municipality reject the award of the arbitrator, police and fire personnel can then legally strike.

This allows for two things to occur. Initially, municipalities have the option of rejecting an award they feel may be excessive. They are under no legal obligation to accept the award for whatever the reasons. A strike by police and/or fire personnel subsequent to the rejection would also appear to put public sentiment on the side of the worker and in turn put political pressure on the official(s) who rejected the arbitrated terms.

While some form of striking or withholding of services is legally permissible in at least a half dozen different geographic areas, the literature also suggests that there is little support among members of the general public to allow strikes or work slowdowns by any public employee, especially police and fire personnel.

This is an option that could be employed should the legislature choose to vote against the wishes of a large percentage of their constituency. They would certainly be supported by the Michigan Municipal League and some public administrators. Opposition would certainly arise in other groups such as police and fire unions and arbitrators, mediators and factfinders professional associations.

Factfinding Model

Jack Steiber and Benjamin W. Wolkinson (1977) examined Michigan's experience with factfinding and found that, outside of the educational field, factfinding has been almost nonexistent. Factfinding can be useful, in some instances, in bringing pressures to bear on the parties to accept the factfinder's conclusions. This of

course is not always the case as political pressures require both an informed and politically active public, which is rarely the case.

William R. Word (1974) found that the two opposing parties often used the factfinder's report as a point at which to begin bargaining. Word also concluded that factfinders must be given a greater degree of flexibility than they are presently granted in terms of mediating a labor dispute.

In light of these conclusions, the failure to use factfinders outside of the educational field may be a mistake, especially if they are given the flexibility to mediate as well. Factfinding, while not offering a sense of finality, could play an important role in bringing about a negotiated settlement instead of an awarded settlement.

The role of the factfinder could be made a much more important one if their findings on each of the issues were allowed to be chosen by the arbitrator as the actual award. This would of course necessitate a change in the arbitration procedures presently used so the arbitrator would have three offers to choose. There does exist the possibility of the arbitrator just using the factfinder's report as his decision and ending up with a process of binding factbinding.

This may indeed be the situation, but the arbitrator would be under no obligation to adopt the factfinder's position. There also exists the possibility that the two sides may adopt the factfinder's report as the settlement and simply avoid further negotiations or arbitration. If not adopted in its entirety, the factfinder's report

could be used to reduce the number of issues ultimately arbitrated by finding a middle ground in some areas.

Daniel G. Gallagher and M.D. Chaubey (1982) studied the issue of tri-offer arbitration as it is practiced in Iowa. Factfinding is mandated as an intermediary step between mediation and final offer arbitration. The factfinder proposes a final offer which he believes to be reasonable and fair. The arbitrator is then free to choose either the union's proposal, management's proposal or the factfinder's proposal (pp. 129-130).

Gallagher and Chaubey arrived at two basic conclusions in their research. Initially, they found that parties proceeding to tri-offer arbitration from factfinding made only limited changes if any at all, in their initial positions. They suggest. in a critical manner, that the parties had little to lose by maintaining a constant position. The participants felt the arbitrator would, at worst case, award the factfinder's opinion, and by standing firm, they had at least a chance of a "perfect" solution to the issue (pp. 145-146).

Secondly, arbitrators are likely to affirm the solutions proposed by the factfinder, hence factfinding could be turned into de facto conventional arbitration. The actual arbitration proceedings would then be conducted in a type of "appeal process." Each side would then be placed in a position of trying to convince the arbitrator that their position alone is the correct position (pp. 146-147).

MED-ARB Model

The concept of integrating mediation and arbitration, often referred to as MED-ARB, has received a great deal of attention in both the literature and studies. The concept is a relatively simple one in that the same person is both a mediator and an arbitrator in the case, should the case require arbitration. Most municipalities appear to place the emphasis on mediation rather than arbitration. This shows the preference for negotiated settlements over arbitrated and awarded settlements.

It has been hypothesized that the neutrals would be in a much stronger position to mediate if they also had the final authority of arbitration behind them at the same time. As Charles M. Rehmus (1982) noted:

> Even casual reflection demonstrates that any med-arb process usually gets settled short of arbitration. The parties are almost forced to go along with their mediator's suggestions, for failure will ordinarily result in an eventual order to do so. More important as a value in such a process is that the parties often participate in the outcome, challenging the arbitrator to justify and explain settlements suggested or compromises proposed. (p. 6)

While a number of states use MED-ARB in some form, the states of New Jersey and Wisconsin appear to use it in its most ideal forms. They also have the unenviable task of trying to locate competent individuals to serve in these important positions. Harold Newman, Chairman of the New York State Public Employment Relations Board, stated in 1982:

> I am not masochist enough to seek a role as a mediator-arbitrator. The med-arbiter must have a kind of sixth sense about how far to go in mediation before putting on the arbiter's cap. The process is a minefield. (p. 7)

Jerome H. Ross (1982) concurred with Newman when he made the following observations of the risks involved in the process.

> Although mediators and arbitrators are both in the business of resolving disputes, some successful arbitrators do not possess the skills, abilities and characteristics to effectively function as mediators, and the converse is true for mediators. Med-arbiters must be able to gain the trust and respect of the parties in a negotiating setting, especially where their presence has been mandated by an outside administrative agency. This requires an understanding of contract negotiations, a sense of timing, and the ability to induce the parties to change their positions through reasoning and persuasion. In addition, where mediation techniques prove unsuccessful, the med-arbiter may be required to make face-to-face, on-the-spot decisions after providing the parties with an opportunity to fully present their arguments. Mediators and arbitrators, by virtue of a need to maintain their neutrality and acceptability, are well aware of the risks attendant to functioning in the emotion-laden atmosphere of contract negotiations. Because of the high visibility of contract negotiations, neutrals must consider the potential effects of their involvement in a med-arb proceeding on their continued acceptability to the labor and management communities. (Newman, 1982, p. 7)

James L. Stern (1984) notes that MED-ARB is not without its own shortcomings. The principle difficulty appears to be with the personality of the mediator. It was found in Wisconsin that the mediation success rate ranged from 42% to 100% in a six person sample (p. 45). Stern noted that:

> The parties usually know which mediator-arbitrators press them hard in mediation and which do not. Therefore, in picking their mediator-arbitrators, those who do not want to be mediated select mediator-arbitrators who are not known to mediate actively, and vice versa. This aspect of the selection process probably contributes more to the explanation of the wide variation in the mediation success rate of mediator-arbitrators than the relative difficulty of the cases they encountered. (p. 45)

A number of situations can arise in MED-ARB which could lead to difficult mediation or an arbitrated award. If one side is extremely confident of winning the issue or is defending a basic philosophical point, settlement will be difficult at best. Little room for flexibility and emotional negotiators also complicate negotiations (pp. 44-45).

But MED-ARB can be successful if the following ideas are adhered to in a consistent manner. Making counteroffers a rule is a good start to keeping negotiations moving. Making each side support its position and using time as an ally can also lead to a mediated settlement. The main tenet to be adhered to at all costs is to not give up because the first impression is that this dispute just can't be settled (p. 45).

New Jersey Model

On January 1, 1978 New Jersey joined the growing number of states that provided some form of interest arbitration to its public employees. The statute, known as Chapter 85, allows for six acceptable procedures such as (1) conventional arbitration, (2) final

offer arbitration as a package, (3) final offer arbitration on an issue by issue basis, (4) final offer arbitration on a package basis with the recommendations of the factfinder as a third choice, (5) final offer arbitration on an issue-by-issue basis with the recommendations of the factfinder as a third choice on each issue, and (6) final offer arbitration on a package basis for economic issues and on an issue by issue basis for noneconomic issues (Tener, 1982, p. 9).

It is also emphasized that other procedures are acceptable if mutually agreed to by both sides. Should no agreements exist as to form, economic items are decided on a final offer package basis, while noneconomic items are settled on an issue by issue basis (Tener, 1982, p. 9).

According to Table 6, the number of petitions filed to invoke interest arbitration was relatively constant in the first four years of the law. The actual number of arbitrators assigned also remained the same. The number of awards however has been reduced dramatically from 103 to 65. As Tener notes:

> ...these figures do cast doubt upon the applicability of the narcotic effect or the chilling effect in New Jersey with its form of final offer arbitration. (p. 12)

Tener's impression after reviewing the arbitration awards is that three statutory criteria are the most important factors in arriving at decisions: "Comparability, changes in the cost of living, and ability to pay, with comparability serving as the benchmark or central factor" (p. 12).

TABLE 6

Utilization of Interest Arbitration in New Jersey

FY Year	Petitions Filed	Arbitrators Assigned	Awards Issued
1978	210	181	103
1979	225	182	76
1980	224	173	66
1981	219	173	65

(Tener, 1982, p. 11)

Tener concludes his article in a very supportive manner of New Jersey's interest arbitration law.

> It appears as though the system has worked well in New Jersey. There have been very few work stoppages since the law's effective date. Wage settlements do not seem excessive in relation to increases in the cost of living. There has been no great clamor to repeal the law, although employers sometimes publicly oppose it and unions sometimes express a public preference for conventional arbitration. The number of awards has decreased over the first four years, indicating that the parties not only are not becoming dependent upon awards in order to achieve contracts but that, within the framework of the law and its encouragement of voluntary settlements, the parties are increasingly successful in working things out in a mutually acceptable fashion. The final offer arbitration advocates and theoreticians would be satisfied. (p. 12)

The process is obviously not perfect, but there are undoubtedly few laws or procedures which will satisfy everyone. Rigid final offer

rules discourage arbitration because of the high costs, but also allows for some injustices to creep into the final contract.

Rehmus (1982) also espoused the virtues of mediated settlements by adopting "open and flexible arbitration proceedings that encourage changes in offer" (p. 6). Certain values can be elevated above others depending on the values of the public and the parties involved. Rehmus concludes:

> My own preference is for quasi-mediated settlements, but I concede that other parties have legitimate preferences and goals different than mine. Personally, I cannot forget that as a nation we are committed to the utmost in voluntarism in labor relations. We assert that voluntary agreements between labor and management are preferable to any kind of imposed settlement. If that is the case, I prefer to retain as much voluntarism as possible, even within the process of binding interest arbitration. (1982, p. 6)

The principle may be known as MED-ARB, but the emphasis clearly is on the mediation aspect with the arbitration aspect used only as a last resort.

This description of six possible alternatives to the present model employed in Michigan is not intended to cover every possible option which is available. It is however a short composition of some of the more workable options which have enjoyed varying degrees of success in other states. Once the values of the public, legislature, and participants are known, the legislation could then be amended to reflect these beliefs. It can also be concluded that any one of the alternatives or combinations chosen will have both opponents and proponents depending on how they view the process as affecting them.

CHAPTER VI

ECONOMIC CONSIDERATIONS CONCERNING PUBLIC ACT 312

As the various positions of proponents and opponents of Public Act 312 have been examined to this point in the thesis, charges and countercharges have abounded. Supporters of the Act point to almost nonexistent work interruptions as well as the perception that arbitrators split the award so that each side "wins" and "loses."

Opponents of the Act have taken the opposite point of view by stating that police and fire personnel and their unions have literally held municipalities and taxpayers hostage in obtaining exorbitant pay increases. They have asserted that the unions have taken this bargaining approach because they have nothing to lose by doing so.

With these opposing claims so well defined, the question remains, has the law allowed for certain municipal employee unions to enter into collective bargaining negotiations with an unfair advantage over the city administrators?

Some limited studies have been done on the topic of how compulsory arbitration may have affected wage increases. Most have chosen to pursue the issues of negotiated versus arbitrated settlements with little time actually spent on actual wage increases.

Some other studies which have been done are in my opinion flawed in many respects and need further investigation.

In carrying out this analysis, the relevant studies with which I am in agreement will be presented first to facilitate discussion. Few persons would disagree that the Michigan Municipal League has consistently opposed certain provisions of Public Act 312 and has consistently called for amendments to the Act. The fact which is interesting to note is that the League's study in 1980 found that the arbitrator did in fact often divide up the award by giving the union most of the wage increases they requested but denying them other economic requests.

Consider the fact that the unions received 57% of their requested wage increases while losing more than 50% of their other economic requests. Dr. Ernst Benjamin states the number of union requested increases granted to be closer to 60%, but qualifies even this by stating:

> It is correct, though of doubtful significance, to state that first year salary increases are higher than the mean statewide salary increase

but

> contracts tend to be front-loaded: that is to provide greater increase to base in the first year. If we assume an average contract length of two years, awards of 10% in the first year and 4% plus cost of living in the second year would yield a first year average of 10%, but an annual average of 7% and thus roughly conform to the actual situation. (p. 26)

But even in giving the police and fire unions only slightly more than half the cases, Benjamin further puts this into perspective by concluding that

> in two of the final three cases where panel salary increases resulted in salaries above the state mean, the panel awarded 14 of 15 and 15 of 18, other economic awards to management. In the four highest awards..., the salaries all remained significantly below the state mean even after the increase. (p. 28)

In analyzing these two consistent studies, it would hardly appear that a "split the difference" approach has ever been used by the arbitrators. It would appear that the police and fire unions have received only slightly more than half of the wage requests presented to the neutral and when receiving them, have tended to give up all other economic requests to attain new wages described as "significantly below the state mean even after the increase" (p. 28). Rather than being accused of "cleaning up", the correct assumption should be "trying to catch up," and not being real successful at doing so.

It is imperative to consider all these facts in doing any wage increase study. These dramatic pay raises of 15%-20% do not seem so dramatic when the personnel were making only 50% of the state average in the first place. So in order to win wage increases 60% of the time, over 80% of other economic demands are dismissed.

Professor Benjamin continued on in his study by stating that he had found no evidence of any bias on the part of the arbitrator in

choosing the union's position over that of the municipality (p. 15). Benjamin states in support of this conclusion,

> if arbitration awards were in fact generally pro-union, we would expect an increasing number of union locals to insist on arbitration and this has not occurred. (p. 7)

Specific studies on only wage increases have been very limited in scope. One study however was done in 1984 by Douglas Alexander which did deal specifically with these wage issues. The results of his research are indeed accurate as far as they are taken, but very specific deficiencies exist in the data from which the conclusions were drawn.

The data used were taken from only eleven cities with a population of 25,000-50,000 in lower Michigan outside of the Metropolitan Detroit area. By excluding the remainder of the state as well as municipalities of greater and lesser size, the data would not necessarily be a true representation of the entire statewide picture.

This limited data on Michigan public employees was then compared against data taken from Indiana and Illinois. The problem here arose because Alexander noted the data from Indiana and Illinois was not distinguishable by any degree of metropolitan influence, so he chose to exclude all cities which happen to fall in a SMSA. This would therefore not be a true representation of the real data in either of the comparison states.

Even though admitting the limitations of the data used, he still concludes that the arbitration process is to some degree responsible

for the wage disparity between policemen and firemen in Michigan when compared to those in other states. It is also pointed out how the police and fire unions have also done much better than their fellow municipal employees in regards to pay increases.

Alexander does note correctly that wages in Michigan, when compared to the national average, are certainly towards the top of the scale. He also notes that police and fire personnel are paid considerably more in Michigan than in Illinois and Indiana but this is valid only to a point.

I would propose the following questions be posed and answered before any conclusions are drawn. What have been the wage increases in Michigan of police officers in relation to the Consumer Price Index? The perception of the police officer has also changed in the past two decades to one of a professional occupation in many instances requiring advanced education. How do their wages compare to those of an average school teacher's wage scales in Michigan? Both are in the public sector and by law cannot withhold services. Teacher strikes however have become an inevitable occurrence in dozens of locations each year however.

Perhaps an even more important question would be to examine how wages of police officers would compare to those in the manufacturing industry in Michigan. State to state comparisons are fine as far as they are taken. Michigan police officers however live, work, and make their purchases in Michigan and should be comparable only to their neighbors, and fellow citizens.

To conduct this examination, the data from a variety of sources has been compiled and presented in Table 7. In the first column is the respective year of the information studied followed by the Consumer Price Index, the average police wage, and the average manufacturing salary. The year 1967 is convenient to use because of Consumer Price Index records as well as it being two years prior to Public Act 312 coming into existence.

The average police salary is an actual average police wage from the State of Michigan. For each of the years involved, all of the police salaries were arrived at in the following manner. On any department with a salary range, the midpoint was first derived. All of these midpoints of the salary ranges were then added together and this sum was divided by the total number of departments. All departments from all regions across the state were considered in the analysis. This should lend itself to an accurate average for comparison purposes. Larger departments are given no additional weight in this study for any of the years involved.

The table will also show the percentage increase for any given time period as well as the total percentage increase in relation to the base year of 1967. This should prove useful in determining any drastic changes in one particular group during a particular time period.

The data show not only the average yearly salaries in each of the respective categories, but also the value of the yearly salaries in

TABLE 7

Police and Manufacturing Average Salaries

Year	Consumer Price Index	Average Police Salary	1967 Dollars	Average Manufacturing Salary	1967 Dollars
1967	100.0	6,311	6,311	7,581	7,581
1970	116.3	9,857	8,475	8,747	7,521
1973	133.1	11,046	8,299	11,889	8,932
1976	170.5	15,301	8,974	15,130	8,874
1979	217.4	16,105	7,408	18,699	8,601
1982	289.1	19,284	6,670	23,365	8,082
1983	298.1	20,146	6,758	25,689	8,618
1984	311.1	21,078	6,775	27,361	8,795
1985	322.2	21,122	6,556	28,329	8,792
1986	328.4	23,412	7,129	28,321	8,624
1987	340.4	25,798	7,579	28,416	8,348

Sources: Michigan Statistical Abstract. Wayne State University. Annual editions, 1967-1987.

Salaries, Wages and Fringe Benefits in Michigan Municipalities Over 4,000 Population. Michigan Municipal League. Annual editions, 1967-1987.

Michigan Labor Market Review. Michigan Employment Security Commission, Volumes XLII and XLIII.

subsequent years after 1967, in terms of 1967 dollars. This will reflect any increase in purchasing power from the wage increases.

Concerning the police salaries, Tables 7 and 8 show an increase in excess of $2,100 was noted in 1970, shortly after the implementation of Public Act 312. This increase is far too great to either ignore or attribute to little else but the new law. The amount also dropped to $6,670 in 1982 to yield only an approximate $350 increase in purchasing power. By 1987, the real purchasing power had yielded an increase of $1,268 which appears to be a much more average increase. Manufacturing wages real increase amounted to only $767 for the same twenty year period.

Comparisons are also made using the same average police salaries against those of the average classroom teacher salaries for the same years. Although not as dramatic, a large increase was also noted in the first period from 1967 to 1970. After 1976, the average police salary began to show an overall decline through 1985, until it began to rise again in 1986 and 1987.

In contrast to this up and down activity in the police wages, the average wage of teachers in real purchasing power also peaked in 1973 but never fell below a real increase of $656. Through the course of twenty years, the real purchasing power of teachers rose $1,405. This is approximately 12% higher than the increase for police officers.

There are two important points to remember in these comparisons. Initially, these wage increases came immediately after collective bargaining was made permissible by state law. History also shows us

TABLE 8

Police and Teacher Average Salaries

Year	Consumer Price Index	Average Police Salary	1967 Dollars	Average Teacher Salary	1967 Dollars
1967	100.0	6,311	6,311	8,238	8,238
1970	116.3	9,857	8,475	11,034	9,488
1973	133.1	11,046	8,299	12,852	9,656
1976	170.5	15,301	8,974	15,426	9,048
1979	217.4	16,105	7,408	19,663	9,045
1982	289.1	19,284	6,670	25,712	8,894
1983	298.1	20,146	6,758	27,104	9,092
1984	311.1	21,078	6,775	28,440	9,142
1985	322.2	21,122	6,556	30,067	9,332
1986	328.4	23,412	7,129	31,412	9,565
1987	340.4	25,798	7,579	32,826	9,643

Sources: Michigan Statistical Abstract. Wayne State University. Annual editions, 1967-1987.

Salaries, Wages and Fringe Benefits in Michigan Municipalities Over 4,000 Population. Michigan Municipal League. Annual editions. 1967-1987.

Michigan Education Association (MEA).

that wages increased after enactment of legislation allowing collective bargaining in the private sector as well.

Additionally, public sector wages were on the average lower than wages in the private sector. This allowed for greater increases as public sector employees attempted to catch up in terms of overall compensation. Some have argued that public sector wages could have been raised higher because they were artificially low in the first place.

The late 60's were also a time of change in a variety of other ways. Because of the many instances of civil unrest in this time period, demands for change in both the structure and personnel of police departments were required. The general consensus was that the overall caliber of the police officer had to be improved so the officer would be more responsive to the needs of the community. In order to accomplish this goal, a number of projects were undertaken.

The federal government played an extremely important role by allocating billions of dollars for equipment, as well as training and retraining of present and future police officers. In order to attract candidates with higher qualifications, salaries also had to be raised. This was the only way to attract quality candidates and retain quality personnel.

Police departments were also faced with having a much larger percentage of their workforces comprised of these higher quality personnel working full time instead of part time. This change also required an increase in salaries as police officers now had to make a

living from their police wages, not just some extra money from a part time job.

With a combination of large amounts of federal funds, more educational prerequisites for employment as well as becoming a full time profession, wages would have certainly improved with or without compulsory arbitration. The exact degree is of course an unknown quantity.

After examining the initial rates of pay and then comparing the rates of increase to those of the Consumer Price Index, average manufacturing wage, and the average teacher's wage, the average police officer's wage has increased approximately 20% over its rate in 1967. Teacher's and manufacturing wages have risen 17% and 10% respectively in 1967 dollars. All three groups have managed to stay ahead of inflation however, the average police wages are still lower than both manufacturing and teaching average wages by $769 and $2,064 respectively.

This evidence clearly shows that the police officers in Michigan have, on the average, received percentage wage increases slightly higher than those in teaching and manufacturing during the life of compulsory arbitration. This would not indicate police officers getting rich at the expense of municipal budgets. Rather, when taken in their entirety, they have merely attempted to keep pace with two other segments of the working population in relation to purchasing power.

When these facts are taken into account, along with previous facts that police unions have lost a large percentage of other economic issues when they did win wage increases, the situation would appear to be less favorable to police wages again.

In trying to maintain a degree of fairness concerning these wage issues, certain issues must be raised. It is generally known that teachers have ten to twelve steps of wage increases based on both experience and additional education. It is also true that the number of new teachers hired during certain periods were limited while the wages of existing teachers would continue to increase due to additional experience and education. This is true for police officers as well, but to a much lesser extent.

CHAPTER 7

CONCLUSION

Since the mid-1960's, it has truly been the era of the public employee. Jobs in the public sector have continued to grow at an unprecedented rate as the general economy has turned to one of service as opposed to agriculture and manufacturing. Public employee unions across the country now represent large numbers of members in various work groups, especially police and fire personnel.

One of the biggest problems in public sector labor relations is the complete lack of uniformity because of the absence of a federal labor law. The opportunity exists for there to be 50 different laws, dealing with public sector employees, and no two need be alike. Most states have outlawed strikes in most instances, but still suffer from unexpected work stoppages in various employee groups.

Michigan's experiences with these public employee groups have been an interesting phenomenon. While all public employees are forbidden to strike, only "essential services" personnel are giving a binding final dispute resolution process which is compulsory arbitration. It has also been observed that almost without exception, the law has fulfilled its purpose, that of avoiding police and fire personnel strikes.

But the entire issue of compulsory arbitration has had both its proponents and opponents since the debate on the legislation began over twenty years ago. Critics have opposed the law as a violation of the state's constitution on a variety of fronts such as home rule and sovereignty. Others have claimed the law's very existence makes real collective bargaining impossible because the parties can simply let the arbitrator decide and allow them to save face in front of their respective groups. Still others have claimed that the process itself is addicting in and of itself.

The two largest criticisms involve the costs of the process itself. Critics claim that unions have nothing to lose by going to arbitration and that municipalities have continually been forced to pay exorbitant awards to police and fire personnel at the expense of local budgetary considerations.

The only problem with all of these criticisms is that their importance is dramatically overstated or simply not supported by the evidence. Merely making a statement or hypothesis does not make it true and if it is true, make it a controlling factor in the outcome of any particular process.

The majority of persons strongly believe that strikes by police and fire personnel should not be allowed under any circumstances. For this reason, I believe the legislature was correct in not allowing strikes by these personnel. That is the wish of the people.

Problems begin to arise when a process to work out the inevitable labor difficulties is discussed. There has to be a process in place

for these "essential employees" to get a fair hearing on their wage and working condition requests if they cannot come to an agreement with their employer. Our entire system is supposed to be based on a premise of everyone having a fair hearing of their grievance or difficu .y and receiving a fair and impartial decision by a neutral party after hearing the evidence. Too much is at stake for these persons to feel they were not even given a fair hearing.

But this is far from the end of the controversy. Numerous studies have found that the chilling effect and narcotic effect have been both short lived and greatly overexaggerated. This is not to say that they have never, or do not, exist. The fact remains that there is an average of only 30 arbitrated awards each year while the remainder are settled somewhere before that final point.

The assertion that the union risks nothing because they have nothing to lose is also not true. With arbitrated awards taking well in excess of a year to finalize, there may be an incentive for the municipality to stall so they can avoid paying higher wages earlier and save the interest on the wages. While most awards have involved retroactive pay. they do not include any lost interest or the loss of receiving the money at a later date when its value is less due to inflation.

It has often been stated that the higher the costs or possible risk, then the less the process would be used. The difficult part is to determine who should bear what "risks" or costs. At this time, the union alone loses on the waiting period prior to receiving the award.

A solution here might be to make the award not only retroactive, but also include interest if the arbitrator were to find for the union. I seriously doubt if the municipalities would like to share in this cost.

The most important current issue facing the legislature is whether to change the weight given to the section concerning the ability to pay and who will have the burden of proof concerning this question. Most research has shown that the weighting should not be changed or that the union should bear the burden of proof that the municipality could pay the award.

Public safety personnel have also been accused of getting rich at the expense of critically short municipal funds. But when compared to teachers and workers in manufacturing, the public safety personnel have received raises almost equal in percentage over the past twenty years. This was done at the expense of other economic requests which they lost approximately 80% of the time when they won their wage increase.

This does not mean that there are no possible ways in which Public Act 312 could be amended so that it could be made more efficient or less likely to be invoked. A select number of other alternatives have been presented and discussed, such as limited strikes, other forms of arbitration as well as the referendum. Clearly all of them have some points which would be desirable, but do any of them guarantee a perfect answer to all the questions?

Everyone would agree that the best long term solution would be a process that never had to be invoked. But our world is far from perfect and the law has been put in place because there is a need for it. Proposals for extensive cooling off periods would do little more than push arbitrated awards closer to the two year mark and further reduce morale in the meantime. Both sides need to assume some risk if this proposal is to work.

The interesting aspects noted were those of the referendum where the people are allowed a direct vote on the issue of pay for their public servants. It was also interesting to note that the citizenry was inclined to give larger raises to the police and fire unions than were their elected representatives, so much so that the police and fire unions would simply threaten a vote and then receive an agreed upon raise.

There is always room for improvement in the area of public law. No one would argue the fact that the most ideal situation would be to need no law at all, or to at least have a perfect law. Such will never be the case. Perhaps the best thing to do is to avoid both the union's suggestions and the municipalities' suggestions and limit any changes to the law to ones which have been supported by independent research by disinterested parties. We owe the taxpayer and public safety worker no less than a fair day's pay for a fair day's work.

BIBLIOGRAPHY

Articles and Periodicals

Anderson, John C. "The Impact of Arbitration: A Methodological Assessment." Journal of Collective Negotiations in the Public Sector, April 1981, pp. 129-147.

Ashenfelter, Orley and David Bloom. "The Pitsfalls in Judging Arbitrator Impartiality By Win-Loss Tallies Under Final Offer Arbitration." Labor Law Journal, August 1983, pp. 534-539.

Barr, Steve H. "Risk Aversion and Negotiator Behavior in Public Sector Arbitration." Journal of Collective Negotiations in the Public Sector, Vol. 2, 1987, pp. 99-115.

Bauman, Susan J.M. "Limitations on Final Offer Proposals: 'Evaporation'? Delay?" Labor Law Journal, August 1982, pp. 549-554.

Bazerman, Max H. "Norms of Distributive Justice in Interest Arbitration." Industrial and Labor Relations Review, July 1985, pp. 558-570.

Bellman, Howard and Harry Graham. "A Suggested Remedy for Refusal to Bargain: Final Offer Arbitration." Journal of Collective Negotiations in the Public Sector, Vol. 3 (2), 1974, pp. 183-189.

Bezdek, Robert H. and David W. Ripley. "Compulsory Arbitration Versus Negotiation for Public Safety Employees: The Michigan Experience." Journal of Collective Negotiations in the Public Sector, Vol. 3 (2), 1974, pp. 167-175.

Bloom, David E. "Customized 'Final-Offer': New Jersey's Arbitration Law." Monthly Labor Review, September 1980, pp. 31-33.

Bornstein, Tim. "Interest Arbitration in Public Employment: An Arbitrator Views the Process." Labor Law Journal, February 1978, pp. 77-85.

Bruce, Christopher J. "The Compatability of Arbitration and Bargaining." Industrial Relations, Fall 1984, pp. 398-401.

Butler, Richard J. and Ronald G. Ehrenberg. "Estimating the Narcotic Effect of Public Sector Impasse Procedures." Industrial and Labor Relations Review, October 1981, pp. 3-19.

Chelius, James R. and Marian M. Extejt. "The Impact of Arbitration on the Process of Collective Bargaining." Journal of Collective Negotiations in the Public Sector, December 1983, pp. 327-335.

Chelius, James R. and Marian M. Extejt. "The Narcotics Effect of Impasse Resolution Procedures." Industrial and Labor Relations Review, July 1985, pp. 629-638.

Clark, R. Theodore, Jr. "Public Employee Strikes: Some Proposed Solutions." Labor Law Journal, February 1972, pp. 111-120.

Connolly, Marie D. "Impact of Final-Offer Arbitration on Wage Outcomes of Public Safety Personnel, Michigan vs. Illinois." Journal of Collective Negotiations in the Public Sector, Vol. 15, No. 3, 1986, pp. 251-262.

Delaney, John and Peter Feuille. "Police Interest Arbitration: Awards and Issues." Arbitration Journal, June 1984, pp. 14-24.

Delaney, John, Peter Feuille and Wallace Hendricks. "Police Salaries, Interest Arbitration and the Leveling Effect." Industrial Relations, Fall 1984, pp. 417-423.

Delaney, John, Peter Feuille and Wallace Hendricks. "The Impact of Interest Arbitration on Police Contracts." Industrial Relations, Spring 1983, pp. 161-181.

Dilts, David A. and Clarence R. Deitsch. "Arbitration Lost: The Public Sector Assault on Arbitration." Labor Law Journal, March 1984, pp. 182-188.

Doherty, Robert E. "Trends in Strikes and Interest Arbitration in the Public Sector." Labor Law Journal, August 1986, pp. 473-479.

Donn, Clifford B. "Developments in Public Sector Bargaining and Dispute Resolution: Alternative Impasse Procedures in the Public Sector." Labor Law Journal, August 1981, pp. 460-465.

Donn, Clifford B. "Games Final-Offer Arbitrators Might Play." Industrial Relations, October 1977, pp. 306-314.

Donn, Clifford B. and Barry T. Hirsch. "Making Interest Arbitration Costly: A Policy Proposal." Journal of Collective Negotiations in the Public Sector, Vol. 12 (1), 1983, pp. 21-31.

Farber, Henry S. "Role of Arbitration in Dispute Settlement." Monthly Labor Review, May 1981, pp. 34-36.

Farber, Henry S. "Splitting the Difference in Interest Arbitration." Industrial and Labor Relations, October 1981, pp. 70-77.

Feigenbaum, Charles. "Final Officer Arbitration: Better Theory Than Practice." Industrial Relations, October 1975, pp. 311-317.

Feuille, Peter. "Final Offer Arbitration and the Chilling Effect." Industrial Relations, October 1975, pp. 302-310.

Feuille, Peter. "Selected Benefits and Costs of Compulsory Arbitration." Industrial and Labor Relations Review, October 1979, pp. 64-76.

Feuille, Peter. "Selected Costs and Benefits of Compulsory Arbitration." Industrial and Labor Relations Review, October 1979, pp. 65-76.

Feuille, Peter and John Delaney. "Collective Bargaining, Interest Arbitration and Police Salaries." Industrial and Labor Relations Review, January 1986, pp. 228-240.

Feuille, Peter and James B. Dworkin. "Does Wisconsin Final Offer Arbitration Offer Only Intertemporal Compromise?" Monthly Labor Review, May 1979, pp. 39-40.

Foster, Howard G. "'Ability to Pay' in Public Sector Factfinding and Arbitration." Labor Law Journal, February 1984, pp. 123-127.

Freeman, Richard B. "Unionism Comes to the Public Sector." Journal of Economic Literature, Vol. XXIV, March 1986, pp. 41-85.

Gallagher, Daniel G. "The Use of Interest Arbitration in the Public Sector." Labor Law Journal, August 1982, pp. 501-507.

Gallagher, Daniel G. and M.D. Chaubey. "Impasse Behavior and Tri-Offer Arbitration in Iowa." Industrial Relations, Vol. 21, No. 2, Spring 1982, pp. 129-147.

Gallagher, Daniel G. and Richard Pegnetter. "Impasse Revolution Under the Iowa Multistep Procedure." Industrial and Labor Relations Review, April 1979, pp. 327-338.

Greer, Charles R. and D. Scott Sink. "Oklahoma's Experience with a Unique Interest Arbitration Procedure." Arbitration Journal, December 1982, pp. 21-31.

Grodin, Joseph R. "Arbitration of Public Sector Labor Disputes: The Nevada Experiment." Industrial and Labor Relations Review, October 1974, pp. 89-102.

Grodin, Joseph R. "Either-Or Arbitration for Public Employee Disputes." May 1972, pp. 260-266.

Hogler, Raymond L. "The Common Law of Public Employee Strikes: A New Rule in California." Labor Law Journal, February 1986, pp. 94-103.

Horton, Raymond D. "Arbitration, Arbitrators and the Public Interest." Industrial and Labor Relations Review, July 1975, pp. 497-507.

Ichniowski, Casey. "Arbitration and Police Bargaining: Prescription for the Blue Flu." Industrial Relations, Spring 1982, pp. 149-166.

Katz, William D. "Public Referendums and Public Employee Collective Bargaining: Are They Compatible?" Journal of Collective Negotiations in the Public Sector. Vol. 8 (2), 1979, pp. 183-193.

Kearney, Richard C. and David R. Morgan. "The Effect of Employee Organizations on the Compensation of Police Officers." Journal of Collective Negotiations in the Public Sector, Vol. 9, No. 1, 1980, pp. 17-32.

Klapper, Michael J. "Legislated Criteria in Arbitration of Public Safety Contract Disputes." Arbitration Journal, December 1983, pp. 115-130.

Klauser, Jack E. "Public Sector Impasse Resolution in Hawaii." Industrial Relations, October 1977, pp. 283-289.

Kochan, Thomas A. "Correlates of State Public Employee Bargaining Laws." Industrial Relations, October 1973, pp. 322-337.

Kochan, Thomas A. and Jean Baderschneider. "Dependence on Impasse Procedures: Police and Firefighters in New York State." Industrial and Labor Relations Review, July 1978, pp. 431-439.

Kruger, Daniel H. "Interest Arbitration Revisited." Labor Law Journal, August 1985, pp. 497-513.

Kruger, Daniel H. and Harry E. Jones. "Compulsory Interest Arbitration in the Public Sector." Journal of Collective Negotiations in the Public Sector, Vol. 10, No. 4, 1981, pp. 355-379.

Lester, Richard A. "Lessons from Experience with Interest Arbitration in 9 Jurisdictions." Arbitration Journal, June 1986, pp. 34-37.

Liebowitz, Jonathan S. "Public Sector Mediation: A Sequel." Journal of Collective Negotiations in the Public Sector, Vol. 14, No. 4, 1985, pp. 343-348.

Lipsky, David B. and Thomas A. Banocci. "Public Employees in Massachusetts and Final Offer Arbitration." Monthly Labor Review, April 1978, pp. 34-36.

Loewenberg, Joseph J. "The Effect of Compulsory Arbitration on Collective Negotiations." Journal of Collective Negotiations in the Public Sector, May 1972, pp. 177-190.

Long, Gary and Peter Feuille. "Final Offer Arbitration: Sudden Death in Eugene." Industrial and Labor Relations Review, January 1974, pp. 186-203.

Matthews, J.L. and J.B. Helburn. "The Referendum as an Alternative to Bargaining." Journal of Collective Negotiations in the Public Sector, Vol. 9 (2), 1980, pp. 93-103.

Methe, David T. and James L. Perry. "The Impacts of Collective Bargaining on Local Government Services: A Review of Research." Public Administration Review, July/August 1980, pp. 359-369.

Mitchell, Daniel J.B. "Final Offer Arbitration: An Answer to the Chilling Effect." Journal of Collective Negotiations, Vol. 11, 1982, pp. 347-351.

Moore, William J. and John Raisian. "Public-Sector Union Wage Efforts: A Time Series Analysis." Monthly Labor Review, June 1982, pp. 51-52.

Morgan, J. Daniel and Herbert E. Northrup. "The Memphis Police and Firefighters Strikes of 1978: A Case Study." Labor Law Journal, January 1981, pp. 40-54.

Murray, Robert Emmett. "Interest Arbitration in New Jersey: An Advocate's Reaction." Arbitration Journal, December 1982, pp. 13-15.

Nelson, Nels E. "Final-Offer Arbitration: Some Problems." Arbitration Journal, December 1974, pp. 50-58.

Nelson, Nels E. and Earl M. Curry Jr. "Arbitrator Characteristics and Arbitral Decisions." Industrial Relations, Fall 1987, pp. 312-317.

Newman, Harold. "Interest Arbitration: Impressions of a PERB Chairman." Arbitration Journal, December 1982, pp. 7-8.

Olson, Craig A. "The Impact of Arbitration on the Wages of Fire-fighters." Industrial Relations, Fall 1980, pp. 325-338.

Olson, Craig A. "Does Final Offer Allow the Bargaining That Conventional Arbitration Chills." Monthly Labor Review, May 1979, pp. 38-39.

Osigweh, Chimezie A.B. "Collective Bargaining and Public Sector Union Power." Public Personnel Management Journal, Spring 1985, pp. 75-83.

Pursell, Donald E. and William D. Torrence. "The Impact of Compulsory Arbitration on Municipal Budgets: The Case of Omaha, Nebraska." Journal of Collective Negotiations in the Public Sector, Vol. 12, No. 2, 1983, pp. 119-126.

Rehmus, Charles M. "Varieties of Final Offer Arbitration." Arbitration Journal, December 1982, pp. 4-6.

Reinhart, Janet L. "Making Interest Arbitration Work for the Best Interest of Employers and Employees." Michigan Municipal Review, July 1983, pp. 137-144.

Stern, James L. "The Mediation of Interest Disputes by Arbitrators Under the Wisconsin Med-Arb Law for Local Government Employees." Arbitration Journal, June 1984, pp. 41-45.

Sulzner, George T. "The Impact of Impasse Procedures in the Public Sector: An Overview." Journal of Collective Negotiations in the Public Sector, Vol. 4 (1), 1975, pp. 3-17.

Tener, Jeffery B. "Interest Arbitration in New Jersey." Arbitration Journal, December 1982, pp. 9-12.

Vanderpotten, Bruce and W. Clayton Hall. "Unionization Monopsony Power and Police Salaries." Industrial Relations, February 1977, pp. 94-100.

Weber, Charles T. "The Ability to Pay Criterion--Some Recent Evidence." Journal of Collective Negotiations in the Public Sector, Vol. 9, No. 3, 1980, pp. 213-222.

Weitzman, Joan. "Current Trends in Public Sector Labor Relations Legislation." Journal of Collective Negotiations in the Public Sector, Vol. 5 (3), 1976, pp. 233-244.

Weitzman, Joan and John M. Stochaj. "Attitudes of Arbitrators Toward Final Offer Arbitration in New Jersey." Arbitration Journal, December 1982, pp. 25-34.

Wheeler, Hoyt N. "Closed-Offer: Alternative to Final Offer Selection." Industrial Relations, October 1977, pp. 298-305.

Wheeler, Hoyt N. "Compulsory Arbitration: A Narcotic Effect." Industrial Relations, February 1977, pp. 117-120.

Wheeler, Hoyt N. "Is Compromise the Rule in Firefighter Arbitration?" Arbitration Journal, July 1974, pp. 176-184.

Wheeler, Hoyt N. and Frank Owen. "Impasse Resolution Preferences of Firefighters and Municipal Negotiators." Journal of Collective Negotiations in the Public Sector, Vol. 5 (3), 1976, pp. 215-223.

Wolkinson, Benjamin W. and Jack Steiber. "Fact-finding Viewed by Fact Finders: The Michigan Experience." Labor Law Journal, February 1977, pp. 89-101.

Word, William R. "Implications for Fact Finding: The New Jersey Experience." Journal of Collective Negotiations in the Public Sector, Vol. 3 (4), 1974, pp. 339-343.

Wortman, Max S. and Craig E. Overton. "Compulsory Arbitration: The Specialized Case of Rhode Island." Journal of Collective Negotiations in the Public Sector, Vol. 2 (4), 1973, pp. 421-430.

Zach, Arnold M. "The Arbitration of Interest Disputes: A Process in Peril." Arbitration Journal, June 1986, pp. 38-42.

Books

Flynn, Ralph J. Public Work, Public Workers. Washington, D.C.: The New Republic Book Company, Inc., 1975.

Marx, Herbert L., Jr., ed. Collective Bargaining for Public Employees, Vol. 41, No. 5. New York: H.W. Wilson Company, 1969.

Tolenexano, Ralph De. Let Our Cities Burn. New York: Arlington House Publishers, 1975.

Wellington, Harry J. and Ralph K. Winter, Jr. The Unions and the Cities. Washington, D.C.: The Brookings Institute, 1971.

Reports

Critique of: Review of Michigan's Compulsory Arbitration Act, Submitted by : Department of Labor and Department of Management and Budget. City of Detroit, Labor Relations Division, August 23, 1979.

Final Offer Arbitration Awards in Michigan, 1973-77. Ernst Benjamin. Institute of Labor and Industrial Relations, The University of Michigan - Wayne State University, 1978.

Review of Michigan's Compulsory Arbitration Act. Submitted by Department of Labor and Department of Management and Budget. Lansing, Michigan, May 21, 1979.

The Act 312 Experience: An Answer to Proposals for Amendment. Police Officers Association of Michigan. Livonia, Michigan, February 1980.

The Michigan Experience: An Analysis of Last Offer Compulsory Arbitration of Police and Fire Labor Disputes. Prepared by Michigan Municipal League. Ann Arbor, Michigan, February 1980.

Public Law

Compulsory Arbitration of Labor Disputes in Municipal Police and Fire Departments, Public Act 312 of 1969, Michigan Statutes Annotated, Section 17.455 (31) - 17.455 (47).

Public Act 379 of 1965. Michigan Statutes Annotated. Section 17.455 (1) - 17.455 (16).

Public Documents

Economic Report of the President, January 1987, U.S. Government Printing Office, Washington, D.C.

Economic Report of the President, 1986.

Michigan Employment Security Commission, Michigan Labor Market Review. Vol. XLII and XLIII.

Michigan Statistical Abstract, Bureau of Business Research, School of Business Administration, Wayne State University, Detroit, Michigan, 1967-1987.

U.S. Department of Labor, Bureau of Labor Statistics, Monthly Labor Review, 1970-1988.

U.S. Department of Labor, Labor Management Services Administration. Summary of Public Sector Labor Relations Policies. Washington, D.C., 1981.

U.S. Department of Labor, Labor Management Services Administration. Understanding Fact Finding and Arbitration in the Public Sector. Washington, D.C., 1980.

Other

Alexander, Douglas R. Interest Arbitration for Public Safety Employees in Michigan: A Comparison of Concepts and Comparisons. Master Thesis, The University of Michigan-Flint. 1984.

Deber, Milton, Peter Pashler and Mary Beth Ryan. Collective Bargaining by State Governments in the Twelve Midwestern States. Institute of Labor and Industrial Relations, University of Illinois at Urbana-Champaign, December, 1974.

Michigan Municipal League. Salaries, Wages and Fringe Benefits in Michigan Municipalities Over 4,000 Population. Annual Editions, 1967, 1985.