



Feb. 10, 2015

Honorable Paul Holvey, Chair  
House Committee on Business and Labor  
900 Court St. NE  
Salem, Or 97301

RE: HB 2544 related to binding arbitration

Dear Chair Holvey and Members of the Business and Labor Committee:

I am writing to you today to express my strong opposition to House Bill 2544, which would require unresolved mid-term collective bargaining issues to proceed to binding arbitration for strike-permitted unions. This is a dramatic change to the current system and statutory provisions for collective bargaining and would have a profoundly negative impact on the City of Beaverton's bargaining process.

In effect, House Bill 2544 would:

- Remove strike-permitted unions' incentive to present their complete list of issues during contract negotiations;
- Enable strike-permitted unions to raise piece-meal issues outside of the contract to force litigation;
- Add to the current demand on the Employment Relations Board that already exceeds their capacity;
- Add to the backlog for Oregon arbitrators-- resulting in extended wait periods;
- The additional caseload would likely call for the use of out-of-state arbitrators who are less knowledgeable about Oregon labor and the Public Employee Collective Bargaining Act.

This may result in forcing public employers into a constant state of bargaining.

The increased number of arbitrations would pose a significant financial burden for the city while dampening employee morale. Each arbitration case costs the city roughly \$10,000 to \$30,000 and creates significant workplace angst. Litigation is expensive, time-consuming, divisive, and causes an unstable relationship between the employer and the employee union.

We have used expedited bargaining several times with both SEIU and police whenever either side wanted to make changes mid-contract and successfully resolved the issues

each time. The city's current system and statutory provisions for mid-term bargaining is adequate—if the union or the city demands to bargain, we meet; and if it isn't settled in 90 days, the change can be implemented if we agree. If we do not agree, SEIU can strike and Beaverton Police Association can proceed to binding interest arbitration. In other words, the current system is not broken.

Thank you for the opportunity to comment and I urge you to maintain the current law and oppose House Bill 2544.

Sincerely,



Nancy Bates

Human Resources Director