Low Rates of Arbitration Use in the Public Sector
May 2009

Twenty-five states and the District of Columbia have laws encouraging public sector employers and unions to voluntarily negotiate collective bargaining agreements, with the possibility of an arbitrated settlement as a fallback when they are unable to resolve disputes on their own.¹ As 40 years of research demonstrates, the vast majority of contracts in these jurisdictions are settled voluntarily. Additionally, studies indicate that the number of voluntary settlements increases since the time the laws were enacted.

The following are findings from state-level studies of public sector arbitration:

**Iowa**
There was a very high rate of voluntary agreements during mediation; and specifically for teachers, there was a very low rate of arbitration use.²

**Massachusetts**
The Joint Labor-Management Committee was effective in encouraging voluntary settlements until 1980, when it was stripped of its right to impose binding arbitration.³

**Michigan**
In the six years between 1977-78 and 1982-83, an average of only 6.7% of negotiations resulted in an award.⁴

**Nevada**
In 1971, the governor was granted the authority to impose a binding award. In 1973, unions relied more on voluntary settlements than during the previous year.⁵

**New Jersey**
In 1996, NJ passed the Arbitration Reform Act. Voluntary settlements increased from 59% in 1996 to 80% in 1998.⁶

**New York**
Between 1995 and 2007, only 7% of firefighter and 9% of police negotiations required arbitration—significantly reduced from years after the 1974 law was passed.⁷

**Wisconsin**
In the first 8 years of the police and firefighter law, only 10% of all settlements were arbitration awards, and in the first 6 years of the teachers’ law, only 5% of all settlements were awards.⁸

---

¹ States with voluntary or compulsive arbitration include: AK, CT, DE, DC, HI, IL, IN, IA, ME, MA, MI, MN, MT, NE, NV, NH, NJ, NM, NY, OH, OK, OR, PA, RI, TX, VT.
³ Lester, 1984.
⁴ Lester, 1984.
⁸ Lester, 1984.