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### Overview

Amends the Public Employment Labor Relations Act (PELRA) to require arbitrators to give substantial weight to specified issues and evidence presented by a public employer in an interest arbitration case.

"Interest arbitration" is a process under which an arbitrator determines the terms of a contract after negotiations between a public employer and an exclusive representative have reached an impasse. Interest arbitration is used most frequently for "essential employees" (fire, police, and specified others), who do not have the right to strike. For essential employees, interest arbitration is required after a bargaining impasse if either party requests arbitration. While interest arbitration also can occur for employees who are not defined as essential, it is uncommon, because arbitration occurs only if both parties agree to submit a matter to interest arbitration.

**1 Decision by the arbitrator or panel.** Amends PELRA to require arbitrators to give substantial weight to the following issues and evidence in determining an interest arbitration award:

- Decreases in the public employer's local government aid, homestead credit reimbursement, or other significant declines in the employer's revenue
- The general economic condition of the city, including its ability to raise revenues, and property tax burdens

Provides that when establishing a public employer's ability to pay, an arbitrator must not consider budgetary reserves.

Provides that an arbitrator must not grant a general increase or external market adjustment greater than voluntarily negotiated by another exclusive representative within the same public employer for the same contract period.