Criteria for assessing comparability of employers and bargaining units for purposes of interest arbitration and fact finding

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1. ***Agreement of the parties***: If both the Employer and the Union agree that another employer and bargaining unit are comparable, then that other employer and bargaining unit are given greater weight as a comparable than if only one of the two parties considers that other employer and bargaining unit to be comparable.

2. ***Internal comparables***: The employer is the same and thus is comparable. The other bargaining unit or employee group may or may not be comparable. For example, if this case involves a bargaining unit of police employed by a city, then the most comparable bargaining unit employed by that same city might be the police command officers, the next most might be firefighters, and the least might be non-public-safety employees.

3. ***External comparables - employer***:

   - Does the other employer face similar economic conditions? Consider employer ability to pay, time period (as a collective bargaining agreement reached a few years ago may reflect better or worse economic conditions than those today), and economies of scale (as very small employers may have higher unit costs than medium to large employers). One quantitative measure of ability to pay is the ratio of (a) the total taxable value of real and personal property in the jurisdiction, divided by (b) the population of the jurisdiction.

   - Does the other employer face similar legal conditions? Public employers in other states are governed by different laws; private employers face different laws than public employers.

4. ***External comparables - employees***:

   - Is the other employee group in the same local labor market as this bargaining unit? Geographic proximity makes the other employee group more comparable, both because housing costs are similar and because employees could switch employers without incurring the cost of moving to a new home (so that employer must be competitive to recruit and retain employees).

   - Are the jobs of the other employee group similar to the jobs of this bargaining unit in terms of skill, effort, responsibility, and working conditions? For example, being a police officer in a high-crime urban area might be more stressful than being a police officer in a low-crime suburb.

   - If comparing wage rates, does the other employee group have a substantially better employee benefits package that might compensate for lower wages? For example, employees might be willing to accept lower wage rates if the employer offers post-retirement health insurance benefits than if the employer does not offer such benefits.

   - Public safety employees with the right to Michigan's Act 312 interest arbitration are more comparable to other public safety employees with this right than they are to other public employees who do not have the right to interest arbitration.