

## **Glossary of collective bargaining terms**

The following definitions of collective bargaining terminology are provided as a resource guide.

**Advisory Arbitration** — Arbitration in which the decision of an arbitrator is not binding.

**Agency Fee (also known as Fair Share)** - An agreement between the public employer and the bargaining agent that requires employees in a bargaining unit who are not union members to make an in-lieu-of-dues payment to the union.

**Arbitration** - A procedure involving an impartial third party to whom disputing parties submit their differences for decision, usually in accordance with a formal, written procedure. In a collective bargaining context, the procedure for selection of an arbitrator is generally written into the collective bargaining agreement.

**Bad Faith Bargaining** – Failure by either the Union or Management to meet the standard of Good Faith Bargaining – i.e.: the duty of the parties to meet and negotiate at reasonable times with willingness to reach agreement on matters within the scope of representation; however, neither party is required to make a concession or agree to any proposal. Parties can file an Unfair Labor Practice when the other party bargains in bad faith.

**Bargaining Unit** - A group of employees agreed to by unions and the employer or designated by an administrative agency, such as the Public Employment Relations Act (PERB), as constituting an appropriate unit for the purposes of collective bargaining. A community of interest among employees determines appropriateness. This is demonstrated by similar jobs, commonality of work environment, skills, educational requirements, etc.

**Binding arbitration** — Arbitration in which the parties have to agree in advance to be bound by the decision of the arbitrator. Unions on strike may request this method of reaching an agreement. School boards usually refuse to go to binding arbitration because it abdicates their responsibility to determine how school funds are spent and for determining district policies.

**Card Check Agreement:** An agreement by an employer to recognize a union provided a majority of the employees have signed cards authorizing the union to represent them.

**Check-off** - Check-off is the payroll deduction of fees from the pay of employees in the bargaining unit. It can be union membership dues, agency (fair share) fees for nonmembers and assessments. This money is turned over to the union.

**Collective Bargaining** - A method of bilateral decision-making in which the employer and the exclusive representative of the employees determine wages, hours, and terms of conditions of

employment for all workers in a bargaining unit through direct negotiations. The bargaining normally results in a signed written contract that is mutually binding and sets wages, grievance procedures, and other conditions of employment to be observed for a stipulated time.

**Confidential employees** — Support personnel who work directly with individuals who formulate, determine and affect management policies related to collective bargaining.

**Contract/Collective Bargaining Agreement (CBA)** - A written agreement or contract arrived at as the result of negotiations between an employer and a union. It usually contains provisions on conditions of employment and the procedures to be used in setting disputes during the term of the contract.

**CPI** — Consumer Price Index is a federal index of food, clothing and housing costs compared with costs for the same items at the same time the previous year. These 12-month comparisons are usually the reference used for salary increases.

**Cooling-off period** — A period used in some states/jurisdictions which starts with the publication of the parties' final offers, or if fact-finding is used, after publication of the factfinder's report. (i.e. Oregon)

**Due process** — The ability of an employee to respond to charges related to conduct or job performance before any disciplinary measures are taken.

**Effects Bargaining** - The negotiation over the *impact* of management decisions on employees. Also known as Impact and Implementation bargaining.

**ERB Board** — The Employment Relations Board (ERB) is a board that administers and interprets the collective bargaining law. Terms and exact title varies by state/jurisdiction. Also known in many states as a Public Employee Relations Board (PERB).

**Exclusive representative** — The labor organization which, as a result of certification by the Employment Relations Board or recognition by the employer, has the right to be the collective bargaining agent for all employees in a bargaining unit.

**Evergreen Clause** – Allows the contract to automatically renew on a given day each year if neither side provides notice of termination.

**Fair share (also known as Agency Fee)** — An agreement between the public employer and the bargaining agent that requires employees in a bargaining unit who are not union members to make an in-lieu-of-dues payment to the union.

**Federal Labor Relations Authority** – Federal agency governing Federal Sector labor-management relations. Determines the negotiability of contract provisions and handles ULPs regarding RFIs.

**Federal Services Impasse Panel** - The Panel resolves impasses between Federal agencies and unions representing Federal employees arising from negotiations over conditions of employment under the [Federal Service Labor-Management Relations Statute](#) and the [Federal Employees Flexible and Compressed Work Schedules Act](#). If bargaining between the parties, followed by mediation assistance, does not result in a voluntary agreement, either party or the parties jointly may request the Panel's assistance. Following a preliminary investigation by its staff, the Panel may determine to assert jurisdiction over the request. If jurisdiction is asserted, the Panel has the authority to recommend and/or direct the use of various dispute resolution procedures. These include informal conferences, additional mediation, fact finding, written submissions, and mediation-arbitration by Panel Members, the Panel's staff, or private arbitrators. If the parties still are unable to reach a voluntary settlement, the Panel may take whatever action it deems necessary to resolve the dispute, including the imposition of contract terms through a final action. The merits of the Panel's decision may not be appealed to any court.

**Fringe Benefits** — Include medical, dental, vision and long-term disability insurance premium payments, early retirement payments, paid holidays, paid sick leave, paid vacations and other benefit or payroll costs.

**Furlough** - Employee furloughs are mandatory time off work with no pay. Used as an alternative to a layoff, employee furloughs can occur in both public and private sector organizations when revenue or projected revenue fails to match expenses.

**Good Faith Bargaining** - Good-faith bargaining generally refers to the duty of the parties to meet and negotiate at reasonable times with willingness to reach agreement on matters within the scope of representation; however, neither party is required to make a concession or agree to any proposal.

**Grievance** — An alleged violation, misinterpretation or misapplication of a provision of the collective bargaining agreement. The claim follows a process outlined in the collective bargaining agreement.

**Impasse** — A situation in collective bargaining that occurs when the employer and the union, both bargaining in good faith, fail to reach agreement. Impasses are often resolved by the intervention of a neutral party such as a mediator, fact finder, or arbitrator.

**Just Cause** — Discipline or dismissal for unsatisfactory job performance once the district meets the following prerequisites: advance notice of expected standards of conduct and penalties for failure to meet those standards; an investigation before final action, including the employee's response; progressive discipline, when appropriate; even-handed application of disciplinary action for like offenses and consideration of any mitigating circumstances.

**Layoff** – temporary or permanent loss of a job position.

**Management Rights Clause** - A provision in a collective bargaining agreement that expressly reserves certain rights and responsibilities to management and specifies that the exercise of these rights and responsibilities shall not be the subject of negotiations, grievances, or arbitrations.

**Mediation** - A process in which a neutral third party assists parties in a bargaining dispute to come to a voluntary agreement. The mediator may suggest to the parties various proposals and methods for resolution of disputes, but he has no formal power to force a settlement (non-binding).

**Meet-and-Confer** – In states without collective bargaining for public workers, some Unions have various types of agreements that approximate collective bargaining. The most common is called “meet and confer.” This is a process whereby the employee organization and employer come together to discuss and agree upon issues predetermined to be “up for discussion.” However, whereas collective bargaining results in a legal contract that binds the employer, in most meet-and-confer situations, the employer is not legally bound by the agreement but rather by a sense of “fair play.”

**Memorandum of Understanding/Agreement (MOU or MOA)** - A written collective bargaining agreement (contract) between a public agency and an employee organization (union) setting forth agreed terms and conditions of employment. Generally used as a supplement to the CBA.

**Most Favored Nation Clause (aka “Me Too Clause”):** Clause in a collective bargaining agreement whereby the union agrees that if it signs a contract with another employer containing more favorable terms such terms will automatically apply to the present contract. Sometimes the term is applied where the union only agrees that it will not execute a contract with more favorable terms with another employer, or that the contract is reopened for negotiation if a more favorable clause is granted to another employer.

**Proposal** — Suggested contract language given verbally or in writing by either side during negotiations regarding a particular issue or subject.

**Ratification:** The internal voting process for the formal approval of the contract negotiated by a union.

**Released Time (Official Time)** - Means the job steward or designated union bargaining team representative is free from performing his or hers regular work duties while engaged in union business. Time can be paid or unpaid, as specified in the contract. When on released time, the employee cannot be held responsible for not performing work duties.

**RIF** — Reduction-in-force or lay-off procedures – permanent downsizing of the workforce.

**Right-to-Work Laws:** An anti-union term coined to describe state laws that make it illegal for a collective bargaining agreement to contain clauses requiring union membership as a condition of employment.

**Scope of bargaining** — Defines issues which are *prohibited*, *permissive* or *mandatory* subjects of bargaining.

- *Prohibited subjects* of bargaining are contrary to state or federal law or regulations.
- *Permissive subjects* of bargaining may be talked about by either party but neither party is required to do so. The union cannot strike over a permissive subject. Contract provisions governing permissive subjects expire when the contract expires. A permissive subject does not become mandatory simply because it was included in a prior contract. During negotiations for a new contract, the parties again are free to talk — or not talk — about the subject. Job descriptions are examples of permissive subjects of bargaining.
- *Mandatory subjects* of bargaining must be discussed but the parties are not required to agree to any particular proposal during negotiations. Parties can go to impasse over mandatory subjects of bargaining; the union can strike, and management can engage in an offensive lockout. Mandatory subjects include all compensation (including) wages, pensions, hours of work, etc.

**Seniority:** A workers length of service with the employer. Seniority often determines promotions, recall or transfers.

**Side Letter** - A side letter or side agreement is a binding agreement that is not part of the underlying or primary collective bargaining agreement (CBA), and which the parties to the contract utilize to reach agreement on issues the CBA does not cover, to clarify issues in the CBA, or to modify the CBA (permanently or temporarily). One may distinguish side letters from "side settlements" or "settlement agreements", which settle a dispute arising from the underlying CBA. In rare cases, bargaining parties may use a side letter to adjust the focus of the contract if the parties are not yet ready or willing to adapt the contract formally. Under the law of contracts, a side letter has the same force as the underlying contract. However, the courts may invalidate side letters in conflict with the main collective bargaining agreement.

**Strike** - A work stoppage by a group of employees intended to express a grievance, enforce a demand for higher wages or for other changes in conditions of employment, obtain recognition, or resolve a dispute with management.

**Unfair labor practice (ULP)** — A charge filed with the Employment Relations Board (ERB) by one party against the other alleging a violation of the collective bargaining law. ULPs can be filed for refusal to bargain in good faith.

**Wall-to-Wall Unit** — When different groups of employees are covered by the same contract and represented by the same bargaining agent.