

Department of Legislative Services
Maryland General Assembly
2010 Session

FISCAL AND POLICY NOTE

House Bill 1412
Appropriations

(Delegate DeBoy, *et al.*)

Department of State Police - Collective Bargaining - Police Employees

This bill establishes collective bargaining rights for noncommissioned sworn police employees of the Department of State Police (DSP) in addition to the collective bargaining rights currently granted to them under Title 3 of the State Personnel and Pensions Article. The bill provides for binding arbitration in certain circumstances.

Fiscal Summary

State Effect: Potential general fund expenditure increase of \$230,000 in FY 2012. Labor negotiation costs may increase in future years depending on the length of existing contracts and whether arbitration is required. Any future costs associated with increased salaries or benefits resulting from negotiations or arbitration cannot be reliably predicted. Each 1% increase in salaries for the covered noncommissioned sworn officers is estimated to cost approximately \$818,000.

Local Effect: None.

Small Business Effect: None.

Analysis

Bill Summary: The bill specifies the participation of parties to the collective bargaining, including the representatives of the Governor and an exclusive representative of the covered employees. The bill specifies that negotiations must begin by September 1 and that every reasonable effort be made to conclude negotiations by October 15 for inclusion by DSP in its budget request. The parties must conclude negotiations before January 1 for any item requiring an appropriation of funds in the upcoming fiscal year. The Governor must include funding in the annual budget to accommodate the results of the negotiations.

The bill requires the use of neutral fact finding at the point of impasse, with costs to be shared equally by the parties. The powers and duties of the fact finder are specified, including a requirement to arbitrate disputed items individually. The written recommendation of the fact finder must be delivered, by December 1, to the Governor, the exclusive representative of the covered employees, the President of the Senate, and the Speaker of the House. Any recommendation not requiring an appropriation of funds is final and binding on the parties.

The bill specifies other provisions relating to vacating or modifying a fact finder's recommendation, stoppages or delays of impasse procedures, voluntary settlements, prohibitions against altering conditions of employment, and memoranda of understanding.

Current Law: The current collective bargaining agreement for State employees (under Title 3 of the State Personnel and Pensions Article) and a memorandum of understanding (MOU) between the State and the American Federation of State, County and Municipal Employees (AFSCME), AFL-CIO, and the Teamsters include an agreement of the parties on the standards of wages, hours, and other terms and conditions of employment for State employees in the State Personnel Management System (SPMS). Noncommissioned, sworn police officers of DSP are covered by the collective bargaining provisions of Title 3 of the State Personnel and Pensions Article. Binding arbitration is not included under the provisions of Title 3.

State Fiscal Effect: According to the Department of Budget and Management (DBM), this bill will have a significant fiscal and operational impact on DBM and DSP. Currently, noncommissioned sworn officers of DSP are covered by existing collective bargaining provisions cited above. Under the bill, additional negotiations could be opened in any year. Such negotiations and subsequent agreements, whether or not arbitrated, could provide salary increases and other benefits beyond the current collective bargaining agreement for these noncommissioned sworn DSP officers only, without respect to the duration or reopening provisions of the current agreement.

The cost of issue specific fact finding/arbitration is estimated at \$4,200 for four days, which includes hearings and travel and study costs for the fact finder/arbitrator. For full contract and union agreements, these costs can approach \$30,000 to \$40,000 over several months and covering multiple issues.

Because the bill's effective date is October 1, 2010, and the bill requires negotiations under the bill to begin by September 1, it is assumed that any costs associated with this bill would occur in fiscal 2012. In addition to the fact finding/arbitration costs cited above, additional potential costs as identified by DBM include:

- hiring a labor relations specialist at a salary of about \$83,800 per year;
- expert witnesses, including actuaries and labor economists with reports and testimony at a cost of \$15,000 (50 hours at \$300 per hour);
- outside counsel at a cost of \$60,000 (250 hours at \$240 per hour); and
- court reporter and transcripts at a cost of \$5,000.

Accordingly, the total new State general fund costs under the bill would be about \$230,000 and would likely occur in fiscal 2012. Labor negotiation costs may increase in future years depending on the length of the existing contract and whether arbitration is required.

DBM also advises that the bill create a separate process for noncommissioned troopers who currently share the same bargaining unit with other sworn police officers employed by the Department of Natural Resources, and the Department of General Services. Under the bill, the State would have to negotiate separate agreements with this one bargaining unit. DBM indicates that a 1% increase in salaries for the covered noncommissioned sworn DSP officers is estimated to cost approximately \$818,000.

Additional Information

Prior Introductions: None.

Cross File: SB 972 (Senator Klausmeier) - Finance.

Information Source(s): Department of Budget and Management, Judiciary (Administrative Office of the Courts), Department of State Police, Office of Administrative Hearings, Department of Legislative Services

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