

Department of Legislative Services
Maryland General Assembly
2022 Session

FISCAL AND POLICY NOTE
Third Reader - Revised

Senate Bill 475

(Senator Beidle, *et al.*)

Finance

Appropriations

**Maryland Transit Administration Police - Collective Bargaining - Supervisors
and Sergeants**

This bill expands the list of Maryland Transit Administration (MTA) employees authorized to participate in collective bargaining with MTA to include supervisors and sergeants in the MTA Police. “Supervisor,” as it applies to the bill’s provisions, means an employee of MTA who is a sworn police officer and who is in a career service position that (1) supervises career service positions of a lower grade; (2) is supervised by an Executive Service position; and (3) has no authority to take personnel actions. MTA must bargain collectively and enter into written collective bargaining agreements with a representative of the Maryland Classified Employees Association, Local 1935 authorized to act for these employees. **The bill takes effect July 1, 2022.**

Fiscal Summary

State Effect: Transportation Trust Fund (TTF) expenditures for the Maryland Department of Transportation (MDOT) potentially increase as early as FY 2023 to the extent that the bill results in additional arbitrations, as discussed below. TTF personnel and other expenditures for MDOT are potentially affected as early as FY 2024, as discussed below. Revenues are not affected.

Local Effect: None.

Small Business Effect: None.

Analysis

Current Law: Section 7-601 of the Transportation Article authorizes specified MTA employees to collectively bargain with MTA. (These employees are not subject to the

collective bargaining provisions established under Title 3 of the State Personnel and Pensions Article.) MTA must bargain collectively and enter into written collective bargaining agreements as to wages, salaries, hours, working conditions, and pension and retirement provisions with the accredited representatives of employees who are employed in:

- job classifications that on December 31, 1983, were included in recognized bargaining units pursuant to agreements in force on that date between MTA and specified accredited representatives; and
- new or revised classifications comparable to the above classifications, excluding supervisory, managerial, professional, confidential, and engineering classifications.

MTA may provide its employees with automatic cost-of-living wage adjustments in accordance with any applicable formula in a collective bargaining agreement between the parties, provided that the aggregate automatic cost-of-living wage adjustments provided to any employee in any contract year do not exceed 5% of the employee's base wage rate as it existed immediately prior to the commencement of the contract year.

If collective bargaining between MTA and employees represented by an accredited representative does not result in agreement, MTA must submit the dispute to a three-member arbitration board. The arbitration board must include one member appointed by MTA, one member appointed by the authorized representative of the employees, and one member jointly appointed by the parties. A majority determination of the board is final and binding on all disputed matters. Each party must pay 50% of the arbitration expenses.

State Expenditures: As discussed above, the bill authorizes supervisors and sergeants of the MTA Police to collectively bargain with MTA. MTA advises that there are currently 25 sergeant positions within MTA Police. Thus, it is assumed that at least 25 positions within MTA Police are affected by the bill's change; MTA advises that no current employees meet the definition of "supervisor" in the bill.

Should these employees choose to collectively bargain with MTA, matters that cannot be resolved through negotiations are subject to the arbitration process established under existing law. Thus, TTF expenditures increase in any fiscal year (as early as fiscal 2023) in which MTA participates in arbitration with the accredited representative of these employees. The timing and amount of any such expenditures cannot be reliably estimated. (For context, MTA recalls participating in 16 arbitrations since 2010.) Costs associated with the arbitration process depend on, among other things, the duration of the proceedings and the complexity of the disputed matters. *Under one illustrative scenario*, MDOT estimates that costs associated with arbitration could total approximately \$73,500 in a given fiscal year, assuming (1) a cost of \$2,500 per day for each of the three arbitrators on the panel, split equally between MTA and the accredited representative; (2) that the arbitration

and research and writing of the award last a total of 10 days; and (3) that MTA must hire, at its own expense, outside counsel and an expert witness (such as a labor economist or pension actuary) to assist during the arbitration process, at a total cost of \$36,000.

Beginning in fiscal 2024, TTF expenditures also increase to the extent that represented supervisors and sergeants within MTA Police negotiate, or are awarded through arbitration, increased compensation and/or other terms of monetary value under the bill. However, any such impact on MTA personnel or other expenditures cannot be reliably estimated or predicted, as it depends on the outcome of the negotiations or arbitration.

Under the bill, collective bargaining agreements executed between MTA and the accredited representative of MTA Police sergeants and supervisors are subject to an existing provision of law that limits automatic cost-of-living wage adjustments that MTA may provide to its employees in accordance with any applicable formula in a collective bargaining agreement to 5% of an employee's base wage rate as it existed in the prior year. According to MTA, MTA Police sergeants have generally received pay increases consistent with those received by Maryland Transportation Authority (MDTA) Police command staff in order to maintain pay parity between MTA Police employees and their MDTA Police counterparts. MTA advises that the bill potentially limits future salary increases for MTA Police sergeants, to the extent that these employees would otherwise receive cost-of-living adjustments in excess of 5% in a given year, absent the bill. To the extent that is the case, increases in TTF personnel expenditures may be less than they otherwise would be in future fiscal years. Any such impact, however, cannot be reliably anticipated. However, the Department of Legislative Services notes that MDTA Police officers are slated to get a 7% pay increase in fiscal 2023 (compensation for MTA sergeants in fiscal 2023 is not affected by the bill).

Aside from the potential effects discussed above, it is assumed that MDOT can likely otherwise handle any increased employee and labor relations activities resulting from the bill with existing budgeted resources.

Additional Information

Prior Introductions: None.

Designated Cross File: HB 580 (Delegates P. Young and Ebersole) - Appropriations.

Information Source(s): Maryland Department of Transportation; Department of Budget and Management; Governor's Office; Department of Legislative Services

Fiscal Note History:
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