

Department of Fiscal Services
Maryland General Assembly

FISCAL NOTE

Senate Bill 576 (Senator Della)
Finance

Baltimore City Charter Amendment - Binding Arbitration for Baltimore City Police

This bill provides for a system of binding arbitration between the Mayor and City Council of Baltimore City and representatives of the Baltimore City police force. If a written agreement concerning terms and conditions of employment has not been reached by March 1 of any year, either party may request binding arbitration by a three-member board, appointed in accordance with the provisions of this bill. The arbitration board must begin its proceedings within seven days of appointing a chairman and make its decision, by majority vote, within 15 days of beginning its proceedings. The board's decision must be the last proposal offered by one of the parties and is binding on the Mayor and City Council and on the certified employee organizations involved in the proceedings. The bill specifies that no appeal is allowed and prohibits strikes by employees.

The bill also specifies that all laws inconsistent with these provisions are repealed to the extent of inconsistency.

Fiscal Summary

State Effect: None. This bill does not directly affect State agency operations or funding.

Local Effect: Potential significant increase in expenditures. Revenues would not be affected. **The bill imposes a mandate on a unit of local government.**

Fiscal Analysis

Local Expenditures: Baltimore City expenditures could increase significantly because this bill gives the arbitration board "fiscal finality" and thus mandates funding for any provision endorsed by the board. However, the Department of Fiscal Services (DFS) advises that any increase in Baltimore City police personnel costs resulting from the terms of binding

arbitration decisions cannot be realistically projected at this time.

DFS further advises that, to the extent binding arbitration is used, Baltimore City expenditures would increase due to paying a share of the costs associated with such arbitration. The bill provides for a three-member arbitration board. It is estimated that the daily fee for an independent arbitrator is \$1,500 and that arbitration hearings last five days on average. Thus, the full cost for arbitration could be \$22,500 per arbitration case, of which Baltimore City presumably would pay one-half (\$11,250). DFS assumes, however, that Baltimore City can absorb these and associated arbitration proceeding costs within existing budgeted resources.

Information Source(s): Baltimore City, Department of Fiscal Services

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