

Department of Legislative Services
Maryland General Assembly
2000 Session

FISCAL NOTE

House Bill 712 (Prince George's County Delegation and Montgomery County Delegation)

Commerce and Government Matters

Maryland-National Capital Park and Planning Commission - Binding Arbitration
PG/MC 9-00

This bill provides for binding arbitration between the Maryland-National Capital Park and Planning Commission (M-NCPPC) and its employee organization.

Fiscal Summary

State Effect: None.

Local Effect: Increase in administrative costs of between \$7,500 and \$27,500 for the M-NCPPC. Indeterminate increase in personnel costs associated with binding arbitration. **This bill imposes a mandate on a unit of local government.**

Small Business Effect: None.

Analysis

Current Law: The M-NCPPC currently has collective bargaining with mediation and fact-finding, but not binding arbitration.

Local Expenditures: The Department of Legislative Services has estimated costs associated with binding arbitration in two categories: first, the administrative costs of implementing binding arbitration; and second, the additional personnel costs that result from binding arbitration.

Administrative Costs

The commission advises that binding arbitration will require it to utilize additional services by its outside labor counsel, at a cost of approximately \$5,000. The cost of the arbitrator is to be split between the M-NCPPC and the bargaining representative. The arbitrator is estimated to cost between \$1,000 and \$1,500. The commission estimates that the arbitration process would take between 15 and 30 days. Legislative Services estimates that the process could be as short as five days. The cost of the arbitrator could therefore range between \$5,000 and \$45,000, split between the parties. In total, administrative expenditures for the M-NCPPC could increase by between \$7,500 and \$27,500 to implement binding arbitration.

Personnel Costs

There are currently 820 employees, with a total payroll (including fringe benefits) of \$35.7 million in the existing bargaining units. Based on a Legislative Services study of collective bargaining, it is estimated that, on average, collective bargaining increases salary and salary-driven fringe benefit costs by between 1% and 1.5%. While the M-NCPPC currently has collective bargaining with mediation and fact-finding, the negotiated agreements are not binding and require approval by the Montgomery and Prince George's county councils. Thus, it is likely that binding arbitration would increase personnel costs. The amount of such increase cannot be reliably estimated at this time.

Additional Information

Prior Introductions: None.

Cross File: None.

Information Source(s): Maryland-National Capital Park and Planning Commission, Department of Legislative Services

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cm/jr

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