

Department of Legislative Services
Maryland General Assembly
2001 Session

FISCAL NOTE

House Bill 1103 (Montgomery County Delegation and Prince George's County Delegation)

Commerce and Government Matters

Finance

Maryland-National Capital Park and Planning Commission - Binding Arbitration MC/PG 116-01

This bill provides for binding arbitration between the Maryland-National Capital Park and Planning Commission (M-NCPPC) and its employee organization. The terms of such arbitration, however, would remain subject to being funded by the Montgomery and Prince George's county councils. The authority to engage in fact-finding is repealed.

Fiscal Summary

State Effect: None.

Local Effect: Increase in administrative costs of \$9,250 to \$35,500 for the M-NCPPC. Potential meaningful 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. The outcome of such collective bargaining is subject to being funded by the Montgomery and Prince George's county councils.

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 \$5,500. The cost of the arbitrator is to be split between the M-NCPPC and the bargaining representative. An arbitrator is estimated to cost from \$1,500 to \$2,000. The commission estimates that the arbitration process would take from 15 to 30 days. Legislative Services estimates that the process could be as short as five days. The cost of the arbitrator could therefore range from \$7,500 to \$60,000, split between the parties. In total, administrative expenditures for the M-NCPPC could increase by \$9,250 to \$35,500 to implement binding arbitration.

Personnel Costs

There are currently 615 employees (excluding park police), with a total payroll (including fringe benefits) of \$27.9 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 1% to 1.5%. While the M-NCPPC currently has collective bargaining with mediation and fact-finding, it is likely that binding arbitration would increase personnel costs. The terms of the arbitration, however, would be subject to being funded by the county councils. As a result, the amount of increase in personnel expenditures cannot be reliably estimated at this time.

Additional Information

Prior Introductions: HB 712 of 2000, a similar but not identical bill, passed the House of Delegates but was not acted upon by the Senate.

Cross File: None.

Information Source(s): Department of Legislative Services

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ef/jr

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