

Department of Legislative Services
Maryland General Assembly
2006 Session

FISCAL AND POLICY NOTE
Revised

House Bill 791
Appropriations

(Montgomery County Delegation)

Finance

Montgomery County – Sheriff’s Office - Collective Bargaining
MC 601-06

This bill extends to nonprobationary deputy sheriff sergeants in Montgomery County the right to organize and collectively bargain for compensation, pensions for active employees, fringe benefits, hours, and the terms and conditions of employment, and it expands the applicability of collective bargaining agreements in the Montgomery County Sheriff’s Office.

Fiscal Summary

State Effect: None.

Local Effect: Personnel costs in Montgomery County related to collective bargaining could increase depending on the scope of any negotiated provisions, and personnel costs for additional deputy sheriff lieutenants could be substantial. Expenditures related to administering collective bargaining could increase by an estimated \$18,750 beginning in FY 2007. Revenues would not be affected. **This bill imposes a mandate on a unit of local government.**

Small Business Effect: None.

Analysis

Bill Summary: The bill clarifies that there is only one collective bargaining agreement for both county and sheriff’s office employees. Furthermore, it specifies that the sheriff may only bargain over certain matters if a single bargaining representative represents

both Montgomery County employees and the sheriff's employees, and it sets forth provisions to resolve disputes between the sheriff and the bargaining representative.

The bill also specifies that all personnel appointed by the Montgomery County Sheriff, except for assistant sheriffs, are subject to the applicable collective bargaining agreement. Furthermore, it subjects the extension of the probationary period of full-time deputy sheriffs and civilian employees to the applicable collective bargaining agreement. The bill requires that deputy sheriffs whose duties require the use of an automobile be reimbursed in an amount established in the applicable collective bargaining agreement, or be allowed to use a publicly-owned automobile.

Moreover, it clarifies that funding for the terms of a collective bargaining agreement is subject to budget and fiscal policies of the county.

Except as provided in the Montgomery County merit system law and personnel regulations; the right of covered sheriff's office employees to collectively bargain and any agreement made, may not impair the right and responsibility of the sheriff to perform certain managerial duties.

Current Law: Nonprobationary deputies below the rank of sergeant have the right to organize and collectively bargain for compensation, pensions for active employees, fringe benefits, hours, and the terms and conditions of employment. The Montgomery County Sheriff is authorized to appoint two full-time assistant sheriffs, and the number of deputies, clerical, and administrative employees provided for in the county budget. All full-time deputies, except assistant sheriffs, may be required by the sheriff to serve a 12-month probationary period following the attainment of sworn status; however, civilian employees may be required to serve a 6-month probationary period. The sheriff is authorized to extend the probationary period for reasonable cause.

The required funding for a collective bargaining agreement negotiated by the sheriff is subject to the Montgomery County budget and fiscal policies. Each assistant and deputy sheriff whose duty assignment requires the use of an automobile must be reimbursed in an amount established in the budget, or be allowed to use a publicly-owned automobile.

The right of the deputies below the rank of sergeant to collectively bargain and any agreement made, may not impair the right and responsibility of the sheriff to perform managerial duties.

Nonprobationary deputies below the rank of sergeant are considered to be employees of the Montgomery County Executive for the purpose of collective bargaining for compensation, pensions, fringe benefits, and hours; however, the Montgomery County

Sheriff is considered to be the employer for all other terms and conditions of employment.

Background: Chapter 403 of 2004 authorized collective bargaining for full-time law enforcement officers below the rank of sergeant and civilian employees in the Montgomery County Sheriff's Office.

The Montgomery County Sheriff's Office reports that there are 133 deputies, 89 of whom currently have the right to collectively bargain. The sheriff's office also employs 30 civilian employees, 22 of whom have the right to collectively bargain. **Exhibit 1** outlines the ranking structure of the Montgomery County Sheriff's Office and lists how many deputies are in each rank.

Exhibit 1
Composition of the Montgomery County Sheriff's Office

<u>Title</u>	<u>Number</u>
Chief Deputy	1
Deputy Sheriff Lt. Colonel	1
Deputy Sheriff Captain	4
Deputy Sheriff Lieutenant	9
Deputy Sheriff Sergeant	29
Deputy Sheriff III	48
Deputy Sheriff II	22
Deputy Sheriff I	12
Deputy Sheriff Candidate	7
Civilian Employees	30
Total Employees	163

Note: These numbers are as of February 22, 2006 and do not include five vacant sworn officer positions.

Source: Montgomery County Sheriff's Office

Local Fiscal Effect: The Montgomery County Sheriff's Office estimates that the administrative costs to implement the bill would be approximately \$75,000 which includes a labor consultant, training, and operating expenses. The Department of Legislative Services (DLS) advises that since civilian employees and deputies below the rank of sergeant already have the right to organize and collectively bargain, additional labor relations administrative costs associated with extending collective bargaining to 29

deputy sheriff sergeants would be less than \$75,000. Given that adding sergeants to collective bargaining would increase the employees eligible to collective bargain by approximately 25%, additional labor relations administrative costs could increase by a proportionate amount, or \$18,750.

Any increase in compensation for sergeants related to extending the right to collectively bargain to these individuals would depend on the negotiated items in the collective bargaining agreement, which cannot be quantified at this time. However, based on a dated study by DLS, it is estimated that expenditures associated with salaries and fringe benefits could increase by 1% to 1.5% as a result of collective bargaining.

The Montgomery County Sheriff's Office advises that sergeants currently perform some managerial functions. The sheriff's office further advises that if sergeants are allowed to collectively bargain, these individuals would no longer be able to perform in a managerial capacity. As a result, the sheriff's office would have to hire five additional managerial staff at the rank of deputy sheriff lieutenant.

Based on an estimate from the Montgomery County Sheriff's Office, the average annual salary for a deputy sheriff lieutenant in fiscal 2007 will be \$85,750. For each new deputy sheriff lieutenant hired, fiscal 2007 personnel expenditures for the sheriff's office could increase by \$90,038 for salary (\$64,313) and fringe benefits (\$25,725). This estimate assumes a fringe benefits employer contribution rate of 40% of salary as advised by the sheriff's office, and takes into account the October 1, 2006 effective date of the bill. Out-year estimates reflect annualized salaries of each lieutenant, and a 5.5% annual salary increase for a cost-of-living adjustment and increment, as advised by the sheriff's office. **Exhibit 2** shows the increased personnel expenditures related to hiring five additional deputy sheriff lieutenants.

Exhibit 2
Increased Personnel Expenditures for the Montgomery County Sheriff's Office
For Five New Deputy Sheriff Lieutenants
Fiscal 2007 - 2011

<u>Year</u>	<u>Salary</u>	<u>Fringe Benefits</u>	<u>Increase per Lieutenant</u>	<u>Total Increase</u>
2007	\$64,313	\$25,725	\$90,038	\$450,188
2008	90,466	36,187	126,653	633,264
2009	95,442	38,177	133,619	668,093
2010	100,691	40,276	140,968	704,838
2011	106,229	42,492	148,721	743,604

Assuming that five new deputy sheriff lieutenants would need to be hired, personnel expenditures for the sheriff's office could increase by \$450,188 in fiscal 2007 and by \$743,604 in fiscal 2011. DLS observes that to the extent that current deputy sheriff personnel are promoted to fill these five deputy sheriff lieutenant positions, personnel expenditures for the Montgomery County Sheriff's Office could be mitigated.

An increase in travel reimbursement expenditures is possible because travel reimbursements will be governed by the collective bargaining agreement rather than the budget. The total increase in travel reimbursements is not quantifiable at this time, as it depends on the amount negotiated in the collective bargaining agreement.

Additional Information

Prior Introductions: None.

Cross File: None.

Information Source(s): Montgomery County, Department of Legislative Services

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