

Department of Legislative Services
 Maryland General Assembly
 2009 Session

FISCAL AND POLICY NOTE

House Bill 1357
 Appropriations

(Delegates Jones and DeBoy)

Maryland Transportation Authority Police Officers - Collective Bargaining

This bill authorizes all full-time Maryland Transportation Authority (MDTA) police officers at or below the rank of lieutenant to engage in collective bargaining for wages and benefits not regulated by MDTA, through a labor organization certified as their exclusive representative. The bill specifies that under specified circumstances, MDTA or the labor organization may demand binding arbitration if an agreement cannot be reached.

The bill does not authorize MDTA police officers to participate in a strike.

The bill takes effect July 1, 2009.

Fiscal Summary

State Effect: Nonbudgeted expenditures increase by \$60,600 in FY 2010. This estimate does not include potentially significant unquantifiable nonbudgeted and special fund expenditures related to the terms of a collective bargaining agreement. No effect on revenues.

(in dollars)	FY 2010	FY 2011	FY 2012	FY 2013	FY 2014
Revenues	\$0	\$0	\$0	\$0	\$0
NonBud Exp.	60,600	76,700	80,300	84,100	88,100
Net Effect	(\$60,600)	(\$76,700)	(\$80,300)	(\$84,100)	(\$88,100)

Note:() = decrease; GF = general funds; FF = federal funds; SF = special funds; - = indeterminate effect

Local Effect: None.

Small Business Effect: None.

Analysis

Bill Summary: The bill authorizes MDTA police officers to take part in or refrain from taking part in forming, joining, supporting, or participating in a labor organization or its lawful activities; select a labor organization as their exclusive representative; enter into a collective bargaining agreement through their exclusive representative, covering wages and benefits not regulated by MDTA; and certify a labor organization as their exclusive representative.

A labor organization is deemed certified as an exclusive representative if a petition submitted to MDTA for the organization to be recognized is signed by at least 51% of the police officers at or below the rank of lieutenant, indicating their desire to be exclusively represented by the petitioning labor organization for the purpose of collective bargaining. MDTA has 10 calendar days following receipt of the petition to challenge its validity; otherwise, the labor organization is deemed certified as the exclusive representative.

If MDTA challenges the validity of the petition, the American Arbitration Association must be requested to appoint a neutral third party to conduct an election and to certify whether the labor organization has been selected as the exclusive representative by a majority of votes cast in the election. The costs associated with the American Arbitration Association and the neutral third party are shared equally amongst the parties.

Following the certification of an exclusive representative, the parties must meet at reasonable times and engage in collective bargaining in good faith, and the parties must make every reasonable effort to conclude negotiations in a timely manner.

The collective bargaining agreement must contain all matters of agreement reached in the collective bargaining process. It may also contain a grievance procedure providing for binding arbitration of grievances. The agreement must be in writing and signed by the designated representatives of the parties involved. An agreement is not effective until ratified by a majority of votes cast by the police officers in the bargaining unit, and the authority.

If MDTA and the exclusive representative are unable to reach a written agreement by January 15 of any year on wages and terms and conditions of employment, either party may demand binding arbitration before an arbitration panel. Selection of the three-member arbitration is specified in the bill. The arbitration panel has the power to administer oaths, compel the attendance of witnesses and the production of evidence by subpoena, and declare the record closed. The written decision of the arbitration panel is final and binding. The parties must equally share the cost of arbitration.

Current Law: MDTA police officers are not currently authorized to engage in collective bargaining for wages and benefits not regulated by the authority.

Background: MDTA manages, operates, and maintains the State's seven toll facilities (four bridges, two tunnels, and one highway) and provides law enforcement for these facilities, as well as Baltimore/Washington International Thurgood Marshall Airport and the Port of Baltimore. Toll revenues and bonds are used to finance these projects as well as selected projects for the Maryland Department of Transportation (MDOT). MDTA is a nonbudgeted State agency within MDOT.

State Fiscal Effect: MDTA advises that collective bargaining with its police officers requires one MDTA administrator to conduct the collective bargaining negotiations, at an annual salary of \$49,638. Thus, MDTA expenditures increase by an estimated \$60,634 beginning in fiscal 2010. This estimate reflects a three-month start-up delay. The estimate includes a salary, fringe benefits, one-time start-up costs, and ongoing operating expenses. The information and assumptions used in calculating the estimate are stated below:

Position	1
Salary and Fringe Benefits	\$54,611
Equipment	4,065
Operating Expenses	<u>1,958</u>
Total FY 2010 MDTA Expenditures	\$60,634

Future year expenditures reflect a full salary with 4.4% annual increases, 3% employee turnover, and 1% annual increases in ongoing operating expenses.

Any increase in personnel expenditures for MDTA police officers resulting from collective bargaining cannot be reliably quantified at this time, as it depends on the terms of the collective bargaining agreement; however, the increase may be potentially significant. *For illustrative purposes only*, based on 1995 study by the Department of Legislative Services, collective bargaining increases costs associated with salaries and fringe benefits by 1% to 1.5%. Assuming that police cadets are excluded from collective bargaining (considered civilian employees), the fiscal 2009 total payroll (excluding benefits) for the 468 MDTA police officers at or below the rank of police lieutenant is \$27.2 million. Based on these assumptions, if through collective bargaining salaries of these individuals increase by 1%, MDTA annual personnel expenditures increase by approximately \$272,000. MDTA advises that some of the personnel cost increase is borne by special funds in (Transportation Trust Fund) the Maryland Aviation Administration, the Maryland Port Administration, and the Motor Vehicle Administration for the police services provided to these agencies by MDTA.

Additional Information

Prior Introductions: Similar bills, SB 722 and HB 1151, were introduced in 2006. SB 722 was withdrawn before receiving a hearing in the Senate Finance Committee and HB 1151 was withdrawn after a hearing in the House Appropriations Committee.

Cross File: None.

Information Source(s): Department of Budget and Management, Maryland Department of Transportation, Department of Legislative Services

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mcp/rhh

Analysis by: Michael T. Vorgetts

Direct Inquiries to:
(410) 946-5510
(301) 970-5510