

**Department of Legislative Services**  
2010 Session

**FISCAL AND POLICY NOTE**  
**Revised**

House Bill 815  
Appropriations

(Delegate DeBoy, *et al.*)

Finance

**Maryland Transportation Authority Police Officers - Collective Bargaining**

This bill expands the application of specified collective bargaining provisions to all Maryland Transportation Authority (MDTA) police officers at or below the rank of first sergeant and requires these positions to have a separate bargaining unit.

The bill takes effect July 1, 2010.

**Fiscal Summary**

**State Effect:** MDTA nonbudgeted expenditures increase by \$75,100 in FY 2011 for an administrator position. This estimate does not include potentially significant nonbudgeted and special fund expenditures in FY 2011 and future years related to the terms of a collective bargaining agreement. Future year expenditures reflect annualization and inflation. Revenues are not affected.

(in dollars)	FY 2011	FY 2012	FY 2013	FY 2014	FY 2015
Revenues	\$0	\$0	\$0	\$0	\$0
SF Expenditure	-	-	-	-	-
NonBud Exp.	75,100	95,800	100,300	105,000	109,900
Net Effect	(\$75,100)	(\$95,800)	(\$100,300)	(\$105,000)	(\$109,900)

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

**Local Effect:** None.

**Small Business Effect:** None.

## Analysis

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

### **Background:**

#### *Maryland Transportation Authority Police Force*

MDTA manages, operates, and maintains the State's seven toll facilities (four bridges, two tunnels, and one highway). MDTA's Police Force is responsible for security and law enforcement services at all of MDTA's toll facilities, except I-95, which is patrolled by DSP. MDTA is also under contract with: (1) the Maryland Aviation Administration (MAA) to provide law enforcement services at the Baltimore/Washington International Thurgood Marshall Airport; (2) the Maryland Port Administration (MPA) to provide law enforcement services at the MPA-owned facilities at the Port of Baltimore; and (3) the Motor Vehicle Administration (MVA) to provide law enforcement services at the headquarters complex in Glen Burnie. In 2010, the opening of the Intercounty Connector will expand MDTA police's primary jurisdiction to include parts of Montgomery and Prince George's counties. It is assumed that, in addition to the toll facility, the MDTA Police Force and local police jurisdictions will agree to concurrent jurisdictions in some adjacent locations.

The MDTA Police Force is the seventh largest law enforcement agency in the State and the only State law enforcement agency to operate off budget. As an entity within a nonbudgeted agency, the MDTA Police Force has been shielded from the cost containment actions that other law enforcement agencies have endured. Additionally, although MDTA conforms to the personnel policies established by the State, such as furloughs and the cessation of deferred compensation matches, MDTA is not subject to the same policies for creating and transferring positions that State agencies are. MDTA has the ability to create positions as needed without approval from the General Assembly or the Department of Budget and Management.

#### *Collective Bargaining*

Since MDTA is not considered a unit of the Maryland Department of Transportation, it is not subject to State collective bargaining law. Maryland's collective bargaining law applies to employees of the Executive Branch's principal departments, the Maryland Insurance Administration, the State Department of Assessments and Taxation, the State Lottery Agency, the University System of Maryland, Morgan State University, St. Mary's College of Maryland, and Baltimore City Community College. However, certain Executive Branch employees within the State do not have these rights, such as

elected government officials; political appointees or employees by special appointment; or any supervisory, managerial, or confidential employees.

The Fraternal Order of Police filed a suit against MDTA on June 27, 2007, seeking specific performance of a purported agreement by MDTA to fund certain MDTA police benefits, specifically “take home” police cruisers. In its suit, the Fraternal Order of Police stated that, in exchange for these benefits, it promised MDTA it would not pursue collective bargaining legislation. The Circuit Court dismissed the case, and it is currently pending before the Court of Special Appeals (*Maryland Transportation Authority Police Lodge 34 of the Fraternal Order of Police et al. v. State of Maryland, et al.*, No. 01885 Sept. Term, 2008). The appeal was heard on November 5, 2009, and a decision is expected in the next few months.

Committee narrative in the 2009 *Joint Chairmen’s Report* directed MDTA to work with representatives from MDTA police to reach agreement on the process to grant collective bargaining rights to MDTA police and to submit departmental legislation in the 2010 session to effectuate this change. In a letter dated January 15, 2010, MDTA indicated that, due to the pending lawsuit, it has not entered into a collective bargaining discussion with MDTA police and does not plan to introduce departmental legislation during the 2010 session.

**State Fiscal Effect:**

MDTA nonbudgeted expenditures increase by \$75,063 in fiscal 2011 for an administrator to conduct collective bargaining negotiations with MDTA police officers. 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 but does not include any costs for arbitration, as any such costs cannot be predicted.

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Salary and Fringe Benefits	\$68,770
Operating Expenses	<u>6,293</u>
<b>Fiscal 2011 MDTA Expenditures</b>	<b>\$75,063</b>

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, an increase may be 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 2010 total payroll (excluding benefits) for the 472 MDTA police officers at or below the rank of first sergeant is \$24.8 million. Based on these assumptions, if through collective bargaining salaries of these individuals increase by 1%, annual personnel expenditures increase by approximately \$248,000. MDTA advises that some of the personnel cost increase is borne by special funds (Transportation Trust Fund) in MAA, MPA, and MVA for the police services provided to these agencies by MDTA.

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### **Additional Information**

**Prior Introductions:** None.

**Cross File:** None.

**Information Source(s):** Department of Budget and Management, Department of Natural Resources, Department of State Police, Maryland Department of Transportation, Maryland Transportation Authority, Department of Legislative Services

**Fiscal Note History:** First Reader - February 25, 2010  
mpc/lgc Revised - House Third Reader - April 6, 2010  
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