

**Department of Legislative Services**  
Maryland General Assembly  
2010 Session

**FISCAL AND POLICY NOTE**

House Bill 916 (Cecil County Delegation)  
Appropriations

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**Cecil County - Collective Bargaining - Representation of Deputy Sheriffs -  
Arbitration - Referendum**

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This bill authorizes the representatives of full-time sworn law enforcement deputy sheriffs in Cecil County to bargain collectively with the sheriff and the Cecil County Commissioners on specified wage, benefits, and working conditions. The bill provides for either binding or nonbinding arbitration depending on voter approval via referendum. The bill does not authorize or allow deputy sheriffs to engage in a strike or authorize the collection of mandatory membership fees from nonmembers of the employee organization.

The bill takes effect July 1, 2010.

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**Fiscal Summary**

**State Effect:** None.

**Local Effect:** Cecil County expenditures increase by at least \$187,200 annually beginning in FY 2011. Future expenditures will depend on the wage and benefits packages that are developed. County revenues are not affected.

**Small Business Effect:** None.

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**Analysis**

**Bill Summary:** The bill authorizes sworn law enforcement deputy sheriffs in Cecil County, at the rank of first sergeant and below, to take or refrain from taking part in forming, joining, supporting, or participating in a labor organization with regard to

specified collective bargaining activities. The bill provides for the methods and procedures for establishing collective bargaining arrangements including costs and dates by which agreements must be reached. Depending on the outcome of a required voter referendum, the county government may be subject to binding arbitration when an agreement cannot be reached between the employee representative organization and the sheriff and the county commissioners.

The referendum on binding or nonbinding arbitration must take place at the November 2010 general election. The Cecil County Commissioners and the Cecil County Board of Elections must carry out all duties necessary to provide for and hold the referendum. If a majority of the votes cast on the question are “For collective bargaining with binding arbitration” the provisions of the bill regarding collective bargaining binding arbitration become effective on the thirtieth day following the official canvass of votes and the provisions of the bill regarding collective bargaining with nonbinding arbitration are of no effect and null and void. If a majority of the votes cast on the question are “For collective bargaining with nonbinding arbitration” the provisions of the bill regarding collective bargaining with nonbinding arbitration become effective on the thirtieth day following the official canvass of votes and the provisions regarding collective bargaining with binding arbitration are of no effect and null and void.

**Current Law:** Collective bargaining for deputy sheriffs in Cecil County is not authorized. Currently, seven counties in Maryland have collective bargaining for deputy sheriffs including: Allegany, Anne Arundel, Baltimore, Charles, Frederick, Montgomery, and Prince George’s counties. In Allegany, Anne Arundel, and Prince George’s counties, binding arbitration is provided. The scope of collective bargaining is limited in a few counties: Charles County does not authorize bargaining on salaries and other issues controlled by the county; Frederick County authorizes bargaining for wages and benefits only.

**Background:** Law enforcement expenditures for the Cecil County Sheriff’s Office total \$8.8 million in fiscal 2010. The sheriff’s office has 79 deputy sheriffs at the rank of first sergeant and below.

**Local Fiscal Effect:** Cecil County expenditures increase by at least \$187,200 in fiscal 2011, which reflects the cost of one human resources administrative position to monitor future collective bargaining agreements; contractual costs relating to drafting a new labor code and agreements; mediation fees; and other ongoing administrative costs. **Exhibit 1** illustrates the estimated costs to implement collective bargaining for sheriff deputies. Cecil County indicates that these costs are partly due to the fact that the county does not currently recognize any unions and that collectively bargaining is not authorized for county government positions. Consequently, the bill results in significant start-up and ongoing administrative costs.

In addition, the county may incur additional expenditures in future years depending on future collective bargaining agreements. These expenditures cannot be reliably estimated and will depend on the wage and benefits packages that are developed. The county indicates that a 1.5% increase to current wages and benefits will cost approximately \$300,000. Compounded annually, these additional costs will increase rapidly.

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**Exhibit 1**  
**Cecil County Administrative Costs**  
**Collective Bargaining for Sheriff's Office**

	<u><b>FY 2011</b></u>
Human Resources Administrator	\$60,750
Contractual Services	120,000
Operating Expenses	6,400
<b>Total</b>	<b>\$187,150</b>

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The county indicates that the increased costs for salaries and benefits resulting from collective bargaining could potentially have negative effects on the Public Safety Pension Plan Trust as well as the county's general fund.

Currently, annual step increases are built into the public safety pay scale at 3% and are considered in the actuarial valuations for the plan. Wage increases that exceed the actuarial assumption will likely reduce the funded status of the plan and increase the county's contribution rate, which now totals nearly 20%. Also, approximately one-fifth of current law enforcement employees are eligible for retirement within five years and would receive benefits disproportional to the contributions they have made because benefit payments would be calculated on wages at the new rate instead of the actuarial rate. The county's public safety pension plan has been in effect for only seven years and is not optimally funded.

The individuals who are eligible to retire soon are generally at the higher end of the pay scale and thus will place a greater burden on the plan. As a result, this may put pressure on the county to increase its contribution to make up for the resulting reduction in the funded status of the plan.

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**Additional Information**

**Prior Introductions:** None.

**Cross File:** SB 726 (Cecil County Senators) - Finance.

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

**Fiscal Note History:** First Reader - March 1, 2010  
mam/hlb

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