

Department of Legislative Services
Maryland General Assembly
2010 Session

FISCAL AND POLICY NOTE
Revised

House Bill 1098
Appropriations

(Delegate Oaks, *et al.*)

Finance

Baltimore City - Binding Arbitration - Police Officers

This bill requires binding arbitration between Baltimore City and the certified employee organization representing city police officers if collective bargaining negotiations have not produced a written agreement by April 1 of any year and one of the parties request arbitration. Negotiations may continue until the first day of arbitration.

The board of arbitration can order the implementation of one of the last proposals submitted by either party or can modify the final orders to develop a new final agreement. The bill caps the costs of arbitration for police officers to be paid by Baltimore City to \$15,000 in any fiscal year.

The bill takes effect July 1, 2013.

Fiscal Summary

State Effect: None.

Local Effect: Baltimore City expenditures related to binding arbitration proceedings may increase by \$15,000 annually beginning in FY 2014. Revenues are not affected. **This bill imposes a mandate on a unit of local government.**

Small Business Effect: None.

Analysis

Current Law: Binding arbitration is required between Baltimore City and the certified organizations representing city firefighters and fire officers, if collective bargaining

proceedings have not produced a written agreement by March 1 of any year and arbitration is requested by one of the parties.

The board of arbitration has three members, one appointed by the mayor and one appointed by the certified employee organization representing the bargaining unit. These two members choose the third (who will serve as the chair) from a list furnished by the American Arbitration Association. Statute limits the time in which the board must be appointed and the time in which the board must rule.

The board is required to identify the major issues in the dispute, review positions of all parties, and take into consideration a number of factors, including wages, benefits, hours, and other working conditions of other fire departments and other public safety employees in Maryland and comparable metropolitan areas of other states, as well as cost-of-living. The board has the power to administer oaths, compel the attendance of witnesses, and require evidence by subpoena. After hearing witnesses and considering evidence, the board must (by written decision) order the implementation of the last proposal of one of the parties, in its entirety. This decision is the final decision, and there are no provisions for appeal.

Background: Chapter 704 of 1985 codified the binding arbitration provisions regarding collective bargaining negotiations between Baltimore City and the certified organization(s) representing city firefighters and fire officers. According to Baltimore City, binding arbitration services for the current MOU between the city and the International Association of Fire Fighters, Locals 734 (firefighters) and 964 (fire officers) is expected to cost approximately \$156,000 in fiscal 2010. This includes costs for arbiters, court reporters, and attorneys.

Baltimore City police officers are in two bargaining units; Unit I includes police officers, police agents, and flight officers, and Unit II includes police sergeants and lieutenants. Together, the units comprise approximately 2,400 officers. The current memorandum of understanding (MOU) for both units became effective July 1, 2009, and expires June 30, 2010. Each MOU automatically renews from year to year, unless either party gives written notice to the other party by January 1 indicating their desire to terminate, modify, or amend it.

Baltimore City advises that it has not yet begun collective bargaining negotiations with the representative for either police bargaining unit, although it expects negotiations to begin soon.

Local Fiscal Effect: Beginning in fiscal 2014, to the extent that collective bargaining negotiations with either police bargaining unit do not conclude by April 1, and either

party requests binding arbitration, Baltimore City expenditures could increase by \$15,000 to cover part of the costs associated with the arbitration proceedings.

Any future costs associated with the outcome of binding arbitration proceedings depend on the wages and benefits associated with the final agreement, as chosen by the board of arbitration.

Additional Information

Prior Introductions: SB 509 of 2007 passed the Senate, received a hearing in the House Appropriations Committee, but no further action was taken. HB 1167 of 2007 received a hearing in the House Appropriations Committee, but no further action was taken.

Cross File: SB 613 (Senator Della, *et al.*) - Finance.

Information Source(s): Baltimore City, Department of Legislative Services

Fiscal Note History: First Reader - March 1, 2010
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