

Department of Legislative Services
Maryland General Assembly
2011 Session

FISCAL AND POLICY NOTE

House Bill 673
Appropriations

State Law Enforcement Officers - Collective Bargaining - Certain Police Employees

This bill establishes collective bargaining rights for sworn, noncommissioned State law enforcement officers who are represented by an exclusive employee representative over wages, hours, working conditions, and any other terms or conditions of employment. The bill requires the use of arbitration, in certain circumstances. The bill's requirements apply only to negotiation of a new Memorandum of Understanding (MOU) or the negotiation of a successor to an existing MOU. It is not applied to a dispute over a provision in an existing MOU.

Fiscal Summary

State Effect: Potential significant increase in the costs of salary and benefits for some State law enforcement officers beginning in FY 2014. Although such a potential impact cannot be reliably quantified, a 1% increase in salary for covered law enforcement officers is estimated at \$1.0 million.

Local Effect: None.

Small Business Effect: None.

Analysis

Bill Summary: The bill allows either party to request arbitration during negotiations, and it is required upon a declaration of an impasse. Arbitration must be in the form of a three person board, as specified, through the use of the services of the American Arbitration Association. The bill establishes the powers and duties of the board and

provides timeframes and deadlines relating to negotiation and arbitration. The evidence that an arbitration board must receive and consider is enumerated in the bill.

If either party rejects the decision of the board after impasse and declines to enter into a MOU, a written notice of the rejection must be sent to the other party with the reasons for the rejection. The rejecting party must also send a copy of the notice to the Governor, the Senate President, and the Speaker of the House. The bill specifies how the expenses of negotiation and arbitration must be covered by the State and the employees bargaining unit.

To the extent that matters covered in a new MOU do not require the enactment of legislation or the appropriation of funds, the matters are binding on the parties. To the extent these matters require the enactment of legislation, the Governor or the Governor's designee must recommend the matters to the General Assembly for approval during the next legislative session beginning after the conclusion of the negotiations.

In the annual budget bill submitted to the General Assembly, the Governor must include any amounts in the budget required to accommodate any additional cost resulting from the negotiations, including the actuarial impact of any legislative changes to any of the state pension or retirement systems that are required as a result of the negotiations for the fiscal year beginning the following July 1 if the legislative changes have been negotiated to become effective in that fiscal year. If the Governor does not include the required amounts in the budget bill to accommodate the additional costs, the Governor must include those amounts in the budget for the following fiscal year.

Monetary or other benefits that were matters of agreement that were incorporated into the MOU but were not paid to members of the bargaining unit because they were not included in the Budget Bill must be paid retroactively to the affected employees on the second July 1 following the conclusion of negotiations. Negotiations for a MOU must be considered closed sessions under specified provisions of the State Government Article.

Current Law: The Law Enforcement Officers' Bill of Rights was enacted in 1974 to guarantee police officers specified procedural safeguards in any investigation that could lead to disciplinary action. It extends to police officers of 23 specified State and local agencies. It does not grant collective bargaining rights.

State law enforcement employees impacted under the bill are covered under the current collective bargaining agreement for State employees (under the State Personnel and Pensions Article), including an agreement of the parties on the standards of wages, hours, and other terms and conditions of employment for State employees in the State Personnel Management System. The current MOU between the State and the Maryland State Law

Enforcement Officers Labor Alliance (SLEOLA) addresses disciplinary matters for law enforcement officers.

Binding arbitration is not included in the Title 3 provisions. The State's current MOU with SLEOLA includes a procedure for the resolution of an impasse during the negotiations of a MOU. This procedure outlines the use of an arbitration board that results in recommendations to the Governor. This MOU procedure does not make the arbitrator's recommendations binding on the Governor.

Background: According to the Department of Budget and Management (DBM), there are currently 1,657 sworn, noncommissioned State law enforcement officers represented by SLEOLA.

State Fiscal Effect: The current MOU was initiated on July 1, 2010, and is in effect until June 30, 2013. The actual costs of any new agreements under the bill may be significant, and because the issues may vary greatly, cannot be quantified. DBM advises that, as an example, a 1% increase in salary for SLEOLA covered law enforcement officers is estimated at approximately \$1 million. Because a form of arbitration is already provided under the current MOU, no additional staffing costs for the bill's arbitration provisions are expected for DBM.

Additional Information

Prior Introductions: None.

Cross File: SB 699 (Senator Klausmeier) - Finance.

Information Source(s): Department of Budget and Management; Department of Natural Resources; Department of General Services; Department of State Police; Morgan State University; Maryland Department of Transportation; University System of Maryland; Maryland Association of Counties; Carroll, Harford, and Montgomery counties; Department of Legislative Services

Fiscal Note History: First Reader - March 2, 2011
mc/hlb

Analysis by: Guy G. Cherry

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