

**Department of Legislative Services**  
Maryland General Assembly  
2019 Session

**FISCAL AND POLICY NOTE**  
**First Reader**

Senate Bill 938

(Senator Klausmeier)

Finance

---

**Maryland Transportation Authority Police - Collective Bargaining - Binding  
Recommendations of Fact Finder**

---

This bill requires that the written recommendations of a fact finder be binding in a collective bargaining dispute between the Maryland Transportation Authority (MDTA) and the exclusive representative of full-time MDTA police officers at the rank of first sergeant and below.

---

**Fiscal Summary**

**State Effect:** Nonbudgeted expenditures may increase or decrease, potentially significantly, to the extent that binding recommendations of a fact finder on affected labor disputes lead to favorable or unfavorable outcomes for MDTA. Revenues are not affected.

**Local Effect:** None.

**Small Business Effect:** None.

---

**Analysis**

**Current Law:** Approximately 30,000 State employees have collective bargaining rights. Maryland's collective bargaining law generally applies to employees of the Executive Branch departments, the Maryland Insurance Administration, the State Department of Assessments and Taxation, the State Lottery and Gaming Control Agency, the University System of Maryland, the Office of the Comptroller, MDTA employees who are not police officers, the State Retirement Agency, the Maryland State Department of Education, Morgan State University, St. Mary's College of Maryland, and Baltimore City Community

College, along with specified firefighters for Martin State Airport and all full-time MDTA police officers at the rank of first sergeant and below.

Certain Executive Branch employees within the State do not have collective bargaining rights, such as elected government officials; political appointees or employees by special appointment; or any supervisory, managerial, or confidential employees of an Executive Branch department.

Parties to the collective bargaining process must make every reasonable effort to conclude their negotiations by January 1 for any item requiring appropriation for the fiscal year that begins the following July 1. If the parties do not conclude negotiations for the next fiscal year before October 25, either party may request that a neutral fact finder be employed to resolve the issues. By November 20, the fact finder must make written recommendations regarding wages, hours, and working conditions and any other terms or conditions of employment that may be in dispute. Those recommendations must be delivered to the specified parties by December 1, but they are not binding. The outcome of collective bargaining must be incorporated into a memorandum of understanding.

#### *Collective Bargaining for Maryland Transit Administration Employees*

Maryland Transit Administration (MTA) employees also have collective bargaining rights; however, they are separate from most other State employees. If a labor dispute between MTA and its employees does not result in agreement, MTA must submit the dispute to an arbitration board. A majority determination of the board is final and binding on all disputed matters.

**Background:** MDTA has approximately 391 bargaining unit members that are police officers at the rank of first sergeant or below. There are approximately 48 additional unfilled budgeted positions that could be eligible to be part of the bargaining unit. MDTA advises that, in the past four years, there have been several written disputes or grievances, but that most issues are resolved without escalating to a fact finder.

**State Expenditures:** The fiscal impact associated with binding written recommendations of a fact finder depends on the outcomes of those recommendations and whether those recommendations are favorable to the labor union or the State. As the fact finder makes recommendations regarding wages, hours, and working conditions and any other terms or conditions of employment that may have monetary and nonmonetary value, these additional costs or savings could be significant. Recommendations favorable to the labor union would increase nonbudgeted expenditures for MDTA while recommendations favorable to the State could decrease nonbudgeted expenditures for MDTA.

MDTA advises that the bill's requirements have the potential to result in a violation to its Trust Agreement with its bondholders. Specifically, MDTA advises that the Trust Agreement requires all conditions of employment (such as compensation, salaries, fees, and wages) paid by it in connection with the maintenance, repair, and operation of its Transportation Facilities Projects be reasonable. MDTA advises that a fact finder making a decision under the bill is not bound by these requirements and, therefore, a decision could result in bondholder legal action. The Department of Legislative Services notes that any such occurrence is speculative.

---

## **Additional Information**

**Prior Introductions:** HB 1741 of 2018 was assigned to the House Rules and Executive Nominations Committee, but no further action was taken.

**Cross File:** HB 1298 (Delegate Jackson) - Rules and Executive Nominations.

**Information Source(s):** Governor's Office; Department of Budget and Management; Maryland Department of Transportation; Department of Legislative Services

**Fiscal Note History:** First Reader - March 16, 2019  
mag/mcr

---

Analysis by: Heather N. Ruby

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