



McGillivray  
Steele  
Elkin <sup>LLP</sup>

Megan K. Mechak  
mkm@mnelaborlaw.com

### **Testimony of Megan Mechak**

SB 373 - BWI Airport Fire & Rescue Department - Collective Bargaining and Arbitration Processes  
Finance Committee - February 6, 2025

#### **Support / Favorable**

Binding interest arbitration is a critical tool to ensure that collective bargaining with employees of the BWI Airport Fire & Rescue Department is fair and collaborative.

My name is Megan Mechak, and my firm represents the International Association of Fire Fighters, AFL-CIO, Local 1742, which is the exclusive representative of the fire fighters assigned to the Thurgood Marshall Baltimore-Washington International Airport Fire & Rescue Department. I also represent other public safety employees across the state of Maryland. Binding interest arbitration is an established and effective part of the collective bargaining process in jurisdictions across the state.

Public sector employees – including the brave men and women of the BWI Airport Fire & Rescue Department – cannot strike. As a result, binding interest arbitration is crucial for ensuring the collective bargaining process is fair and collaborative. Binding interest arbitration not only motivates the parties to control the process by reaching an agreement, but provides for final resolution of their impasse if they do not.

Binding interest arbitration is a tool in the collective bargaining process. It offers a well-established procedure for resolving disputes that the parties, despite their good faith efforts, cannot resolve themselves. Under this bill, a neutral arbitrator will have the opportunity to mediate the dispute in an attempt to bring the parties together. Oftentimes, after months of collective bargaining, a fresh – and objective – eye can break the parties' deadlock. If they cannot agree, the arbitrator will issue a decision by selecting the more reasonable position, taking into consideration important factors like the State's ability to pay for any monetary terms and the impact of the proposals on the workers and the public.

In jurisdictions where the collective bargaining process ends in binding interest arbitration, the parties work hard to avoid that outcome because they recognize that cooperative labor relations often require compromise. As provided for in this bill, binding interest arbitration will ensure those compromises are fair for the State and the BWI Airport Fire & Rescue Department employees, by providing objective, reasonable, and, if necessary, binding guidance to the parties.

I urge a favorable report on Senate Bill 373.

**Additional questions about binding interest arbitration are addressed on the following pages.**

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#### **What is binding interest arbitration?**

“Binding interest arbitration” is a dispute resolution process during which a neutral third party (the arbitrator) makes a final and binding decision on the terms of a new or successor Memorandum of Understanding between an employer and the workers’ union. Commonly used in public sector labor relations, the arbitrator is appointed to address the parties’ impasse after they have engaged in collective bargaining, and the arbitrator’s decision is final and binding on both parties.

#### **What collective bargaining rights do BWI Airport Fire & Rescue Department employees currently have?**

- The State and the exclusive representative (IAFF Local 1742) are required to meet at reasonable times to engage in good faith collective bargaining.
- The parties shall conclude negotiations for any item requiring appropriation of funds for the following fiscal year by January 1.
- If the parties do not conclude negotiations by October 25, either party may request a fact finder be employed to make a written recommendation regarding wages, hours, and working conditions, and any other terms or conditions of employment that may be in dispute before December 1.
- Neither party is required to take any action to implement the fact finder’s decision.
- An MOU is prepared to reflect the agreed upon items, but if the parties do not agree, items may remain unresolved.

#### **Why propose binding interest arbitration for BWI Airport Fire & Rescue Department employees?**

- Binding interest arbitration ensures that the parties are fair and reasonable in their approach to collective bargaining, consistent with Md. Code, State Personnel & Pensions § 3-101(d)’s obligation to engage in “good faith negotiations”
- Binding interest arbitration generally results in negotiations with less conflict and more collaboration
- Binding interest arbitration ensures that both parties present more reasonable and moderate proposals and remain open to compromise during negotiations

#### **Is binding interest arbitration authorized for any public employees in Maryland?**

Yes. Binding interest arbitration is authorized for public employees throughout Maryland, including:

- Some State employees: Md. Code, Transportation § 7-602 applies to employees of the Maryland Transit Administration and states “(i)f, in a labor dispute between the Administration and any employees described in § 7-601 of this subtitle, collective bargaining does not result in agreement, the Administration shall submit the dispute to

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an arbitration board.”

- Public school employees: Md. Code, Education §§ 6-406, 6-507 apply to public school employees and includes a procedure for the Public Employees Relations Board to issue a binding impasse decision.
- Employees in Anne Arundel, Baltimore, Frederick, Howard, Montgomery, and Prince George’s Counties, Baltimore City, and the Town of Ocean City have binding interest arbitration for fire and emergency medical services’ bargaining units through charter and local legislation.

**Comparison of Current Collective Bargaining to SB 373 / HB 599**

Under Present Law (SPP § 3-501)	Under SB 373 / HB 599
If the parties do not conclude negotiations before October 25, either party may request that a fact finder be used to assess issues and make a recommendation	If the parties do not reach an agreement on or before October 1, they are at impasse
The fact finder shall be employed no later than November 1	Parties will exchange last, best, and final offers within forty-eight (48) hours after impasse is reached
	Unless the impasse is resolved, the parties shall meet within five (5) business days to select an arbitrator
	Parties will submit the dispute, including their last, best, and final offers, to the arbitrator within five (5) business days of arbitrator selection
	During the twenty-one (21) days immediately following their appointment, the arbitrator may (if appropriate) attempt to resolve the impasse by acting as a neutral mediator
By November 20, the fact finder shall make written recommendations regarding wages, hours, and working conditions and any other terms of employment in dispute	If the parties are unable to resolve their impasse, the arbitrator will select one party’s last, best, and final offer after holding formal hearings as necessary
Written recommendations of the fact finder are to be delivered to the Governor, the exclusive representative, the President of the Senate, and the Speaker of the House of Delegates on or before December 1	The arbitrator’s decision will be incorporated into the parties’ successor MOU
No further action required on recommendations	
Parties must conclude negotiations on economic matters by January 1 - <i>if negotiations do not result in an MOU, management can impose terms</i>	