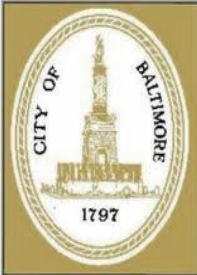


FROM	NAME & TITLE	Deborah F. Moore-Carter, Labor Commissioner (Approved 6/27/2022)	CITY of BALTIMORE MEMO <i>(410) 396-4365</i>	
	AGENCY NAME & ADDRESS	Office of the Labor Commissioner 417 East Fayette Street, Suite 1203		
	SUBJECT	City Council Bill 22-0211 – City Employees and Retirees Healthcare Reform		

The Honorable President Nick J. Mosby
and Members of the Baltimore City Council
City Hall
100 N. Holliday Street, Room 406
Baltimore, Maryland 21202

June 27, 2022

Recommended Position

The Office of the Labor Commissioner (OLC) has reviewed City Council Bill 22-0211 – City Employees and Retirees Healthcare Reform. The bill would essentially codify the City’s already well established, well-functioning City Health Insurance Committee (HIC); would substantially change Article 12 of the Baltimore City Charter by establishing in law specific subjects which are subject to collective bargaining (i.e. the management of healthcare plan coverage, options and premiums); and sets a precedent that would take away much of the City’s operational authority related to oversight of personnel issues, which is vital to prudent fiscal management of the city budget. Therefore, the OLC agrees with the Departments of Human Resources (DHR) and Finance (DOF) and **opposes** this legislation.

Comments and Analysis

This legislation would drastically change how it collectively bargains, negatively affecting the OLC’s ability to negotiate in good faith with Exclusive Employee Organizations (EEOs) (the unions), as described under Subtitle 4 of the Municipal Labor Relations Article. This bill would essentially dictate what, when and how certain contract provisions can be collectively bargained. §11-9 of the bill not only specifies what healthcare options, and for whom, can be collectively bargained, it changes how the city collectively bargains by setting the precedent that bargaining must now be done on a yearly basis as it relates to healthcare. §11-9 (C) also sets a precedent by codifying benefit levels and costs for retired employees that would exist completely outside of the collective bargaining process.

Additionally, the bill would essentially change the definition of employee under Article 12 by considering retirees as employees for the purposes of negotiating. While retirees obviously benefit from the City’s various pension and healthcare plans, under current law the collective bargaining process is between the city and the EEOs (the unions) representing employees. Because they have retired from their service to their employer, the city, retirees no longer hold those positions as employees. And as alluded to below, retirees are already being well

represented as it relates to healthcare benefits during negotiations because they are represented on the HIC.

Finally, the arbitration provision in §11-5 seems to be an attempt to establish in law what is already generally included in the various Memorandum of Understandings (MOUs) collectively bargained by the City and the EEOs (the unions). This arbitration process was established as a matter of standard practice in the Health and Prescription Drug Plan, which was created in 2012. In fact, that plan has been included as part of the collective bargaining process between the OLC and EEOs ever since. That original Health and Prescription Drug Plan also established the above mentioned HIC.

More evidence that Bill 22-0211 is an overly broad piece of legislation in search of a solution to a problem that doesn't exist can be found in §11-3, §11-4, §11-6, §11-7, §11-8, §11-10 and §11-12. The majority of what these sections attempt to establish has already become Standard Operating Procedure through the HIC. In fact, OLC believes the effectiveness of the HIC partnership is evidenced by the evolution of the Health and Prescription Drug Plan through the two subsequent Agreements in 2016 and 2018. As this Agreement has grown, so have the responsibilities, scope, and membership of the HIC. There is no doubt that the HIC has been extremely effective at doing what it was established to do which is to ensure that all parties involved, including the OLC, DHR, DOF, Office of the Mayor, AFSCME, CUB, FOP, IAFF and MAPS, have a seat at a table where each members' interests are heard. Ultimately, these interests are being heard and continue to have a positive effect on all labor and healthcare plan agreements established through this process.

DFMC:yb