



130th MAINE LEGISLATURE

LD 677

LR 641(01)

**An Act To Improve Public Sector Labor Relations by Amending the Laws Governing Arbitration
under Certain Public Employees Labor Relations Laws**

Preliminary Fiscal Impact Statement for Original Bill

Sponsor: Pres. Jackson of Aroostook

Committee: Labor and Housing

Fiscal Note Required: Yes

Preliminary Fiscal Impact Statement

Potential current biennium cost increase - All Funds

Potential current biennium cost increase - higher educational institutions

Potential current biennium revenue decrease - higher educational institutions

Potential current biennium cost increase - local units of government

Fiscal Detail and Notes

Current law regarding labor relations for municipal public employees, the University of Maine System, Maine Maritime Academy and the Maine Community College System employees and state employees including judicial employees provides that the determination of an arbitrator regarding salaries, pensions and insurance is advisory only. This legislation changes the law to provide that an arbitrator's determination regarding these issues is binding on all parties. This may result in increased personnel and other direct and indirect costs to the employers of these public employees if, as a result of the arbitrator's decision, salary, pension or insurance costs increase more than they would have absent this legislation. The impact cannot be determined at this time.

Allowing public employees affected by this legislation to strike if their employer fails to enter into an agreement to carry out the binding determinations made by the arbitrators may result in the loss of federal financial aid as well as tuition and other revenue to the University of Maine System, the Maine Community College System and Maine Maritime Academy if the higher educational institutions are forced to suspend operations due to the strike and return federal funds to the federal student aid program and refund tuition and room and board fees to students. The impact will depend on the bargaining units affected by the strike and the ability of the higher educational institutions to find replacement workers in order to allow operations to continue.

Additional costs to the Maine Labor Relations Board can be absorbed within existing budgeted resources.