

COUNTY AUDITOR-CONTROLLER'S FISCAL IMPACT STATEMENT – MEASURE A

Los Angeles County Charter Amendment Reiterating Good Faith Negotiation Obligations and Establishing Impartial Binding Arbitration for Certified Public Safety Employee Disputes Measure

This measure amends the Charter of the County of Los Angeles (County) to establish an impartial binding arbitration process for resolving labor disputes between the County and certified public safety employee organizations. The measure prohibits strikes by covered public safety employees. For firefighters and peace officers, this reiterates an existing prohibition on striking under State law, and extends a comparable prohibition to other covered classifications not otherwise subject to one. The measure also reiterates the existing requirement for good faith negotiations on wages, hours, and other terms and conditions of employment, and provides that unresolved impasses are submitted to either a three-member Board of Arbitrators or a single neutral arbitrator. The decision on disputes submitted to arbitration will be final and binding. Costs of arbitration proceedings are shared equally by the parties.

This measure does not directly affect County revenues. With respect to expenditures, this measure will primarily result in two areas of potential impact. The first involves direct administrative costs of arbitration, including arbitrator fees, legal fees, and staff support, which could total tens of thousands to millions of dollars depending on the complexity and duration of the arbitration.

The second and more significant fiscal impact of the measure involves the transfer of final authority over covered employee compensation, benefits, and conditions of employment to a Board of Arbitrators. The County has no prior experience with binding arbitration for these covered employees and no historical data from which to estimate whether arbitrated outcomes would be more or less costly than outcomes under the existing bargaining process. Accordingly, we have no basis on which to predict whether arbitrated outcomes pursuant to this measure would result in higher or lower future labor costs than the existing bargaining process.

The County's current annual expenditures for compensation (salaries and benefits) for covered public safety employees are approximately \$4.1 billion. If arbitration results in higher or lower labor costs for covered employees than the current bargaining process, then the County may experience material increases or savings in wage and benefit costs. In addition, if County labor agreements not covered by this Charter amendment include parity clauses requiring wage and benefit reciprocity, then arbitration results may also apply to employees under those agreements. These amounts cannot be estimated because they depend on future arbitration decisions that cannot be predicted.

In accordance with Elections Code Section 9160, the scope of this fiscal impact statement has been limited to the measure's effect on revenues and expenditures.

OSCAR VALDEZ

County Auditor-Controller