

My name is Sam Peña, and I'm the Fire Chief for the City of Houston. Thank you for the opportunity to speak ON SB736, and the anticipated effect the bill would have on both the firefighters and city operations.

This bill is carefully crafted to apply only to Houston. If passed as drafted, the legislation would take effect in the middle of the fiscal year forcing a reorder of priorities to fund a potential award. The bill will amend Chapter 174 of the TLGC to compel binding arbitration instead of the voluntary provision as it currently stands. Most importantly, it brings the state into the local negotiations as it relates to Houston firefighters only, but does not provide any parameters or boundaries arbitrators must consider in rendering their decisions. Compulsory arbitration takes control of the issues away from firefighters and the city without any criteria to assure financial or operational conditions are considered by the arbiter in a rational manner. In the last 6 years, the City of Houston has faced 6 named storms, and a number of challenging incidents affecting its aging infrastructure. The city and its firefighters have been there to meet those challenges, but the response required significant financial investments to address. In those same 6 years, the city has allocated nearly \$150 million towards firefighting equipment, health and safety investments, and the commitment of an 18% across the board pay raise for its firefighters.

One critical aspect remains outstanding, that is a collective bargaining agreement, and I appreciate the Senator and Representative Perez for bringing this item in attempt to address the issue. There's no question Houston firefighters need a contract; they deserve a contract. It is in the public interest to have a workforce that is efficient and reasonably compensated, however the collective bargaining process is still the best way to assure a balance is reached where the employer is able to address the steady increases in cost of living faced by the employees, and the rising cost of operation, materials and supplies. This only works if both sides commit to bargain in good faith.

Firefighters have been working without a contract since 2017. In that time, the parties have been mired in legal battles, primarily over what firefighters should be paid. That litigation only recently concluded, except for any rehearing. Ostensibly, SB736 is designed to address the impasse, but, in its current form, the bill does not establish criteria the arbitrators must abide by in rendering their decision. Other local governments who voted in compulsory arbitration for firefighters, such as Austin or San Antonio, do list a set of standards and parameters for the arbitrators. Including parameters in the legislation would seem desirable for a couple of reasons: first, the legislature, in delegating to a group of arbitrators the authority to fix, to a degree, the cost of government, should provide explicit and reasonable standards to be used by the arbitrators in making a determination. Second, because the City would fund the benefits awarded by an "outside group", who essentially have no fiduciary responsibility to the taxpayer, or any expertise on Houston Budgeting, or the fire department operations, establishing some parameters does at least assure the City that its financial conditions will be considered by the arbitrators.

It is important to note that like in Austin and San Antonio, signatures have been gathered in the City of Houston for a ballot initiative on a Charter Amendment granting compulsory arbitration to its firefighters following impasse in contract negotiations. That initiative should be on the ballot this November.

I ask the committee to consider the implication the current bill draft will have on the City of Houston's operations. And, if the committee is inclined to move the bill forward, consider writing parameters and criteria that arbitrators must consider as they render their decisions.