

Department of Legislative Services  
Maryland General Assembly

FISCAL NOTE  
Revised

House Bill 913 (Montgomery County Delegation)  
Appropriations

---

**Housing Opportunities Commission of Montgomery County - Collective Bargaining  
MC 809-98**

---

This bill provides a system of collective bargaining for employees of the Montgomery County Housing Opportunities Commission. Employees may bargain collectively over salary and wages, pension benefits, other fringe benefits, hours and working conditions, and grievance procedures. Disputes on these issues may be settled through mediation and fact-finding.

The bill takes effect January 1, 1999.

---

**Fiscal Summary**

**State Effect:** None.

**Local Effect:** Administrative expenditures of the Housing Opportunities Commission could increase by up to \$42,000 per year to implement collective bargaining. In addition, personnel expenditures could increase by between 1% and 1.5% per year as a result of collective bargaining. Revenues would not be affected. **This bill imposes a mandate on local government.**

**Small Business Effect:** None.

---

## Fiscal Analysis

**Local Expenditures:** The Department of Legislative Services has estimated costs associated with collective bargaining in two categories: first, the administrative costs of implementing and monitoring collective bargaining; and second, the additional personnel costs that result from collective bargaining.

### *Administrative Costs*

Administrative expenditures for the Housing Opportunities Commission could increase by up to \$42,000 to implement collective bargaining. Certain costs of the bargaining process are to be split between the commission and bargaining representative; the estimated costs listed below for these items are the commission's share.

\$3,000 - \$4,000	Election Costs
\$5,000 - \$8,000	Neutral Third Party (mediator or fact finder) (commission share)
\$10,000 - \$20,000	Economic Consultant
\$5,000 - \$10,000	Labor Relations Administrator

### *Personnel Costs*

Based on a Legislative Services study of collective bargaining, it is estimated that collective bargaining increases salary and salary-driven fringe benefit costs by between 1% and 1.5%. The commission employs 300 people. The commission was unable to identify what portion of these employees would be subject to the collective bargaining agreement and the payroll for these employees.

---

**Information Source(s):** Montgomery County, Department of Legislative Services

**Fiscal Note History:** First Reader - March 10, 1998

ncs

Revised - House Third Reader - April 11, 1998

---

Analysis by: Matthew D. Riven

Direct Inquiries to:

Reviewed by: John Rixey

John Rixey, Coordinating Analyst

(410) 841-3710

(301) 858-3710