

Department of Legislative Services
Maryland General Assembly
2002 Session

FISCAL NOTE
Revised

House Bill 710
Appropriations

(Montgomery County Delegation)

Finance

Housing Opportunities Commission of Montgomery County - Binding Arbitration
MC 209-02

This bill modifies provisions of law relating to collective bargaining between the Housing Opportunities Commission of Montgomery County and employee representatives. The bill establishes procedures requiring the appointment of a mediator-arbitrator and binding arbitration when there is an impasse in collective bargaining. Wages are not subject to binding arbitration. The commission and the employee organization must share equally in paying the costs of the mediator-arbitrator's services. The economic provisions of the final agreement are subject to funding by the commission. Provisions authorizing the appointment of a fact finder and the use of fact-finding procedures in the event of an impasse in collective bargaining are repealed.

Fiscal Summary

State Effect: None.

Local Effect: Potential increase in arbitration and personnel costs. **This bill imposes a mandate on a unit of local government.**

Small Business Effect: None.

Analysis

Current Law: The Housing Opportunities Commission of Montgomery County and an employee organization certified as the exclusive representative of an employee bargaining unit must engage in collective bargaining with regard to certain issues,

including salaries and wages, retirement, benefits, hours and working conditions, grievance procedures, and employee health and safety. A fact finder may be used in the collective bargaining process when agreed upon by the commission and the employee organization, or in the event of an impasse. The commission and the employee organization must share equally the costs of the fact finder.

Local Fiscal Effect: Expenditures related to collective bargaining can be classified into two categories: administrative and personnel.

If there is an impasse and the services of a mediator are used, there may be an increase in administrative costs associated with the use of an arbitrator rather than a fact finder.

There may also be an increase in personnel costs associated with the use of an arbitrator rather than a fact finder in resolving a dispute. Department of Legislative Services research estimated that, on average, collective bargaining increases costs associated with salaries and fringe benefits by 1% to 1.5%. The research did not estimate the specific impact of binding arbitration on costs. Exclusion of wage negotiations from binding arbitration may also lessen any potential fiscal impact.

Additional Information

Prior Introductions: None.

Cross File: None.

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

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