

Department of Legislative Services

Maryland General Assembly

2002 Session

FISCAL NOTE

House Bill 772

(Prince George's County Delegation and Montgomery
County Delegation)

Appropriations

**Washington Suburban Sanitary Commission - Collective Bargaining and
Binding Arbitration
PG/MC 104-02**

This bill establishes collective bargaining and binding arbitration for certain employees of the Washington Suburban Sanitary Commission (WSSC).

Fiscal Summary

State Effect: None.

Local Effect: Increase in administrative costs for WSSC of \$135,000 in the initial year, declining to \$50,000 annually in later years, and a potential increase in personnel costs. Revenues are not affected.

Small Business Effect: Minimal.

Analysis

Bill Summary: The bill establishes collective bargaining and binding arbitration for certain merit system employees of WSSC similar to that established under current law for certain merit system employees of the Maryland-National Capital Park and Planning Commission.

The bill defines two employee bargaining units: office/technical and professional. It also establishes requirements for the constitution and bylaws of employee organizations

seeking to become the exclusive representative of a bargaining unit. The bill also establishes the process, by election, which an employee organization must follow to become certified as the exclusive representative of a bargaining unit.

The bill provides for a Labor Relations Administrator (LRA) and establishes the process for appointment of the LRA and the duties of the LRA in the collective bargaining and binding arbitration process.

The bill defines the subject areas for collective bargaining and provides for the use of a mediator-arbitrator, paid for by both parties, in the event of an impasse.

The terms of a collective bargaining agreement are subject to the approval of, and funding by, the Montgomery and Prince George's county councils.

Current Law: There is no provision in current law for collective bargaining or binding arbitration for WSSC employees.

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

Administrative Costs

WSSC advises that there will be an expenditure increase of \$135,000 in the initial year because of the election process for certification of an exclusive representative for each bargaining unit. This estimate is based upon 500 hours of time for an LRA at \$250 per hour for a total of \$125,000. There will also be associated costs of \$10,000 for communications and contractual services in that year.

In other years, the administrative expenses associated with the LRA are estimated to decline to \$50,000 annually based upon 200 hours per year at \$250 an hour. If there is an impasse and the services of a mediator are used, there will be a further increase in administrative costs.

Personnel Costs

Department of Legislative Services research estimates that, on average, collective bargaining increases costs associated with salaries and fringe benefits by 1% to 1.5%. WSSC advises that approximately 1,200 employees, with an associated annual payroll of \$60 million, would become eligible for collective bargaining. However, because any collective bargaining agreement must be approved and funded by the county councils, the potential impact on payroll costs cannot be reliably estimated at this time.

Additional Information

Prior Introductions: None.

Cross File: None.

Information Source(s): Washington Suburban Sanitary Commission, Department of Legislative Services

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