

**Department of Legislative Services**  
Maryland General Assembly  
2003 Session

**FISCAL AND POLICY NOTE**  
**Revised**

House Bill 443  
Appropriations

(Delegate Marriott)

Finance

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**Housing Authority of Baltimore City - Collective Bargaining**

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This bill authorizes the Housing Authority of Baltimore City (HABC) to engage in collective bargaining with certain bargaining units.

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**Fiscal Summary**

**State Effect:** None. The bill does not affect State operations or finances.

**Local Effect:** HABC's administrative expenditures could increase annually to implement collective bargaining. Potential increase in personnel expenses. Revenues would not be affected.

**Small Business Effect:** None.

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**Analysis**

**Bill Summary:** HABC may recognize and engage in collective bargaining with the exclusive representatives of employees in the following units: (1) maintenance, housekeeping, and technical; (2) administrative and clerical; (3) supervisory; and (4) any other appropriate units. A bargaining unit may not include the following: (1) confidential and probationary employees; (2) contractual employees employed for less than five consecutive years; (3) attorneys in the general counsel's office; (4) supervisors; or (5) employees whose predominant responsibility is to manage or direct independently the assets and affairs of the authority.

The bill spells out HABC's authority, which includes:

- dealing with the exclusive representative to address grievances and settle disputes;
- bargaining in good faith with the representative regarding working conditions and wages and all other terms of employment to form a binding labor agreement;
- executing labor agreements that last no more than three consecutive fiscal years.

The bill authorizes HABC to submit to binding third-party arbitration for disputes over a term or condition of employment and grievances related to the interpretation or application of a written collective bargaining agreement, employment regulation, or work rule. The bill authorizes HABC to exercise any power necessary and appropriate to establish and implement collective bargaining.

**Current Law:** HABC is an independent local agency and is responsible for providing for housing or housing projects for eligible Baltimore City residents. It is also authorized to make mortgage and construction loans or rent subsidy payments. It does not have statutory authority to implement collective bargaining.

**Background:** HABC was created in 1937 and is the fifth largest public housing authority in the United States. It manages 14,428 public housing units and administers 9,000 federal Section 8 vouchers annually. The authority has been engaged in collective bargaining informally since 1968.

The Housing Opportunities Commission of Montgomery County is the only housing authority in the State required to engage in collective bargaining. The commission must negotiate with the representatives of two bargaining units – service and maintenance and office and professional employees (Chapter 232 of 1999). Collective bargaining is required for issues such as salary and wages, employee benefits, hours and working conditions, and provisions for processing and settling grievances related to interpretation of the bargaining agreement. Disputes that cannot be resolved between the commission and the bargaining unit are negotiated by a jointly appointed mediator.

## **Local Expenditures:**

### *Personnel Costs*

Administrative expenditures for the housing authority could increase by up to \$50,000 for the services of a labor administrator and a mediator. Certain costs of the bargaining process are to be split between the authority and bargaining representative. The authority did not provide information detailing what these costs would be. The city advises that it is unknown whether HABC could use the services of the city labor commissioner, which would affect its costs.

The Department of Legislative Services (DLS) observes that for the Montgomery County Housing Commission, which employed 300 people at the time collective bargaining was required, the fiscal estimate included the following: \$3,000 to \$4,000 for election costs; \$5,000 to \$8,000 for a mediator, \$10,000 to \$20,000 for an economic consultant, and \$5,000 to \$10,000 for a labor relations administrator. The average cost of an arbitration case, according to the Federal Mediation and Conciliation Service, is \$3,202.

#### *Administrative Costs*

Based on a DLS 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 authority employs 1,500 people and anticipates that most of these employees would be covered by the collective bargaining provisions of the bill. Payroll costs were not provided by HABC or Baltimore City. The authority may not be affected as it has already been engaged in collective bargaining.

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### **Additional Information**

**Prior Introductions:** None.

**Cross File:** SB 590 (Senator Conway, *et al.*) – Finance.

**Information Source(s):** Baltimore City, Department of Housing and Community Development, Department of Legislative Services

**Fiscal Note History:** First Reader - February 11, 2003  
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Analysis by: Ann Marie Maloney

Direct Inquiries to:  
(410) 946-5510  
(301) 970-5510