

**Department of Legislative Services**  
Maryland General Assembly  
2005 Session

**FISCAL AND POLICY NOTE**

House Bill 440 (Montgomery County Delegation)  
Appropriations

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**Housing Opportunities Commission of Montgomery County - Collective  
Bargaining - Mediation-Arbitration  
MC 510-05**

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This bill changes the collective bargaining process that currently governs the Housing Opportunities Commission of Montgomery County (HOC) and its employee organization. It repeals the requirement that a mediator-arbitrator must choose between the two final offers (in their entirety) submitted by HOC and the employee organization that is deemed by the mediator-arbitrator to be more reasonable. Instead, it requires the mediator-arbitrator to select from the individual items of the final offers submitted by HOC and the employee organization that the mediator-arbitrator views to be the more reasonable, and include those in the final agreement between the commission and the employee representative. The mediator-arbitrator, however, is not authorized to compromise or alter any items in the final offers submitted by the parties. The bill is applicable to bargaining cycles that begin after October 1, 2005.

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**Fiscal Summary**

**State Effect:** None.

**Local Effect:** Indeterminate impact on Montgomery County expenditures. The fiscal effect of changing the collective bargaining process of HOC cannot be reliably quantified because it would depend upon the final offers submitted to the mediator-arbitrator and the choice made between items in the last final offers. Local revenues would not be affected.

**Small Business Effect:** None.

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## Analysis

**Current Law:** If the mediator-arbitrator finds that HOC and the employee organization are at an impasse, the parties are required to submit a joint memorandum listing the items on which they are in agreement, and separate memorandum of each party's last final offer for items on which they could not reach agreement. Of these last final offers, the mediator-arbitrator is required to select the more reasonable offer, in its entirety, and incorporate it with the items the parties agreed upon into the final agreement.

In determining which offer is more reasonable, the mediator-arbitrator may consider a number of factors, including past collective bargaining contracts between the parties; a comparison of hours, benefits, and employment conditions of similar employees of other public employers in the State and Washington metropolitan area; a comparison of hours, benefits, and employment conditions of similar employees of private employers in Montgomery County; and public interest and welfare.

**Background:** There is only one employee organization for HOC, the Municipal and County Government Employee Organization (MCGEO.) Of the 356 employees of HOC, 245 are represented by MCGEO. In collective bargaining for HOC, wages are not subject to binding arbitration, but benefits are.

From fiscal 2002 when HOC first engaged in collective bargaining, until fiscal 2006, its benefit costs have increased by 68%. HOC estimates that in fiscal 2006, benefits for employees will cost approximately \$6.3 million.

**Local Fiscal Effect:** It is difficult to quantify the fiscal impact of the bill on Montgomery County expenditures because it would depend on the items in the last final offers submitted to the mediator-arbitrator as well as which items the mediator-arbitrator selects as the more reasonable. Accordingly, the impact could be potentially minimal or meaningful, and could either positively or negatively impact Montgomery County expenditures.

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## Additional Information

**Prior Introductions:** None.

**Cross File:** None.

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

**Fiscal Note History:** First Reader - February 4, 2005  
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Analysis by: Joshua A. Watters

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