

Department of Legislative Services
Maryland General Assembly
2018 Session

FISCAL AND POLICY NOTE
Preliminary

MC 14-18

(Montgomery County Delegation)

**Montgomery County – Housing Opportunities Commission – Binding
Arbitration for Wages MC 14–18**

This proposed bill authorizes the mediator-arbitrator of a collective bargaining impasse between the Montgomery County Housing Opportunities Commission (HOC) and its employees to include wages in the report determining the more reasonable final offer. In determining the more reasonable offer, the mediator-arbitrator may take into consideration the history of employees' wages as well as how employees' wages compare to specified public- and private-sector employees.

Fiscal Summary

State Effect: None.

Local Effect: HOC expenditures may be affected to the extent that salary levels are implemented through the mediation-arbitration process. However, any effect depends upon how often salaries are set by a mediator-arbitrator and the extent to which the chosen salary levels differ from current levels. Thus, a reliable estimate of the bill's effect on HOC expenditures cannot be made at this time. Given that HOC has limited ability to increase revenue, significant increases in compensation may affect service quality if increased compensation results in staffing reductions. County revenues are not affected.

Small Business Effect: None.

Analysis

Current Law: HOC and a certified employee organization must meet by September 1 each year and engage in collective bargaining about specified issues, including salaries and

wages, for the following fiscal year. If the parties do not reach an agreement by December 1 on an agreement that would become effective the following fiscal year (*i.e.*, July 1), then the parties must jointly appoint a mediator-arbitrator. However, mediation or arbitration is not required to begin until February 1. A mediator-arbitrator may be appointed before December 1 under specified circumstances.

If the mediator-arbitrator finds that the parties are at a *bona fide* impasse, the mediator-arbitrator must require both parties to submit certain information by February 1, including:

- a joint memorandum listing all items to which the parties have previously agreed; and
- a separate memorandum of the party's last final offer presented in negotiations on all items to which the parties have not previously agreed.

By February 10, the mediator-arbitrator must hold a nonpublic hearing on the parties' proposals. Each party must submit evidence or make oral and written arguments in support of the party's last final offer. By February 15, the mediator-arbitrator must issue a report choosing the final offer, *exclusive of wages*, that the mediator-arbitrator determines to be more reasonable when viewed as a whole.

In determining the more reasonable offer, the mediator-arbitrator may consider only specified factors, which, among other things, include:

- past collective bargaining contracts between the parties, including the bargaining history that led to the agreement or the precollective bargaining history of employee hours, benefits, and other working conditions;
- a comparison of hours, benefits, and conditions of employment of similar employees of other public employers in the Washington metropolitan area as well as the State; and
- a comparison of hours, benefits, and conditions of similar private-sector employees in Montgomery County.

The offer that the mediator-arbitrator chooses (as integrated with the items on which the parties previously agreed) is the final agreement between HOC and the employees' representative, subject to funding by HOC. The final agreement need not be ratified by the parties.

Background: HOC is the public housing agency for Montgomery County. The commission administers federal, State, county, and private affordable housing programs. In addition, it develops housing; provides mortgage financing to developers and first-time

homebuyers; manages public housing and other rental units; administers rental subsidy programs (including the Housing Choice Voucher Program); and provides counseling and support services to lower income individuals and families in assisted housing.

HOC is governed by seven volunteer commissioners, who are appointed by the Montgomery County Executive (and confirmed by the county council) to serve five-year terms.

Additional Information

Prior Introductions: None.

Cross File: Unavailable at this time.

Information Source(s): Montgomery County; Housing Opportunities Commission of Montgomery County; Department of Legislative Services

Fiscal Note History:

md/mcr

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