

MEMORANDUM

April 26, 2023

TO: Government Operations and Fiscal Policy Committee

FROM: Craig Howard, Deputy Director

SUBJECT: **Office of Labor Relations and Labor Management Relations Committee
 NDA FY24 Operating Budget**

PURPOSE: Make Committee recommendations for Council Consideration

Expected Participants:

- Jennifer Harling, Chief Labor Relations Officer
- Shantee Jackson, Office of Management and Budget

Summary of FY24 Recommended Budget and Key Discussion Issues

| Office of Labor Relations | FY23 Approved | FY24 CE Recommended | Change from FY23 Approved |
|---------------------------|-------------------------|-------------------------|------------------------------|
| General Fund | \$1,625,831 | \$1,623,720 | (0.1%) |
| Personnel Costs | \$1,242,492 8.0 FTEs | \$1,240,230 8.0 FTEs | (0.2%) -- |
| Operating Costs | \$383,339 | \$383,490 | -- |

| Labor Management Relations Committee NDA | FY23 Approved | FY24 CE Recommended | Change from FY23 Approved |
|---|------------------|------------------------|------------------------------|
| General Fund | | | |
| Operating Costs | \$100,000 | \$0 | (100%) |

Summary of Staff Recommendation

- **Approve the FY24 budget for the Office of Labor Relations (OLR) and the Labor Management Relations Committee NDA as proposed by the County Executive.** These budgets do not include any increases that require placement on the reconcilaiton list.

A. Office of Labor Relations (©1)

The County Executive’s FY24 recommendation for OLR is \$1,623,720, a decrease of 0.1% over FY23. The Executive recommends no changes in total FTE’s for OLR. The only changes in OLR’s FY24 budget are due to FY23 personnel and compensation annualizations, FY24 compensaiotn adjustments, retirement adjustments, and priting and mail adjustments.

Staffing and Vancancies. As part of the FY24 budget review, the Council has asked staff to review vacancy data for each department. As of March 3, OLR had three vacant positions with an FY24 budget cost of \$423,907. One position, a Manager II, had been vacant for over one year but OLR notes that the positon has now been filled and the new staff member will start within the next few weeks. The OLR budget includes a \$42,503 reduciton for historical lapse in FY24.

| Position | Days Vacant | FY24 Budget |
|---|-------------|-------------|
| Manager II (014795) | 587 | \$156,136 |
| Labor Relations Specialist III (000872) | 160 | \$118,724 |
| Labor Relations Specialist III (015145) | 73 | \$149,047 |

Racial Equity and Social Justice Review. After reviewing OLR’s submission for the FY24 Operating Budget Equity Tool, the Office of Racial Equity and Social Justice (ORESJ) issued a rating of zero stars on a scale of zero to three stars, indicating that the-Department-level budget does not yet demonstrate a commitment to advancing racial equity and social justice in Montgomery County (©4).

ORESJ provided the following justification for its rating: “The department indicated that it would require all staff to complete the core RESJ trainings offered by ORESJ but did not offer a timeframe or detail about allocated resources. The department shared that it is a new office and is continuing to establish itself, has limited resources.”

B. Labor Management Relations Committee (LMRC) NDA (©6)

The LMRC NDA was established to “foster cooperative labor relations between the County and employees in the Municipal and County Government Employees Organization (MGEO) union. The committee attempts to resolve matters that affect bargaining unit employees, both County-wide and department specific. This NDA provide funds to implement the recommendations of the LMRC.”

The Executive recommends no additional funding for the NDA in FY24, a decrease of \$100,000 from FY23. Since the funding in this NDA rolls over each year, the Executive indicates that this NDA has sufficient rollover funds from FY23. The current balance in the fund is approximately \$198,000.



Labor Relations

RECOMMENDED FY24 BUDGET

\$1,623,720

FULL TIME EQUIVALENTS

8.00

 JENNIFER HARLING, CHIEF LABOR RELATIONS OFFICER

MISSION STATEMENT

Fostering high-performing labor-management relationships through the use of collaborative and interest-based methods that demonstrate the possibilities of effective labor-management partnership and confirm the value of the County's workforce.

BUDGET OVERVIEW








The total recommended FY24 Operating Budget for the Office of Labor Relations is \$1,623,720, a decrease of \$2,111 or 0.13 percent from the FY23 Approved Budget of \$1,625,831. Personnel Costs comprise 76.38 percent of the budget for eight full-time position(s) and no part-time position(s), and a total of 8.00 FTEs. Total FTEs may include seasonal or temporary positions and may also reflect workforce charged to or from other departments or funds. Operating Expenses account for the remaining 23.62 percent of the FY24 budget.

COUNTY PRIORITY OUTCOMES

While this program area supports all seven of the County Executive's Priority Outcomes, the following is emphasized:

Effective, Sustainable Government

INNOVATIONS AND PRODUCTIVITY IMPROVEMENTS

-  Negotiated new Collective Bargaining Agreements (CBA) with International Association of Fire Fighters, Fraternal Order of Police, and Municipal and County Government Employees Organization labor unions.
-  Negotiated a new Direct Bargaining Agreement (DBA) with Montgomery County Volunteer Fire-Rescue Association.
-  Created interim Administrative Procedure 1-17 that establishes OLR's role in the County with respect to labor and employee relations practices and policies.
-  Created guidance/training documents related to OLR's mission and purpose.
-  Launched a SharePoint survey to gather department feedback on changes to the CBAs ahead of term bargaining.
-  Modified the County's Collective Bargaining Issues Development and Strategy Process for Term Bargaining in order to streamline and expedite the process.
-  Established a Collective Bargaining Policy Committee to set County priorities ahead of term bargaining.

- ✦ Created training materials for new CBAs and DBA to ensure timely and accurate implementation of negotiated provisions.
- ✦ Launched a new grievance tracker that is more user friendly and effective at tracking grievances internally.

PROGRAM CONTACTS

Contact Jennifer Harling of the Office of Labor Relations at 240.777.5073 or Shantee Jackson of the Office of Management and Budget at 240.777.2762 for more information regarding this department's operating budget.

PROGRAM PERFORMANCE MEASURES

Performance measures for this department are included below (where applicable). The FY23 estimates reflect funding based on the FY23 Approved Budget. The FY24 and FY25 figures are performance targets based on the FY24 Recommended Budget and funding for comparable service levels in FY25.

| Measure | Actual FY21 | Actual FY22 | Estimated FY23 | Target FY24 | Target FY25 |
|--|----------------|----------------|-------------------|----------------|----------------|
| Program Measures | | | | | |
| Number of trainings on labor relations offered to County employees | 11 | 18 | 22 | 26 | 31 |
| Number of County employees that attended trainings on labor relations | 295 | 142 | 170 | 204 | 245 |
| Total number of Labor Management Relations Committee (LMRC) meetings held with the three County employee unions (MCGEO, FOP, and IAFF) | 34 | 17 | 20 | 24 | 29 |
| Percent of LMRC meetings attended by an Office of Labor Relations representative | 71% | 88% | 95% | 90% | 90% |
| Percent of grievances by a bargaining unit resolved without the intervention of a third party | 96% | 98% | 90% | 90% | 90% |

PROGRAM DESCRIPTIONS

✦ Labor Relations

The Office of Labor Relations (OLR) administers the County's labor and employee relations programs. These include conducting collective bargaining with the three County unions and volunteer Firefighters; administering and ensuring compliance with collective bargaining agreements (CBAs) and other labor-management agreements and personnel regulations; managing collaborative labor-management programs and joint initiatives, including Labor-Management Relations Committees (LMRCs) and other joint committees; administering grievance and dispute procedures, including both negotiated and regulatory, including the Alternative Dispute Resolution and Conflict Facilitation processes, and facilitating the timely resolution of workplace disputes; advising County managers on CBA issues, personnel policies and procedures, and employee relations matters; conducting training for County managers and employees on labor-management and employee relations topics.

BUDGET SUMMARY

| | Actual FY22 | Budget FY23 | Estimate FY23 | Recommended FY24 | %Chg Bud/Rec |
|--|----------------|----------------|------------------|---------------------|-----------------|
|--|----------------|----------------|------------------|---------------------|-----------------|

COUNTY GENERAL FUND

BUDGET SUMMARY

| | Actual FY22 | Budget FY23 | Estimate FY23 | Recommended FY24 | %Chg Bud/Rec |
|--|------------------|------------------|------------------|---------------------|-----------------|
| EXPENDITURES | | | | | |
| Salaries and Wages | 852,128 | 1,002,146 | 877,740 | 988,418 | -1.4 % |
| Employee Benefits | 207,459 | 240,346 | 212,330 | 251,812 | 4.8 % |
| County General Fund Personnel Costs | 1,059,587 | 1,242,492 | 1,090,070 | 1,240,230 | -0.2 % |
| Operating Expenses | 361,535 | 383,339 | 387,374 | 383,490 | — |
| County General Fund Expenditures | 1,421,122 | 1,625,831 | 1,477,444 | 1,623,720 | -0.1 % |
| PERSONNEL | | | | | |
| Full-Time | 8 | 8 | 8 | 8 | — |
| Part-Time | 0 | 0 | 0 | 0 | — |
| FTEs | 8.00 | 8.00 | 8.00 | 8.00 | — |

FY24 RECOMMENDED CHANGES

| | Expenditures | FTEs |
|---|------------------|-------------|
| COUNTY GENERAL FUND | | |
| FY23 ORIGINAL APPROPRIATION | 1,625,831 | 8.00 |
| Other Adjustments (with no service impacts) | | |
| Increase Cost: Annualization of FY23 Compensation Increases | 34,486 | 0.00 |
| Increase Cost: FY24 Compensation Adjustment | 28,727 | 0.00 |
| Increase Cost: Printing and Mail | 151 | 0.00 |
| Decrease Cost: Retirement Adjustment | (1,403) | 0.00 |
| Decrease Cost: Annualization of FY23 Personnel Costs | (64,072) | 0.00 |
| FY24 RECOMMENDED | 1,623,720 | 8.00 |

FUNDING PARAMETER ITEMS

CE RECOMMENDED (\$000S)

| Title | FY24 | FY25 | FY26 | FY27 | FY28 | FY29 |
|--|--------------|--------------|--------------|--------------|--------------|--------------|
| COUNTY GENERAL FUND | | | | | | |
| EXPENDITURES | | | | | | |
| FY24 Recommended | 1,624 | 1,624 | 1,624 | 1,624 | 1,624 | 1,624 |
| No inflation or compensation change is included in outyear projections. | | | | | | |
| Labor Contracts | 0 | 24 | 24 | 24 | 24 | 24 |
| These figures represent the estimated annualized cost of general wage adjustments, service increments, and other negotiated items. | | | | | | |
| Subtotal Expenditures | 1,624 | 1,648 | 1,648 | 1,648 | 1,648 | 1,648 |

ORESJ Rating

3-Department-level budget demonstrates a strong commitment to advancing racial equity and social justice in Montgomery County

ORESJ Justification

The department indicated commitments from each major area of the GARE framework. Specifically, the department committed to including racial equity in its vision statement and ensuring all department staff are trained by the end of FY24. It's less clear from the explanation provided, how the department's budget will enable commitments in the area of operationalizing.

Labor Relations



Department Level OBET Questions

1. How will your overall budget support the department's commitment to advancing racial equity and social justice? To aid you in the formulation of your response, we've offered a list of activities, using the GARE framework, that demonstrate department-level commitments to racial equity and social justice. More information about the GARE framework is below and here.

Normalize - Establish racial equity as a key value by developing a shared understanding of key concepts across the department and create a sense of urgency to make changes

We have not made commitments in this area as we are still working to establish our office and its function within county govt.

Organize - Build staff and organizational capacity, skills, and competencies through training while also building infrastructure to support the work, like internal organizational change teams and external partnerships with other institutions and community.

We are requiring all staff to take the racial equity trainings referenced above.

Operationalize - Put theory into action by implementing new tools for decision-making, measurement, and accountability like a Racial Equity Tool and developing a Racial Equity Action Plan.

We have not yet made commitments in this area as we are working to establish our office.

2. How does your department's budget allocate funds towards ensuring that public documents (including websites and related apps), policies, plans, meetings, and hearings are readily accessible to the public? Please use the checkboxes below to indicate which activities your department budget will enable. Then, in the



text box that follows, please describe how your budget targets resources towards these activities.

We've not yet planned or implemented strategies listed here as we do not interact with the public aside from our website.

3. What persistent gaps or limitations could inhibit your department's ability to advance racial equity and social justice?

We are a small office with very limited resources.

ORESJ Rating

0-The Department-level budget does not yet demonstrate a commitment to advancing racial equity and social justice in Montgomery County

ORESJ Justification

The department indicated that it would require all staff to complete the core RESJ trainings offered by ORESJ but did not offer a timeframe or detail about allocated resources. The department shared that it is a new office and is continuing to establish itself, has limited resources.

Legislative Oversight

Department Level OBET Questions

1. How will your overall budget support the department's commitment to advancing racial equity and social justice? To aid you in the formulation of your response, we've offered a list of activities, using the GARE framework, that demonstrate department-level commitments to racial equity and social justice. More information about the GARE framework is below and here.

Normalize - Establish racial equity as a key value by developing a shared understanding of key concepts across the department and create a sense of urgency to make changes

- ★ Form a Racial Equity CORE Team.
- ★ Allocate or support the use of staff time for CORE team activities.
- ★ Develop a racial equity vision statement (and/or racial equity and social justice mission, values, or guiding principles).

Since 2020, OLO has an active racial equity CORE team. For the past two years, the CORE team has been regularly meeting, participating in trainings, and discussing the development/process of applying a Racial Equity and Social Justice (RESJ) lens to OLO's work. In addition, department-wide staff have been



☀ Interagency Technology, Policy, and Coordination Commission

This NDA supports the operation of the Interagency Technology Policy and Coordination Committee (ITPCC). The ITPCC was chartered by the Montgomery County Council to promote strategic planning and coordination in the use of information technology across County agencies. The ITPCC reports biannually to the County Council. By regularly convening the agencies' chief executive and chief information officers, the ITPCC provides an effective forum for the coordinated implementation of technology policies and guidelines. Additionally, the ITPCC facilitates interagency communication, the evaluation and sharing of new technologies, and advises policy makers on the strategic uses of technology.

| FY24 Recommended Changes | Expenditures | FTEs |
|--------------------------|--------------|-------------|
| FY23 Approved | 3,000 | 0.00 |
| FY24 Recommended | 3,000 | 0.00 |

☀ KID Museum

KID Museum is a Montgomery County-based non-profit organization that provides experiential Science, Technology, Engineering, and Mathematics (STEM), and cultural learning for children and families in the region. In close collaboration with Montgomery County Public Schools (MCPS) and local youth development organizations, KID Museum has developed an innovative and highly effective array of educational programs to support youth of diverse backgrounds to gain critical academic and social-emotional skills, with a focus on STEM, multiculturalism, and the future of work. KID Museum's team of professional educators deliver programs directly to youth, and supports classroom teachers with curriculum and professional development to bring innovative approaches to teaching and learning into the classroom and out-of-school time settings.

| FY24 Recommended Changes | Expenditures | FTEs |
|---|------------------|-------------|
| FY23 Approved | 1,596,000 | 0.00 |
| Shift: Community Grants Moved From the Community Grants Non-Departmental Account to the KID Museum Non-Departmental Account | 216,918 | 0.00 |
| Increase Cost: Three Percent Inflationary Adjustment to Non-Profit Service Provider Contracts | 47,880 | 0.00 |
| FY24 Recommended | 1,860,798 | 0.00 |

☀ Labor Management Relations Committee

The Labor Management Relations Committee (LMRC) was established to foster cooperative labor relations between the County and employees in the Municipal and County Government Employees Organization (MCGEO) union. The committee attempts to resolve matters that affect bargaining unit employees, both County-wide and department-specific. This NDA provides funds to implement the recommendations of the LMRC.

| FY24 Recommended Changes | Expenditures | FTEs |
|---|----------------|-------------|
| FY23 Approved | 100,000 | 0.00 |
| Decrease Cost: Funding Adjustment Due to Sufficient Rollover of Funds from FY23 | (100,000) | 0.00 |
| FY24 Recommended | 0 | 0.00 |

☀ Leases

This NDA provides the funds necessary to lease privately owned real estate to accommodate County programs. Real property