



Committee: Directly to Council
Committee Review: At a future date
Staff: Craig Howard, Deputy Director
Purpose: To introduce agenda item – no vote expected

AGENDA ITEM #31
January 18, 2022
Introduction

SUBJECT

Supplemental Appropriation to the FY22 Operating Budget, Montgomery County Government, Department of Transportation, Transit Services, \$8,631,001 (Source of Funds: General Fund Undesignated Reserves)

EXPECTED ATTENDEES

None

DESCRIPTION/ISSUE

The County Council will introduce a supplemental appropriation.

SUMMARY OF KEY DISCUSSION POINTS

- The County Executive recommended this supplemental appropriation on November 16, 2021. Council staff asked a series of follow-up questions on December 8, 2021, and Executive Branch provided written responses on January 12, 2022.
- The proposed appropriation would fund the implementation of a new salary schedule for the Transit Bus Operator and Transit Coordination job classifications based on a Memorandum of Agreement between the Montgomery County Government (MCG) and UFCW Local 1994 MCGEO (MCGEO).
- The Executive's transmittal notes that the proposed salary schedules are intended to address deficiencies identified as part of a Market Compatibility Study comparing the current MCG salary schedules with the Washington Metro Area Transit Authority (WMATA) salary schedules for these job classifications
- The agreement between the County Executive and MCGEO would make the proposed new salary schedule retroactive to the first full pay period in FY22.
- Council staff will prepare a more detailed analysis of the proposed salary schedule change in advance of upcoming worksessions on this appropriation.
- The Office of Racial Equity and Social Justice finds that the supplemental appropriation is likely to advance racial equity and social justice in the County as it raises the wages of transit operators and coordinators who are disproportionately people of color.
- The Council is tentatively scheduled to hold a public hearing on this special appropriation on February 1, 2022.

This report contains:

County Executive Transmittal (November 16, 2021)
Draft Supplemental Appropriation Resolution

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Follow-Up Responses from the Executive Branch (January 12, 2022)

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Racial Equity Impact Assessment from the Office of Racial Equity and Social Justice

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OFFICE OF THE COUNTY EXECUTIVE

Marc Elrich
County Executive

MEMORANDUM

November 16, 2021

TO: Tom Hucker, President
County Council

FROM: Marc Elrich, County Executive 

SUBJECT: Supplemental Appropriation #22-26 to the FY22 Operating Budget
Montgomery County Government
Department of Transportation, Transit Services, \$8,631,001

I am recommending a supplemental appropriation to the FY22 Operating Budget of the Department of Transportation (MCDOT) in the total amount of \$8,631,001 to address a market comparability wage adjustment for the Transit Bus Operator and Transit Coordinator job classifications.

This increase is needed to resolve market comparability deficiencies in the identified job classifications for at least a decade. According to the years of service, the funding will support personnel costs associated with placing every existing position in these classifications on a new step schedule. This reflects my commitment to keep Montgomery County as the employer of choice for the best and the brightest and provide fair and just compensation to those employees. This issue has evaded resolution for too long, but the County and the Union collaboratively investigated the issue. The findings have grounded my recommendation.

We conducted the Market Compatibility study for Transit Bus Operators and Transit Coordinators as it was included in the collective bargaining agreement reached to these employees with MCGEO in February 2020. In addition, the agreement also called for Market Compatibility studies for Nurse and Police Crime Lab classifications. The Nurse study found our wage rates comparable to the regional market, while the Crime Lab study is still underway.

The County and the MCGEO uncovered a significant year by year deficiency in the MCG salary schedule compared to the Washington Metro Area Transit Authority (WMATA). I have attached an analysis comparing this progression, demonstrating the deficiency to be approximately \$3,000 at entry level, nearly \$22,000 after 6 years, and nearly \$6,000 at maximum. Over a 30-year career, these deficiencies will add up to approximately \$300,000 less earned by MCG transit bus operators than their WMATA counterparts.

In addition, MCDOT has seen an increase in turnover, with formal and informal exit surveys pointing to the salary discrepancy with WMATA as a primary reason. MCDOT estimates that normal turnover within these job classes amounts to approximately six drivers leaving the County every month. In the past few months, MCDOT has been averaging nine driver departures each month. These increased departures have had an impact on service as well, with missed trips increasing from 80 per week in July to 190 per week in October.

Under typical conditions, 72 new hires are needed annually to maintain an adequate workforce under normal attrition. With a higher attrition rate, 108 new hires are needed (an increase of 36 new hires) further straining existing recruitment efforts. Montgomery County is actively recruiting and training new bus operators, graduating approximately six new operators per month. However, this is significantly less than needed to sustain the workforce and less than one-third of the typical capacity of the training program.

The ability to recruit is limited due to extremely competitive conditions in the Commercial Driver's License labor market and the well-known pay differential between Montgomery County and WMATA. Changing the salary progression of these operators will be important to realize the value of the County's investment in recruitment and training and to increase the appeal of working for Montgomery County so that larger recruitment classes are realized, and more bus operators are available to deliver service. Increasing recruitment and training is essential for meeting the County's plan to restore pre-pandemic service levels.

The adjustment I am recommending is the creation of a new step schedule for Transit Bus Operators and Transit Coordinators, which will provide pay levels that are more externally competitive, enhance MCDOT's image of being an employer of choice, and help attract and retain top-quality candidates and performers the residents of Montgomery County expect.

I recommend that the County Council approve this supplemental appropriation in the amount of \$8,631,001 and specify the source of funds as General Fund Undesignated Reserves. While this supplemental will reduce reserves, it is consistent with the fund balance policy for tax supported reserves. This adjustment will be considered ongoing and will reset the base personnel costs for transit bus operators. The ongoing costs will be included in my FY23 Recommend Budget and are estimated at this time to be approximately \$9.9 million. This estimate assumes the impact of the conversion to the new scale as well as the expected natural step progression of operators in FY23. While it is anticipated that there will be the potential for reduced costs associated with overtime, training, and other transit-related expenses, these estimates are not expected to be realized in FY22 and will be considered for FY23 and beyond. Since the Department of Finance is finalizing the year-end closeout, the balance of the Transit Fund is not known with enough certainty to recommend it as the source of funds for this recommendation at this time.

I appreciate your prompt consideration of this action.

ME:cbo

Enclosure: Supplemental Appropriation #22-26

Transit Bus Operators and Transit Coordinators Market Comparability Wage Adjustment
Memorandum of Agreement

Comparative analysis wage schedules WMATA vs MCG year-by-year

Supplemental Appropriation #22-26

November 16, 2021

Page 3 of 3

Cc: Richard S. Madaleno, Chief Administrative Officer, Office of the County Executive
Jennifer R. Bryant, Director, Office of Management and Budget
Marc P. Hansen, County Attorney, Office of the County Attorney
Jennifer Harling, Chief Labor Relations Officer, Office of Labor Relations
Gino Renne, President, United Food and Commercial Workers, Local 1994, MCGEO
Tiffany Ward, Director, Office of Racial Equity and Social Justice

Resolution No: _____
Introduced: _____
Adopted: _____

COUNTY COUNCIL
FOR MONTGOMERY COUNTY, MARYLAND

By: Council President at the Request of the County Executive

SUBJECT: Supplemental Appropriation #22-26 to the FY22 Operating Budget
Montgomery County Government
Department of Transportation, Transit Services, \$8,631,001

Background

1. Section 307 of the Montgomery County Charter provides that any supplemental appropriation shall be recommended by the County Executive who shall specify the source of funds to finance it. The Council shall hold a public hearing on each proposed supplemental appropriation after at least one week's notice. A supplemental appropriation that would comply with, avail the County of, or put into effect a grant or a Federal, State or County law or regulation, or one that is approved after January 1 of any fiscal year, requires an affirmative vote of five Councilmembers. A supplemental appropriation for any other purpose that is approved before January 1 of any fiscal year requires an affirmative vote of six Councilmembers. The Council may, in a single action, approve more than one supplemental appropriation. The Executive may disapprove or reduce a supplemental appropriation, and the Council may reapprove the appropriation, as if it were an item in the annual budget.
2. The County Executive has requested the following FY22 Operating Budget appropriation increases:

	<u>Personnel Services</u>	<u>Operating Expenses</u>	<u>Total</u>	<u>Source of Funds</u>
Department of Transportation	\$8,631,001	\$0	\$8,631,001	General Fund Undesignated Reserves

3. This increase is needed to resolve longstanding market comparability deficiencies in the Transit Bus Operator and Transit Coordinator job classifications in the Department of Transportation, Transit Services.
4. The County Executive recommends a supplemental appropriation to the FY22 Operating Budget in the amount of \$8,631,001 for market comparability wage adjustments and specifies that the source of funds will be General Fund Undesignated Reserves.
5. Notice of public hearing was given, and a public hearing was held.

Action

The County Council for Montgomery County, Maryland, approves the following action:

A supplemental appropriation to the FY22 Operating Budget of the Department of Transportation is approved as follows:

	<u>Personnel Services</u>	<u>Operating Expenses</u>	<u>Total</u>	<u>Source of Funds</u>
Department of Transportation	\$8,631,001	\$0	\$8,631,001	General Fund Undesignated Reserves

This is a correct copy of Council action.

Selena Mendy Singleton, Esq.
Clerk of the Council

**MEMORANDUM OF AGREEMENT
BETWEEN
MONTGOMERY COUNTY GOVERNMENT
AND THE
UNITED FOOD AND COMMERCIAL WORKERS, LOCAL 1994, MUNICIPAL
AND COUNTY GOVERNMENT EMPLOYEES ORGANIZATION**

This Memorandum of Agreement (MOA) between the Montgomery County Government (hereinafter, the "County") and UFCW Local 1994 MCGEO (hereinafter "MCGEO") hereby memorializes the agreements between the parties, arising out of a collaborative review of market comparability wage analysis for the Transit Bus Operators and Transit Coordinators job classifications as agreed to in the original FY21-23 CBA.

To bring the compensation philosophy of Transit Bus Operators and Transit Coordinators to a more competitive level, the County is seeking to create a new, separate salary matrix for all employees in those job classifications. The Parties agree that this separate matrix is required to address employee morale, turnover, and retention rates, and improve performance in the job classifications.

The Parties hereby agree to the following:

1. The existing minimum and maximum of the salary schedule compares reasonably with that of the closest comparables, but further analysis in the year-by-year progression through the salary schedules highlights a significant deficiency in the MCG schedule.
2. The County will create a separate salary matrix for the Transit Bus Operators and Transit Coordinators job classifications to allow for more year-by-year comparability with closest comparables in accordance with the values indicated in Appendix A.
3. Employees will be placed on the appropriate step of the corresponding salary matrix based on years of experience at MCG.
4. The County will honor prior (non-MCG) public sector transit operator experience at a maximum of one additional step.
5. New employees will enter the matrix at step 0. Upon completion of the trainee program, employees will enter orientation at step 1. Upon completion of orientation, employees will be placed at step 2. One year after completion of trainee program, employees will be placed at either step 3 or step 4 (depending upon eligible prior experience).
6. The County will seek a supplemental appropriation from the County Council to ensure full funding, as a result of the significant cost of placement onto the salary matrix.
7. The supplemental appropriation will assume retroactive application of the placement onto the new salary matrix as of July 4, 2021, the first full pay period of FY22. Any retroactive payments to employees will be considered regular earnings for income, withholding, retirement, and employment tax purposes.
8. Placement onto the salary matrix, and progression through the matrix, will replace the existing Service Increment award. Existing employees will be placed on the salary matrix as of July 4, 2021, and that will become the new anniversary date for those employees. After July 4, 2021, new employees will have their anniversary date determined by the date of completion of the trainee program (date of movement to step 1).
9. The County will execute the transition to the new salary matrix upon approval of the supplemental appropriation, and that this transition may take as many as 2-3 months to create,

test, and finalize. This transition will include submission to County Council of any amendments to the Personnel Regulations that may be necessary to accommodate and implement the new salary matrix.

10. In the event the County Council denies the supplemental appropriation request, the County Executive will include funding for the implementation of the salary matrix in the FY23 Recommended Budget, and the parties may continue to explore other opportunities to resolve the identified deficiency for these job classifications.
11. This MOA will run concurrent with the CBA and the parties agree to modify existing provisions of the CBA to reflect the terms of this agreement during the next term bargaining.

IN WITNESS WHEREOF, the parties hereto have caused their names to be subscribed by their duly authorized officers and representatives as of the dates indicated below.

For the Employer

For the Union



Richard Madaleno
Chief Administrative Officer

11/12/21
Date



Gino Renne
President, MCGEO

11/12/21

Date

Approved for form and legality by:



Edward E. Haentling, Jr.
Associate County Attorney

November 12, 2021

Date

APPENDIX A

DRAFT Matrix for Transit Bus Operators

<u>Existing (Approx)</u>		<u>Proposed</u>	
Years		Step	Notes
Entry	\$42,601	0	\$45,000 Entry
After 1 year	\$44,092	1	\$48,500 Completed Training
		2	\$51,000 Completed Orientation
2	\$45,635	3	\$53,500 1 year after Step 1
3	\$47,232	4	\$57,500
4	\$48,886	5	\$62,000
5	\$50,597	6	\$66,000
6	\$52,368	7	\$69,000
7	\$54,200	8	\$72,000
8	\$56,097	9	\$72,000
9	\$58,061	10	\$74,000
10	\$60,093	11	\$74,000
11	\$62,196	12	\$75,000
12	\$64,373	13	\$75,000
13	\$66,626	14	\$75,000
14	\$68,958	15	\$76,000
15	\$69,604	16	\$76,000
16	\$69,604	17	\$76,000
17	\$69,604	18	\$76,000
18	\$71,692	19	\$77,000
19	\$71,692	20	\$77,000
20	\$71,692	21	\$77,000
21	\$71,692	22	\$77,000
22	\$71,692	23	\$78,000
23	\$71,692	24	\$78,000
24	\$73,842	25	\$79,000
25	\$73,842		

*Proposed Step 2 represents completion of Orientation, which occurs between years of service

DRAFT Matrix for Transit Coordinators

	<u>Existing (Approx)</u>		<u>Proposed</u>
Years		Step	
Entry	\$46,436	0	\$49,000
After 1 year	\$48,061	1	\$52,000
2	\$49,743	2	\$59,000
3	\$51,484	3	\$63,000
4	\$53,286	4	\$67,500
5	\$55,151	5	\$72,000
6	\$57,082	6	\$76,000
7	\$59,080	7	\$78,500
8	\$61,423	8	\$81,000
9	\$63,573	9	\$81,000
10	\$65,798	10	\$82,000
11	\$68,101	11	\$82,000
12	\$70,484	12	\$83,500
13	\$72,951	13	\$83,500
14	\$75,504	14	\$84,500
15	\$76,419	15	\$84,500
16	\$76,419	16	\$84,500
17	\$76,419	17	\$84,500
18	\$78,712	18	\$85,000
19	\$78,712	19	\$85,000
20	\$78,712	20	\$85,000
21	\$78,712	21	\$85,000
22	\$78,712	22	\$85,500
23	\$78,712	23	\$85,500
24	\$81,073	24	\$88,000
25	\$81,073	25	\$88,000

FY22 Bus Operator Market Analysis - July 1, 2021

Year	WMATA Bus Operator Pay			Montgomery County Bus Operator			Difference Ride-On vs. WMATA			
	Hourly Rate	Annual	Cumulative	Hourly Rate	Annual	Cumulative	Salary	Percent	Cumulative	
1st 6 Months	\$21.8668	\$22,741	\$22,741	1	\$20.4813	\$21,301	\$21,301	\$1,441	-6.3%	\$1,441
2nd 6 Months	\$23.6891	\$24,637	\$47,378		\$20.4813	\$21,301	\$42,601	\$3,336	-13.5%	\$4,777
Year 1	\$25.5113	\$53,063	\$100,442	2	\$21.1981	\$44,092	\$86,693	\$8,971	-16.9%	\$13,749
Year 2	\$27.3335	\$56,854	\$157,295	3	\$21.9400	\$45,635	\$132,328	\$11,218	-19.7%	\$24,967
Year 3	\$29.1558	\$60,644	\$217,939	4	\$22.7079	\$47,232	\$179,561	\$13,411	-22.1%	\$38,379
Year 4	\$30.9780	\$64,434	\$282,374	5	\$23.5027	\$48,886	\$228,446	\$15,549	-24.1%	\$53,927
Year 5	\$32.8002	\$68,224	\$350,598	6	\$24.3253	\$50,597	\$279,043	\$17,628	-25.8%	\$71,555
Year 6	\$36.4447	\$75,805	\$426,403	7	\$25.1767	\$52,368	\$331,411	\$23,437	-30.9%	\$94,992
Year 7	\$36.4447	\$75,805	\$502,208	8	\$26.0579	\$54,200	\$385,611	\$21,605	-28.5%	\$116,597
Year 8	\$36.6269	\$76,184	\$578,392	9	\$26.9699	\$56,097	\$441,708	\$20,087	-26.4%	\$136,684
Year 9	\$36.8091	\$76,563	\$654,955	10	\$27.9138	\$58,061	\$499,769	\$18,502	-24.2%	\$155,186
Year 10	\$36.9914	\$76,942	\$731,897	11	\$28.8908	\$60,093	\$559,862	\$16,849	-21.9%	\$172,035
Year 11	\$37.1736	\$77,321	\$809,218	12	\$29.9020	\$62,196	\$622,058	\$15,125	-19.6%	\$187,160
Year 12	\$37.3558	\$77,700	\$886,918	13	\$30.9486	\$64,373	\$686,431	\$13,327	-17.2%	\$200,487
Year 13	\$37.5380	\$78,079	\$964,997	14	\$32.0318	\$66,626	\$753,057	\$11,453	-14.7%	\$211,940
Year 14	\$37.7203	\$78,458	\$1,043,455	15	\$33.1529	\$68,958	\$822,015	\$9,500	-12.1%	\$221,440
Year 15	\$37.9025	\$78,837	\$1,122,293	16	\$33.4635	\$69,604	\$891,619	\$9,233	-11.7%	\$230,673
Year 16	\$38.0847	\$79,216	\$1,201,509	17	\$33.4635	\$69,604	\$961,223	\$9,612	-12.1%	\$240,286
Year 17	\$38.2669	\$79,595	\$1,281,104	18	\$33.4635	\$69,604	\$1,030,827	\$9,991	-12.6%	\$250,277
Year 18	\$38.4492	\$79,974	\$1,361,078	19	\$34.4673	\$71,692	\$1,102,519	\$8,282	-10.4%	\$258,559
Year 19	\$38.6314	\$80,353	\$1,441,432	20	\$34.4673	\$71,692	\$1,174,211	\$8,661	-10.8%	\$267,220
Year 20	\$38.8136	\$80,732	\$1,522,164	21	\$34.4673	\$71,692	\$1,245,903	\$9,040	-11.2%	\$276,261
Year 21	\$38.9958	\$81,111	\$1,603,275	22	\$34.4673	\$71,692	\$1,317,595	\$9,419	-11.6%	\$285,680
Year 22	\$39.1781	\$81,490	\$1,684,766	23	\$34.4673	\$71,692	\$1,389,287	\$9,798	-12.0%	\$295,478
Year 23	\$39.1781	\$81,490	\$1,766,256	24	\$34.4673	\$71,692	\$1,460,979	\$9,798	-12.0%	\$305,277
Year 24	\$39.1781	\$81,490	\$1,847,746	25	\$35.5010	\$73,842	\$1,534,821	\$7,648	-9.4%	\$312,925
Year 25	\$39.1781	\$81,490	\$1,929,237	26	\$35.5010	\$73,842	\$1,608,663	\$7,648	-9.4%	\$320,573
Year 26	\$39.1781	\$81,490	\$2,010,727	27	\$35.5010	\$73,842	\$1,682,505	\$7,648	-9.4%	\$328,222
Year 27	\$39.1781	\$81,490	\$2,092,217	28	\$35.5010	\$73,842	\$1,756,347	\$7,648	-9.4%	\$335,870
Year 28	\$39.1781	\$81,490	\$2,173,708	29	\$35.5010	\$73,842	\$1,830,189	\$7,648	-9.4%	\$343,518
Year 29	\$39.1781	\$81,490	\$2,255,198	30	\$35.5010	\$73,842	\$1,904,031	\$7,648	-9.4%	\$351,167

*See Salary Scale in the AGREEMENT between WASHINGTON METROPOLITAN AREA TRANSIT AUTHORITY and LOCAL UNION 689 of the AMALGAMATED TRANSIT UNION AFL-CIO Effective July 1, 2021

** See the OPT/SLT FY 2022 Pay Scales - Min/Max is established; year by year progression is ESTIMATED

FY22 Bus Operator Market Analysis - June 20, 2022

Year	WMATA Bus Operator Pay				Montgomery County Bus Operator			Difference Ride-On vs. WMATA		
	Hourly Rate	Annual	Cumulative		Hourly Rate	Annual	Cumulative	Salary	Percent	Cumulative
1st 6 Months	\$21.8668	\$22,741	\$22,741	1	\$21.2909	\$22,143	\$22,143	\$599	-2.6%	\$599
2nd 6 Months	\$23.6891	\$24,637	\$47,378		\$21.2909	\$22,143	\$44,285	\$2,494	-10.1%	\$3,093
Year 1	\$25.5113	\$53,063	\$100,442	2	\$22.0077	\$45,776	\$90,061	\$7,287	-13.7%	\$10,381
Year 2	\$27.3335	\$56,854	\$157,295	3	\$22.7496	\$47,319	\$137,380	\$9,534	-16.8%	\$19,915
Year 3	\$29.1558	\$60,644	\$217,939	4	\$23.5175	\$48,916	\$186,297	\$11,727	-19.3%	\$31,643
Year 4	\$30.9780	\$64,434	\$282,374	5	\$24.3123	\$50,570	\$236,866	\$13,865	-21.5%	\$45,507
Year 5	\$32.8002	\$68,224	\$350,598	6	\$25.1349	\$52,281	\$289,147	\$15,944	-23.4%	\$61,451
Year 6	\$36.4447	\$75,805	\$426,403	7	\$25.9863	\$54,052	\$343,199	\$21,753	-28.7%	\$83,204
Year 7	\$36.4447	\$75,805	\$502,208	8	\$26.8675	\$55,884	\$399,083	\$19,921	-26.3%	\$103,125
Year 8	\$36.6269	\$76,184	\$578,392	9	\$27.7795	\$57,781	\$456,864	\$18,403	-24.2%	\$121,528
Year 9	\$36.8091	\$76,563	\$654,955	10	\$28.7235	\$59,745	\$516,609	\$16,818	-22.0%	\$138,346
Year 10	\$36.9914	\$76,942	\$731,897	11	\$29.7004	\$61,777	\$578,386	\$15,165	-19.7%	\$153,511
Year 11	\$37.1736	\$77,321	\$809,218	12	\$30.7116	\$63,880	\$642,266	\$13,441	-17.4%	\$166,952
Year 12	\$37.3558	\$77,700	\$886,918	13	\$31.7582	\$66,057	\$708,323	\$11,643	-15.0%	\$178,595
Year 13	\$37.5380	\$78,079	\$964,997	14	\$32.8414	\$68,310	\$776,633	\$9,769	-12.5%	\$188,364
Year 14	\$37.7203	\$78,458	\$1,043,455	15	\$33.9625	\$70,642	\$847,275	\$7,816	-10.0%	\$196,180
Year 15	\$37.9025	\$78,837	\$1,122,293	16	\$34.2731	\$71,288	\$918,563	\$7,549	-9.6%	\$203,729
Year 16	\$38.0847	\$79,216	\$1,201,509	17	\$34.2731	\$71,288	\$989,851	\$7,928	-10.0%	\$211,658
Year 17	\$38.2669	\$79,595	\$1,281,104	18	\$34.2731	\$71,288	\$1,061,139	\$8,307	-10.4%	\$219,965
Year 18	\$38.4492	\$79,974	\$1,361,078	19	\$35.2769	\$73,376	\$1,134,515	\$6,598	-8.3%	\$226,563
Year 19	\$38.6314	\$80,353	\$1,441,432	20	\$35.2769	\$73,376	\$1,207,891	\$6,977	-8.7%	\$233,540
Year 20	\$38.8136	\$80,732	\$1,522,164	21	\$35.2769	\$73,376	\$1,281,267	\$7,356	-9.1%	\$240,897
Year 21	\$38.9958	\$81,111	\$1,603,275	22	\$35.2769	\$73,376	\$1,354,643	\$7,735	-9.5%	\$248,632
Year 22	\$39.1781	\$81,490	\$1,684,766	23	\$35.2769	\$73,376	\$1,428,019	\$8,114	-10.0%	\$256,746
Year 23	\$39.1781	\$81,490	\$1,766,256	24	\$35.2769	\$73,376	\$1,501,395	\$8,114	-10.0%	\$264,861
Year 24	\$39.1781	\$81,490	\$1,847,746	25	\$36.3106	\$75,526	\$1,576,921	\$5,964	-7.3%	\$270,825
Year 25	\$39.1781	\$81,490	\$1,929,237	26	\$36.3106	\$75,526	\$1,652,447	\$5,964	-7.3%	\$276,789
Year 26	\$39.1781	\$81,490	\$2,010,727	27	\$36.3106	\$75,526	\$1,727,973	\$5,964	-7.3%	\$282,754
Year 27	\$39.1781	\$81,490	\$2,092,217	28	\$36.3106	\$75,526	\$1,803,499	\$5,964	-7.3%	\$288,718
Year 28	\$39.1781	\$81,490	\$2,173,708	29	\$36.3106	\$75,526	\$1,879,025	\$5,964	-7.3%	\$294,682
Year 29	\$39.1781	\$81,490	\$2,255,198	30	\$36.3106	\$75,526	\$1,954,551	\$5,964	-7.3%	\$300,647

*See Salary Scale in the AGREEMENT between WASHINGTON METROPOLITAN AREA TRANSIT AUTHORITY and LOCAL UNION 689 of the AMALGAMATED TRANSIT UNION AFL-CIO Effective July 1, 2021

** See the OPT/SLT FY 2022 Pay Scales - Min/Max is established; year by year progression is ESTIMATED

Questions/Info requests for Proposed Bus Operator Salary Schedule Change

1. Please provide the complete market compatibility studies done for Transit Bus Operators and Transit Coordinators, and for Nurses.

The Comparative Analysis of Wage Schedules for WMATA vs MCG was included with the supplemental appropriation request. The analysis as presented demonstrates the rate of pay for bus operators at each organization. Employees begin within each organization at a comparable level – only \$600 separates them. However, that difference is nearly \$10,000 in year 2, and nearly \$22,000 in year 6. This clearly demonstrated that the scale as a whole was not the problem – it was the rate of advancement through the scale that was identified as the inequity. Put in other terms, after 6 years of employment, WMATA bus operators are expected to earn approximately \$80,000 more throughout their career than our bus operators. Even after removing taxes from that, employees are left with enough to use as a down payment on a home.

The supplemental appropriation is not requesting any funding for nurses. Efforts are ongoing between the Executive Branch and MCGEO to discuss recruitment and retention of those positions, and analysis beyond a market comparability study is required.

2. Does the market compatibility study cover the entire region, or is it limited to a comparison with WMATA?

The analysis was limited to comparison with WMATA, as MCG and WMATA represent the two most significant self-operated bus transit systems in the region. Comparison between these two entities is the relevant analysis in terms of compensation and job responsibilities.

3. Did the market compatibility study look at total compensation (salary plus benefits), or was it limited to base salary only?

The study, as well as previous studies performed in the context of collective bargaining, determined that there was general comparability on the benefits portion of compensation, and the resolution was focused solely on where there was a demonstrative inequity that could be addressed by the parties – the salaries. It should be noted that WMATA does still have a defined benefit retirement plan, whereas MCG bus operators can participate in either the GRIP or RSP retirement plans.

4. Did the compensation comparison take into account the COVID-19 hazard pay earned by Transit Bus Operators?

No. The COVID-19 hazard pay was not an adjustment to base salary, and as such does not have a future impact on the compensation provided to transit bus operators, nor did it have an impact on the decade prior to COVID where the salary inequity has been present. Furthermore, the impacts from COVID on service were widespread, and the COVID-19 hazard pay was a direct response to those impacts.

5. The transmittal memo notes that formal and informal exit surveys point to the salary discrepancy with WMATA as a primary reason for turnover. Please provide data on:

- a. **The total number of separations by separation reason for Transit Bus Operator and Transit Coordinator positions each year over the last 5 fiscal years, including FY22 to date data (or calendar years, if that is the way the data is collected since that is how it is reported in the [PMR](#)).**

**MCDOT Division of Transit Services
Operator Separation by Type FY18-FY22**

	FY18	FY19	FY20	FY21	FY22	Total
Deceased	0	0	1	1	0	2
Dismissal for Cause	0	1	2	5	0	8
Resignation	31	30	30	19	36	146
Retirement	6	9	10	7	4	36
Termination	12	14	10	1	5	42
Grand Total	49	54	53	33	45	234

- b. **The specific number of employees who have identified salary discrepancy with WMATA in formal and informal exit surveys.**

Of the 36 Operators that separated to date in FY22, 27 have been identified as leaving to go to WMATA for salary reasons.

6. Are other transit departments or agencies experiencing increased turnover in similar job classes?

Yes, other transit departments or agencies experiencing increased turnover in similar job classes as evidenced by heightened attrition rates. St Louis Metro, a system very comparable to ours, has had to reduce service by about 10 to 12 percent to cope with an attrition rate that has grown three-fold, reducing the frequency of some routes and eliminating a few express options outright. In response, they have increased their compensation for operators in an effort to address this situation. MBTA in Boston is short 300 of its 1,800 Bus Operators needed to make pre-covid levels of service and its hiring efforts are hampered by the competitive marketplace for CDL holders due in part to the rise in delivery services such as Amazon and FedEx. SEPTA in the Philadelphia area and MTA Mobility in Baltimore are also facing Operator shortages hamstringing their ability to bring service back to pre-covid levels.

<https://www.washingtonpost.com/business/2021/12/28/worker-shortages-public-transportation/>

<https://www.bistatedev.org/2021/09/02/2000-signing-bonuses-offered-for-metro-transit-operator-mechanic-and-electrician-positions/>

<https://www.inquirer.com/transportation/transit-septa-bus-driver-shortage-service-delays-20210918.html>

<https://www.boston.com/news/local-news/2021/12/07/mbta-bus-service-cuts-worker-shortage/>

<https://www.baltimoresun.com/coronavirus/bs-md-mta-mobility-woes-20210903-raeukbd4yndqnglpaohgipwpyi-story.html>

7. Has the County ever created an entirely new salary schedule mid-year that resulted in increased salaries for all the employees?

The County Code provides for out-of-cycle amendments to the collective bargaining agreement. While previous new salary schedules (the OPT/SLT schedules, and the Deputy Sheriffs and Uniformed Correctional Officers salary schedules, for example) came into effect at the beginning of a fiscal year, it is because those resulted from full term bargaining. The groundwork for this change was laid out in the FY2021-2023 agreement between the parties, and funding required to implement the agreement reached out-of-cycle requires Council approval.

8. What is the rationale for applying this change retroactively to July 1, 2021?

The FY2021-2023 CBA with MCGEO included a provision indicating this market comparability study would be concluded by June 30, 2021. The combination of the onset of the COVID-19 pandemic and Council's rejection of all the financial agreements adjusted the priorities of the parties. The parties reached tentative agreement on the solution on June 28, 2021. While the final scope of the agreement and its implementation took several months to finalize, the effective date of July 1, 2021 reflects the agreement between the parties. Additionally, both the County Executive and MCGEO have joint interest in addressing this identified salary inequity as soon as possible.

9. Do WMATA transit operators get step increase or service increments each year?

The agreement reached replaces the current "service increment" concept with a step increase within the schedule. Progression through the schedule would occur in the same way as before, but the values of that progression would be determined by the value of the steps on the new schedule.

10. Why were draft changes to the Personnel Regulations needed to implement the proposed salary matrix not included in the transmittal?

No changes are needed to the Personnel Regulations to implement the agreed upon salary schedules for these job classes. Per, 33-11(b)(1)(A), "salary schedules for employees represented by certified employee organizations" are already provided for in the regulations. Thus, while Council must approve such amendments to the salary plan per 33-11(b)(3), the salary schedule being submitted is included in "salary schedules for employees represented by certified employee organizations,".

11. Would transit bus operators and coordinators still be eligible for General Wage Adjustments?

Yes, the new salary schedule would be subject to adjustment by any approved GWA. It should be noted that any future GWA could be negotiated to be the same as the GWA bargained for other MCGEO employees, or it could be a GWA negotiated to apply specifically to this schedule.

12. What accounts for the difference in the projected FY22 cost (\$8.6 million) and the projected FY23 cost (\$9.9 million)?

The supplemental does not request the total projected FY22 cost. The supplemental requests only the projected additional amount above the existing appropriation necessary to fully fund the terms of the agreement. Personnel costs are projected to come in under budget, largely due to increased separations resulting from issues intended to be resolved with this agreement. The projected FY23 cost would need to be funded in their entirety, as we would not project additional personnel cost savings into FY23.

13. Why not include this in the negotiations over wages in the revised Agreement that will be sent to the Council on April 1, 2022?

The Code provides for out-of-cycle amendments to the collective bargaining agreement. That, combined with the magnitude of the inequity identified in the analysis, led the parties to agree that waiting until the next fiscal year was not the appropriate course of action.

14. Where does this new salary scale fit in the current salary schedules for represented employees? Why wasn't an existing salary schedule used?

No existing salary schedule was used because of the extreme nature of the inequity with WMATA. Existing MCG salary schedules consist of a range, with a minimum and a maximum. The current range minimum and maximum were close to comparable with WMATA, but the WMATA schedule consists of steps; the value of the progression through that range was not comparable to the steps. No existing MCG salary schedule would resolve the inequity without swinging the pendulum to the other end and creating an inequity in favor of MCG. Additionally, if the rate of progression, or values of the range for the grades of the transit bus operators and coordinators were changed, the result would impact all County employees in those schedules. The option of a new salary schedule allows the comparable minimum and maximum level to remain while addressing the progression values through the schedule, and limiting the effect to the affected job classifications.

15. Was a classification study performed to ensure that this new salary schedule is consistent with the job duties in relation to other County positions? If so, please send us a copy.

No. The study was not addressing the classification or job duties of the Transit Bus Operators and Transit Bus Coordinators. No classification inequity was discussed, it was purely a factor of compensation inequity with similarly situated employees in a highly comparable agency.



OFFICE OF THE COUNTY EXECUTIVE


Marc Elrich
County Executive

Tiffany Ward, Director
Office of Racial Equity and Social Justice

MEMORANDUM

November 23, 2021

To: Jennifer Bryant, Director
Office of Racial Equity and Social Justice

From: Tiffany Ward, Director
Office of Racial Equity and Social Justice 

Re: Supplemental Appropriation: REIA #22-26 Transit Service Bus Operators

- I. **FINDING:** The Office of Racial Equity and Social Justice (ORESJ) finds that Supplemental Appropriation #22-26 is likely to advance racial equity and social justice in County, as it raises the wages of transit operators and coordinators who are disproportionately people of color. Raising the wages of these positions contributes to reductions in racial and ethnic disparities in median household income and housing cost burden.
- II. **BACKGROUND:** The purpose of Supplemental Appropriation #22-26 is to make a market comparability wage adjustment for the Transit Bus Operator and Transit Coordinator job classifications in Montgomery County. Adjusting wages so that they are more closely aligned with those of Washington Metro Area Transit Authority (WMATA), will result in an additional \$3,000 at entry level and an additional \$300,000 over a 30-year career for employees in these job classifications.

To understand the extent to which wage adjustments will advance racial equity, it is important to consider the demographic characteristics of the people who fill these positions compared to the workforce or County overall, as well as the larger context of how wage adjustments will affect those navigating structural inequities in the economy.

In the US, historical and current practices of occupational segregation¹ shape labor market opportunities and outcomes by race, ethnicity, and gender. Together with racial

¹ <https://equitablegrowth.org/factsheet-u-s-occupational-segregation-by-race-ethnicity-and-gender/>

inequities in access to housing, lending, and education, occupational segregation helps explain why people of color are overrepresented in low-wage frontline jobs and continue to face constant barriers to advancement². Overtime, these inequities have created broad wage inequality by race, ethnicity, and gender, contributing to disparities in income and wealth—a critical driver of housing cost burden.

The TransitCenter conducted an analysis using American Community Survey data, which revealed degrees of occupational segregation (at the time of the pandemic) between frontline and non-frontline workers in the US transit workforce. For the analysis, bus operators, cleaners, mechanics, and those who could not work from home were considered frontline workers, while managers, service planners, and others who could work from home were considered non-frontline workers. The analysis showed that Black and Hispanic workers make up larger shares of frontline positions (and smaller shares of non-frontline positions) than their representation in the transit workforce overall.

Race/ethnicity	Entire transit workforce		Frontline workers		Non-frontline workers	
	Number	Percentage	Number	Percentage	Number	Percentage
Asian	25,315	3.5%	15,600	2.9%	9,715	5.1%
Black	186,803	25.7%	148,396	27.6%	38,407	20.2%
Hispanic/Latino	95,686	13.2%	75,545	14.1%	20,141	10.6%
White	401,833	55.2%	284,264	52.9%	117,569	61.7%

Source: Table reproduced from data analyzed by TransitCenter. Available here:

<https://transitcenter.org/protecting-transit-workers-racial-justice/>

This disproportionality extends to socioeconomic characteristics, where 4.9% of the transit workforce lives below the federal poverty line, compared to 5.4% of frontline workers and 3.5% in non-frontline occupations. Disparities also affect the highest levels of leadership in transit agencies, women make up 39% of the transit workforce but only 3% of system CEOs and there are only two non-white CEOs across the 15 largest US agencies³.

Available local data indicate a similar disproportionality in the County's transit workforce. ORESJ has calculated the following racial and ethnic breakdown of transit operators and coordinators. Since we do not know the racial and ethnic makeup of the transit services division overall, we cannot determine whether the below makeup is comparable to other job classifications in the agency. Instead, we've used County

² <https://www.policylink.org/sites/default/files/Advancing%20Frontline%20Employees%20of%20Color.pdf>

³ <https://transitcenter.org/wp-content/uploads/2019/07/HR.pdf>

demographics to determine whether the representation of people of color in transit operator and transit coordinator job classifications is proportional to their representation in the County overall.

Race/ethnicity	Transit Bus Operator		Transit Coordinator		County population %
American Indian/Alaska Native	<5*	<0%	0	0%	.7%
Asian	21	3%	<5*	6%	15.6%
Black	495	72%	25	76%	20.1%
Hispanic/Latino	82	12%	<5*	6%	20.1%
Native Hawaiian/Pacific Islander	<5*	<0%	0	0%	.1%
White (alone, not Hispanic or Latino)	25	4%	<5*	6%	42.9%
Two or more races	12	2%	0	0%	3.5%
No response	47	7%	<5	6%	0
Total	687		35		

*To maintain data privacy, these responses were suppressed. For the calculation purposes, the value of 2 was given to each instance where data suppression occurred. These estimates do not affect the overwhelming evidence that transit operators and transit coordinators who are Black make up larger shares of these job classifications than the overall percentage of Black residents in the County.

Source: Workforce statistics come from Personnel Management Regulation (PMR) Assignments Oracle Dashboard. County population data is from the American Community Survey, 2019 estimates. Available here: <https://www.census.gov/quickfacts/fact/table/montgomerycountymaryland/RHI225219#RHI225219>

What is evident from this data is that Black residents make up about 20% of the County population but more than 70% of transit operators and coordinators. Conversely, White residents make up 42.9% of the county population, but less than 10% of transit operators and coordinators. More research would need to be done to determine the exact cause of this disproportionality but the above-described racial disparities and inequities in education and employment likely play a role. Based on this data, wage increases for transit operator and transit coordinator positions are more likely to benefit workers of color, particularly given that more than 70% of employees in both categories are Black. Wage adjustments are therefore likely to contribute to reductions in median household income gaps and disparities in the percent of residents with gross rents more than 30% of household income in the County. See data below:

Median Household Income by Race and Ethnicity, 2017

Race/ethnicity	Montgomery County, MD
Asian	\$109,147
Black	\$72,587
Hispanic/Latino	\$71,847
White	\$119,426
Other	\$75,723

Source: Montgomery County, Maryland Office of Legislative Oversight Montgomery County Racial Equity Profile. Available here:

<https://www.montgomerycountymd.gov/OLO/Resources/Files/2019%20Reports/RevisedOLO2019-7.pdf>

Gross Rent more than 30 Percent of Household Income in Last 12 Months, 2017

Race/ethnicity	Montgomery County, MD
Asian	42.7%
Black	54.5%
Hispanic/Latino	62.6%
White	44.7%
Other	71.6%

Source: Montgomery County, Maryland Office of Legislative Oversight Montgomery County Racial Equity Profile. Available here:

<https://www.montgomerycountymd.gov/OLO/Resources/Files/2019%20Reports/RevisedOLO2019-7.pdf>

cc: Christopher Conklin, Director, Department of Transportation
Ken Hartman, Director, Strategic Partnerships, Office of the County Executive