GO Item 2
June 24, 2013
Worksession

MEMORANDUM

June 20, 2013

TO: Government Operations and Fiscal Policy Committee

FROM: Robert H. Drummer, Senior Legislative Attorney

SUBJECT: **Worksession:** Bill 9-13, Collective Bargaining –Impasse – Arbitration Panel

Bill 9-13, Collective Bargaining – Impasse – Arbitration Panel, sponsored by Councilmember Andrews, was introduced on March 19. A public hearing was held on June 18.

Bill 9-13 would:

- establish an interest arbitration panel to resolve an impasse over a collective bargaining agreement; and
- require an impasse arbitration hearing to be open to the public.

Background

Interest arbitration is a method of resolving disputes over the terms and conditions of a new collective bargaining agreement. Grievance arbitration is a method of resolving disputes over the interpretation or application of an existing collective bargaining contract. County Charter §510 requires the Council to enact a collective bargaining law for police officers that includes interest arbitration. Charter §510A requires the same for fire fighters. Charter §511 authorizes, but does not require, the Council to enact a collective bargaining law for other County employees that may include interest arbitration or other impasse procedures. All of these Charter provisions require any collective bargaining law enacted by the Council to prohibit strikes or work stoppages by County employees. The Council has enacted comprehensive collective bargaining laws with interest arbitration for police (Chapter 33, Article V), fire fighters (Chapter 33, Article X), and other County employees (Chapter 33, Article VII).

All 3 County collective bargaining laws require final offer by package arbitration requiring the arbitrator to select the entire final offer covering all disputed issues submitted by one of the parties. The arbitrator is a private sector labor professional jointly selected by the Executive and the union. There have been 20 impasses resolved by interest arbitration since 1988. Two involved fire fighters, 2 involved general County employees, and the other 16 involved the police. The arbitrator selected the final offer of the International Association of Fire Fighters (IAFF) in both impasses with the fire fighters and selected the County offer in 1 impasse with general County employees represented by the Municipal and County Government Employees Organization (MCGEO) and selected MCGEO's offer in the other. The arbitrator selected the FOP offer in 12 of the 16 impasses with the police.[1] The arbitrator selected the

[1] A table showing the issues decided in each of the 20 arbitration awards since 1988 is attached.

County offer over the FOP offer 3 times,[2] and the County agreed to the FOP offer after the arbitration hearing 1 time.

One of the arguments often raised in challenges to interest arbitration laws is the lack of accountability to the public. Legislatures enacting interest arbitration laws have responded to this criticism in a variety of ways. The Oklahoma law authorizes a city council to call a special election and submit the 2 proposals to the voters for a final decision if the arbitrator selects the union's final package. The Oklahoma Supreme Court upheld this unusual provision in *FOP Lodge No. 165 v. City of Choctaw,* 933 P. 2d 261 (Okla. 1996). Some laws provide for political accountability in the method of choosing the arbitrator. The Colorado Supreme Court upheld an interest arbitration law, in part, because it required the city council to unilaterally select the list of arbitrators in *FOP Colorado Lodge No. 19 v. City of Commerce City,* 996 P. 2d 133 (Colo. 2000). Finally, many interest arbitration laws provide for accountability by adopting guidelines that the arbitrator must consider, require a written decision with findings of fact, and subject the decision to judicial review for abuse of discretion, fraud, or misconduct. See *Anchorage v. Anchorage Dep't of Employees Ass'n,* 839 P. 2d 1080 (Alaska 1992).

The Council enacted Expedited Bill 57-10 on December 14, 2010 modifying the criteria used by the arbitrator in resolving collective bargaining impasses with each County employee union. Bill 57-10 required the arbitrator to first evaluate and give the highest priority to the County's ability to pay for the last best offers of the union and the employer. The union prevailed in each of the 3 arbitration hearings held in 2011 after Bill 57-10 was enacted.

All 3 County collective bargaining laws require the appointment of a professional labor arbitrator mutually selected by the Executive and the union. Arbitrator fees are split evenly between the parties. Professional labor arbitrators must avoid the appearance of favoring one side or the other in order to continue to be selected for future business. It is especially important for a professional labor arbitrator to avoid a veto by a national union with affiliates representing public employees throughout the nation. The labor arbitrator is accountable to the parties, but not to the taxpayers.

The County collective bargaining laws require the labor professional jointly selected by the parties to serve as both mediator and arbitrator. This dual role has the advantage and disadvantage of granting the mediator/arbitrator greater authority during the mediation process. A party must seriously consider any statement about a weakness in a party's position made by a mediator who ultimately will resolve an impasse as the arbitrator. However, this dual role lessens the ability of a mediator to get the parties to speak freely during private sessions with the mediator. Traditional mediation promotes the free flow of ideas between the parties, in part, because the mediator has no authority to impose a resolution. A major advantage of the dual role is that the mediator/arbitrator can issue a quicker decision because he or she is already familiar with the issues at impasse. This speed is useful due to the compressed schedule for bargaining, impasse resolution, and budget decisions. However, a mediator with no actual authority to impose a resolution on either party is in a better position to help the parties negotiate a settlement.

[2] The FOP appealed 2 of the 3 decisions in favor of the County to the Circuit Court. The Circuit Court reversed a portion of the arbitrator's award in 2003 and affirmed the arbitrator's award for the County in 2008.

Bill 9-13 would separate the role of mediator and arbitrator. The Bill would also establish an arbitration panel consisting of 3 voting neutral public members, 1 non-voting union representative, and 1 non-voting employer representative. The non-voting members would be selected by the parties to the dispute. The Council would recommend 3 public members and 2 alternate public members. The Executive would appoint, subject to Council confirmation, each of the 5 public members to a three-year term. Each public member must be a County resident knowledgeable in fiscal matters who is currently unaffiliated with federal, state, or local management or labor unions. A majority of the 3 public members on the arbitration panel must vote for a decision resolving an impasse. The arbitration decision would be binding on the Executive and the union. Those provisions in the final agreement that require an appropriation of funds or legislation would continue to be subject to Council approval.

Public Hearing

Both speakers at the June 18 public hearing, Torrie Cooke, President of FOP Lodge 35 (©19) and Jeffrey Buddle, Vice-President of IAFF Local 1664 (©20-21) opposed the Bill. Each of these County employee union officials argued that the current system works well and should not be changed. Joan Fidler, on behalf of the Montgomery County Taxpayers League, sent in written comments supporting the Bill. (©22)

Issues

1. Should the role of mediator and arbitrator be split between two individuals?

Under current law, the impasse neutral selected by the parties to mediate the dispute becomes the neutral arbitrator if the impasse is not resolved during the mediation process. This dual role is often referred to in academic literature as med-arb. A negotiated agreement is usually preferred to an arbitration award in collective bargaining because the parties must continue to work together. Med-arb could lead to fewer settlements in mediation and more impasses resolved by arbitration due to the reluctance of the parties to speak freely in front of a mediator who could also be the arbitrator. The County's experience has been mixed. Since 1988 there have been only 2 disputes between the Executive and the IAFF that were resolved by arbitration and only 2 disputes between the Executive and MCGEO resolved by arbitration. However, there have been 16 disputes between the Executive and the FOP resolved by arbitration since 1988. It is difficult to explain these differing results, but it does indicate that the impasse resolution process under the Police Labor Relations Law has not worked well.

The American Arbitration Association's "Guide to Drafting Dispute Resolution Clauses" does not recommend med-arb for this reason. The Guide states at p. 38:

> A clause may provide first for mediation under the AAA's mediation procedures. If the mediation is unsuccessful, the mediator could be authorized to resolve the dispute under the AAA's arbitration rules. This process, is sometimes referred to as "Med-Arb." Except in unusual circumstances, a procedure whereby the same individual who has been serving as a mediator becomes an arbitrator when the mediation fails is not recommended, because it could inhibit the candor which should characterize the mediation process and/or it could convey evidence, legal points or settlement positions ex parte, improperly influencing the arbitrator.

One of the mediator's most important tools is this lack of authority and the anticipated confidentiality of all statements made to the mediator or in the mediator's presence. The Maryland Court of Appeals adopted Rules on Alternative Dispute Resolution, including standards of conduct for mediators, which mandate confidentiality of statements made during mediation. Md. Rule 17-105 states:

Rule 17-105. Mediation confidentiality

(a) *Mediator.* Except as provided in sections (c) and (d) of this Rule, a mediator and any person present or otherwise participating in the mediation at the request of the mediator shall maintain the confidentiality of all mediation communications and may not disclose or be compelled to disclose mediation communications in any judicial, administrative, or other proceeding.

(b) *Parties.* Except as provided in sections (c) and (d) of this Rule:

(1) a party to a mediation and any person present or who otherwise participates in a mediation at the request of a party may not disclose or be compelled to disclose a mediation communication in any judicial, administrative, or other proceeding; and

(2) the parties may enter into a written agreement to maintain the confidentiality of mediation communications and to require all persons who are present or who otherwise participate in a mediation to join in that agreement.

(c) *Signed document.* A document signed by the parties that records points of agreement expressed and adopted by the parties or that constitutes an agreement reached by the parties as a result of mediation is not confidential, unless the parties agree otherwise in writing.

(d) *Permitted disclosures.* In addition to any disclosures required by law, a mediator, a party, and a person who was present or who otherwise participated in a mediation may disclose or report mediation communications:

(1) to a potential victim or to the appropriate authorities to the extent they reasonably believe necessary to help prevent serious bodily harm or death to the potential victim;

(2) when relevant to the assertion of or defense against allegations of mediator misconduct or negligence; or

(3) when relevant to a claim or defense that an agreement arising out of a mediation should be rescinded because of fraud, duress, or misrepresentation.

The purpose of this confidentiality is to promote full and frank discussions with the mediator without fear of those statements being used against the party if the matter goes to arbitration or litigation. Med-arb does not permit these unrestrained conversations during mediation. Each statement by a party in mediation under med-arb must be made after considering the possibility that the mediator is also going to be the final judge if there is no settlement. This disadvantage of med-arb has been recognized in some of the academic literature discussing public sector interest arbitration.[3] Ira Jaffe, a long-time practitioner in this field, provided an interesting answer to this issue during his recent interview by the GO Committee for reappointment as the Permanent Umpire under the Police Labor Relations Law.[4] Mr. Jaffe acknowledged this issue in a discussion of med-arb, but felt that he could make an arbitration award without relying on any statements made by the parties at the mediation session. Of course, that ability would resolve only part of the problem. The parties are unlikely to make statements against interest in mediation before him when he is also the arbitrator.

The major advantage of med-arb is speed and efficiency. The arbitrator does not need to "get up to speed" on the issues before issuing an arbitration award because he or she has already heard the issues during the mediation. However, if the arbitrator cannot rely on the evidence presented at the mediation sessions, then the parties will be required to present this evidence again at the arbitration hearing, thereby reducing the speed and efficiency of the process.

T. Bert (Thomas Bertram) Lance, the Director of the Office of Management and Budget in Jimmy Carter's 1977 administration was quoted in the newsletter of the US Chamber of Commerce, *Nation's Business*, May 1977:

> Bert Lance believes he can save Uncle Sam billions if he can get the government to adopt a simple motto: "If it ain't broke, don't fix it." He explains: "That's the trouble with government: Fixing things that aren't broken and not fixing things that are broken."

While there is much merit in this quote, the 16 interest arbitration awards under the Police Labor Relations Law since 1988 indicates that something is broken here. Although Bill 9-13 would split the role of mediator and arbitrator under each County collective bargaining law, the Committee may want to consider making this change only for the Police Labor Relations Law based upon our history.

2. Should the arbitration be conducted by a citizen panel instead of a professional labor arbitrator?

The Bill would replace the professional mediator-arbitrator with a professional mediator and a separate arbitration panel. The arbitration panel would have 3 voting members appointed

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[3] Blankley, *Keeping a Secret from Yourself? Confidentiality When the Same Neutral Serves Both as Mediator and as Arbitrator in the Same Case,* 63 Baylor L. Rev. 317 (2011); Blankenship, *Developing your ADR attitude: Med-Arb, a template for adaptive ADR,* 42 Tenn. B.J. 28 (2006).

[4] As the Permanent Umpire, Mr. Jaffe would never be the impasse neutral for an interest dispute with the FOP. However, he has done this work for other County bargaining units and in other jurisdictions in his 30 years as a professional labor neutral.

by the Executive and confirmed by the Council for a 3-year term of office. Each public member would serve without compensation and must be:

(1) a resident of the County;

(2) knowledgeable in fiscal matters; and

(3) currently unaffiliated with federal, state or local government management or a labor union that represents federal, state or local government employees. (Lines 317-323 on ©13.)

The argument for using a professional labor arbitrator is that they are trained and experienced in serving as an impartial neutral in labor disputes. Most professional labor arbitrators work as neutrals full-time and do not engage in advocacy on behalf of labor unions or management. Many are attorneys who started as legal advocates for labor unions or management. They are selected by the parties and must maintain the perception of neutrality in order to continue to receive business. In short, they are accountable to the parties. They are specialized private judges hired by the parties to make factual determinations and resolve disputes. The argument against using a professional labor arbitrator to resolve an impasse in public sector collective bargaining is that they are not directly accountable to the taxpayers. The union represents its members. The Executive represents the County government. As Mr. Jaffe explained in his recent interview with the GO Committee, he assumes that management in the public sector represents the residents of the jurisdiction when he serves as an arbitrator.

Baltimore County Model for Employees Other than Police or Fire

The Baltimore County Code had a different system for resolving disputes with employees other than police or fire.[5] The Code required the appointment of a permanent arbitration panel consisting of 5 members serving 4-year terms. Three members are appointed by the Council, 1 by the Executive, and 1 by the certified employee organizations. The members served without compensation. The law provides for mediation before a professional mediator provided by the Federal Mediation and Conciliation Service and fact-finding by a neutral selected from a panel of experts provided by an impartial third party agency. If the parties are still unable to resolve the dispute, the arbitration panel conducts a hearing and issues an advisory decision. The decision of the arbitrator is a non-binding recommendation to the Executive, who makes the final decision.

According to George Gay, Baltimore County Labor Commissioner, none of the members of the arbitration panel were professional labor arbitrators. Instead, they were experienced business leaders. This advisory arbitration system was in effect for 10 years. The only time a dispute was submitted to the panel was in 2007. The panel decided that the employees should get no cost of living raise and the Executive accepted the decision.

The argument for replacing a professional labor arbitrator by a panel of public members who reside in the County appointed by the Executive and the Council for a 3-year term of office

[5] This system was recently amended, effective April 1, 2014, in favor of arbitration of a dispute on wages or pension benefits before a professional labor arbitrator.

is direct accountability to the taxpayers. This is similar to the role of a jury in civil and criminal litigation in the Circuit Court. The public members of the arbitration panel would serve without compensation; they would not rely on future arbitration business for their livelihood. Unpaid public members serve as arbitrators under the County Code to resolve important disputes brought to the Commission on Common Ownership Communities (Code §§10B-9) and the Commission on Human Rights (Code §27-2).

One criticism of the current arbitration system is the County's lack of success. The County has lost 15 of the 20 arbitrations since 1988. However, one must be cautious before attributing these one-sided results to pro-union bias by the arbitrators. There are many other factors that influence a particular decision, such as the evidence presented before the arbitrator and the reasonableness of each party's final best offer. Although it is a small sample size, the results appear to be one-sided. The cause is unknown.

3. Should the arbitration hearing be open to the public?

Under current law, the arbitration hearing is closed to the public. The Bill would open these hearings to the public and the press. Almost all civil trials are open to the public. This permits members of the public and the press to witness the trial and thereby promotes a fair process. Opening an interest arbitration hearing to the public would increase the accountability of the dispute resolution process to the taxpayers. News media reports of the hearing would increase the public's understanding of the issues and the evidence presented. Although private collective bargaining sessions and private mediation sessions promote the free and open communications necessary to reach settlements, a private arbitration hearing is different. The award from the arbitrator after a private hearing appears without any justification and often becomes more difficult for the taxpayers to understand and support.

Bill No. 9-13
Concerning: Collective Bargaining – Impasse – Arbitration Panel
Revised: March 14, 2013 Draft No. 4
Introduced: March 19, 2013
Expires: September 19, 2014
Enacted: _____
Executive: _____
Effective: _____
Sunset Date: None
Ch. _____, Laws of Mont. Co. _____

COUNTY COUNCIL
FOR MONTGOMERY COUNTY, MARYLAND

By: Councilmember Andrews

AN ACT to:

(1) establish an interest arbitration panel to resolve an impasse over a collective bargaining agreement;
(2) require an impasse arbitration hearing to be open to the public; and
(3) generally amend County collective bargaining laws.

By amending
Montgomery County Code
Chapter 33, Personnel and Human Resources
Sections 33-81, 33-108, and 33-153
By adding
Montgomery County Code
Chapter 33, Personnel and Human Resources
Section 33-103A

Boldface	*Heading or defined term.*
Underlining	*Added to existing law by original bill.*
[Single boldface brackets]	*Deleted from existing law by original bill.*
Double underlining	*Added by amendment.*
[[Double boldface brackets]]	*Deleted from existing law or the bill by amendment.*
* * *	*Existing law unaffected by bill.*

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

Sec. 1. Sections 33-81, 33-108, and 33-153 are amended as follows:

33-81. Impasse procedure.

* * *

(b) (1) During the course of collective bargaining, either party may declare an impasse and request the services of the impasse neutral. If the parties have not reached agreement by January 20, an impasse exists.

(2) Whenever an impasse has been reached, the dispute [shall] must be submitted to the impasse neutral. The impasse neutral [shall] must attempt to settle the dispute through mediation [by bringing] with the parties [together voluntarily under such favorable auspices as will tend to effectuate the settlement of the dispute].

(3) If the impasse neutral, in the impasse neutral's sole discretion, finds that the parties are at a bona fide impasse, the impasse neutral must certify the impasse for arbitration before an arbitration panel established under Section 33-103A. The arbitration panel must require each party to submit a final offer, which must consist either of a complete draft of a proposed collective bargaining agreement or a complete package proposal, as the [impasse neutral] arbitration panel chooses. If only complete package proposals are required, the [impasse neutral] arbitration panel must require the parties to submit jointly a memorandum of all items previously agreed upon.

(4) The [impasse neutral] arbitration panel may, in the [impasse neutral's] arbitration panel's discretion, require the parties to submit evidence or make oral or written argument in support of their proposals. The [impasse neutral may] arbitration panel must hold a hearing open to the public for this purpose at a time, date

and place selected by the [impasse neutral] arbitration panel. [Said hearing must not be open to the public.]

(5) On or before February 1, the [impasse neutral] arbitration panel must select, as a whole, the more reasonable, in the [impasse neutral's] arbitration panel's judgment, of the final offers submitted by the parties.

(A) The [impasse neutral] arbitration panel must first evaluate and give the highest priority to the ability of the County to pay for additional short-term and long-term expenditures by considering:

(i) the limits on the County's ability to raise taxes under State law and the County Charter;

(ii) the added burden on County taxpayers, if any, resulting from increases in revenues needed to fund a final offer; and

(iii) the County's ability to continue to provide the current standard of all public services.

(B) After evaluating the ability of the County to pay under subparagraph (A), the [impasse neutral] arbitration panel may only consider:

(i) the interest and welfare of County taxpayers and service recipients;

(ii) past collective bargaining contracts between the parties, including the bargaining history that led to each contract;

(iii) a comparison of wages, hours, benefits, and conditions of employment of similar employees of

other public employers in the Washington Metropolitan Area and in Maryland;

(iv) a comparison of wages, hours, benefits, and conditions of employment of other [Montgomery] County employees; and

(v) wages, benefits, hours and other working conditions of similar employees of private employers in [Montgomery] the County

(6) The [impasse neutral] arbitration panel must:

(A) not compromise or alter the final offer that [he or she selects] it selects;

(B) select an offer based on the contents of that offer;

(C) not consider or receive any evidence or argument concerning the history of collective bargaining in this immediate dispute, including offers of settlement not contained in the offers submitted to the [impasse neutral] arbitration panel; and

(D) consider all previously agreed on items integrated with the specific disputed items to determine the single most reasonable offer.

(7) The offer selected by the [impasse neutral] arbitration panel, integrated with the previously agreed upon items, [shall] must be [deemed to represent] the final agreement between the employer and the certified representative, without the necessity of ratification by the parties, and [shall have] has the force and effect of a contract voluntarily entered into and ratified [as set forth in] under subsection 33-80(g) [above]. The parties [shall] must execute [such] the final agreement.

(c) An impasse over a reopener matter must be resolved under the procedures in this subsection. Any other impasse over a matter subject to collective bargaining must be resolved under the impasse procedure in subsections (a) and (b).

(1) If the parties agree in a collective bargaining agreement to bargain over an identified issue on or before a specified date, the parties must bargain under those terms. Each identified issue must be designated as a "reopener matter."

(2) When the parties initiate collective bargaining under paragraph (1), the parties must choose, by agreement or through the processes of the American Arbitration Association, an impasse neutral who agrees to be available for impasse resolution within 30 days.

(3) If, after bargaining in good faith, the parties are unable to reach agreement on a reopener matter by the deadline specified in the collective bargaining agreement, either party may declare an impasse.

(4) If an impasse is declared under paragraph (3), the dispute must be submitted to the impasse neutral for mediation no later than 10 days after impasse is declared. If the impasse neutral certifies that an impasse exists after mediation, the dispute must be resolved by an arbitration panel established under Section 33-103A.

(5) The [impasse neutral] arbitration panel must resolve the dispute under the impasse procedure in subsection (b), except that:

(A) the dates in that subsection do not apply;

(B) each party must submit to the [impasse neutral] arbitration panel a final offer on only the reopener matter; and

(C) the [impasse neutral] arbitration panel must select the most reasonable of the parties' final offers no later than 10 days after the [impasse neutral] arbitration panel receives the final offers.

* * *

33-108. Bargaining, impasse, and legislative procedures.

* * *

(d) Before September 10 of any year in which the employer and the certified representative bargain collectively, the Labor Relations Administrator must appoint a [mediator/arbitrator] mediator, who may be a person recommended by both parties. The [mediator/arbitrator] mediator must be available from January 2 to June 30. Fees and expenses of the [mediator/arbitrator] mediator must be shared equally by the employer and the certified representative.

(e) (1) During the course of collective bargaining, either party may declare an impasse and request the services of the [mediator/arbitrator] mediator, or the parties may jointly request those services before an impasse is declared. If the parties do not reach an agreement by February 1, an impasse exists. Any issue regarding the negotiability of any bargaining proposal must be referred to the Labor Relations Administrator for an expedited determination.

(2) Any dispute, except a dispute involving the negotiability of a bargaining proposal, must be submitted to the [mediator/arbitrator] mediator whenever an impasse has been reached, or as provided in subsection (e)(1). The [mediator/arbitrator] mediator must attempt to resolve the impasse by [engage in] mediation [by bringing the parties

together voluntarily under such favorable circumstances as will encourage settlement of the dispute].

(3) If the [mediator/arbitrator] mediator finds, in the [mediator/arbitrator's] mediator's sole discretion, that the parties are at a bona fide impasse, or as of February 1 when an impasse is automatically reached, whichever occurs earlier, the dispute must be submitted to binding arbitration before an arbitration panel established under Section 33-103A.

(f) (1) If binding arbitration is invoked, the [mediator/arbitrator] arbitration panel must require each party to submit a final offer, which must consist either of a complete draft of a proposed collective bargaining agreement or a complete package proposal, as the [mediator/arbitrator] arbitration panel directs. If only complete package proposals are required, the [mediator/arbitrator] arbitration panel must require the parties to submit jointly a memorandum of all items previously agreed on.

(2) The [mediator/arbitrator] arbitration panel may require the parties to submit oral or written evidence and arguments in support of their proposals. The [mediator/arbitrator may] arbitration panel must hold a hearing open to the public for this purpose at a time, date, and place selected by the [mediator/arbitrator] arbitration panel. [This hearing must not be open to the public.]

(3) On or before February 15, the [mediator/arbitrator] arbitration panel must select, as a whole, the more reasonable of the final offers submitted by the parties. The [mediator/arbitrator] arbitration panel must not compromise or alter a final offer. The [mediator/arbitrator] arbitration panel must not consider or receive any argument or evidence related to the history of

collective bargaining in the immediate dispute, including any previous settlement offer not contained in the final offers. However, the [mediator/arbitrator] arbitration panel must consider all previously agreed-on items, integrated with the disputed items, to decide which offer is the most reasonable.

(4) In making a determination under this subsection, the [mediator/arbitrator] arbitration panel must first evaluate and give the highest priority to the ability of the County to pay for additional short-term and long-term expenditures by considering:

(A) the limits on the County's ability to raise taxes under State law and the County Charter;

(B) the added burden on County taxpayers, if any, resulting from increases in revenues needed to fund a final offer; and

(C) the County's ability to continue to provide the current standard of all public services.

(5) After evaluating the ability of the County to pay under paragraph (4), the [mediator/arbitrator] arbitration panel may only consider:

(A) the interest and welfare of County taxpayers and service recipients;

(B) past collective bargaining agreements between the parties, including the past bargaining history that led to each agreement;

(C) a comparison of wages, hours, benefits, and conditions of employment of similar employees of other public employers in the Washington Metropolitan Area and in Maryland;

(D) a comparison of wages, hours, benefits, and conditions of employment of other [Montgomery] County employees; and

(E) wages, benefits, hours, and other working conditions of similar employees of private employers in [Montgomery] the County.

(6) The offer selected by the [mediator/arbitrator] arbitration panel, integrated with all previously agreed on items, is the final agreement between the employer and the certified representative, need not be ratified by any party, and has the effect of a contract ratified by the parties under subsection (c). The parties must execute the agreement, and any provision which requires action in the County budget must be included in the budget which the employer submits to the County Council.

* * *

33-153. Bargaining, impasse, and legislative procedures.

* * *

(f) When an impasse is reached, the parties must submit the dispute to the impasse neutral. The impasse neutral must attempt to resolve the dispute by mediation [by bringing the parties together voluntarily under conditions that will tend to bring about a settlement of the dispute].

(g) If the impasse neutral, in the impasse neutral's sole discretion, finds that the parties are at a bona fide impasse, the impasse neutral must refer the dispute to an arbitration panel established under Section 33-103A. The arbitration panel must require the parties to jointly submit all items previously agreed on, and each party to submit a final offer consisting of proposals not agreed upon. Neither party may change

any proposal after it is submitted to the [impasse neutral] arbitration panel as a final offer, except to withdraw a proposal on which the parties have agreed.

(h) The [impasse neutral] arbitration panel may require the parties to submit evidence or present oral or written arguments in support of their proposals. The [impasse neutral may] arbitration panel must hold a hearing open to the public at a time, date, and place selected by the [impasse neutral] arbitration panel. [The hearing must not be open to the public.]

(i) On or before February 1, unless that date is extended by written agreement of the parties, the [impasse neutral] arbitration panel must select the final offer that, as a whole, the [impasse neutral] arbitration panel judges to be the more reasonable.

(1) In determining which final offer is the more reasonable, the [impasse neutral] arbitration panel must first evaluate and give the highest priority to the ability of the County to pay for additional short-term and long-term expenditures by considering:

(A) the limits on the County's ability to raise taxes under State law and the County Charter;

(B) the added burden on County taxpayers, if any, resulting from increases in revenues needed to fund a final offer; and

(C) the County's ability to continue to provide the current standard of all public services.

(2) After evaluating the ability of the County to pay under paragraph (1), the [impasse neutral] arbitration panel may only consider:

(A) the interest and welfare of County taxpayers and service recipients;

(B) past collective bargaining agreements between the parties, including the past bargaining history that led to each agreement;

(C) wages, hours, benefits and conditions of employment of similar employees of other public employers in the Washington Metropolitan Area and in Maryland;

(D) wages, hours, benefits, and conditions of employment of other [Montgomery] County employees; and

(E) wages, benefits, hours, and other working conditions of similar employees of private employers in [Montgomery] the County.

(j) The [impasse neutral] arbitration panel must base the selection of the most reasonable offer on the contents of the offer and the integration of any previously agreed-on items with the disputed items. In making a decision, the [impasse neutral] arbitration panel must not consider or receive any evidence or argument concerning offers of settlement not contained in the offers submitted to the [impasse neutral] arbitration panel, or any other information concerning the collective bargaining leading to impasse. The [impasse neutral] arbitration panel must neither compromise nor alter the final offer that [he or she] it selects.

(k) The final offer selected by the [impasse neutral] arbitration panel, integrated with any items previously agreed on, is the final agreement between the parties, need not be ratified by any party, and has the force and effect of an agreement voluntarily entered into and ratified under subsection (c). The parties must execute that agreement.

(l) In each proposed annual operating budget, the County Executive must describe any collective bargaining agreement or amendment to an agreement that is scheduled to take effect in the next fiscal year and estimate the cost of implementing that agreement. The annual operating budget must include sufficient funds to pay for the items in the parties' final agreement. The employer must expressly identify to the Council by April 1, unless extenuating circumstances require a later date, all terms and conditions in the agreement that:

(1) require an appropriation of funds;[, or]

(2) are inconsistent with any County law or regulation;[, or]

(3) require the enactment or adoption of any County law or regulation;[,] or

(4) which have or may have a present or future fiscal impact.

If a later submission is necessary, the employer must specify the submission date and the reasons for delay to the Council President by April 1. The employer must make a good faith effort to have the Council take action to implement all terms and conditions in the parties' final agreement.

* * *

Sec. 2. Section 33-103A is added as follows:

33-103A. Arbitration Panel.

(a) *Purpose.* An arbitration panel may conduct a hearing and resolve an impasse in collective bargaining between a certified employee representative and the employer under Sections 33-81, 33-108, and 33-153.

(b) *Public members.* The Executive must appoint, subject to Council confirmation, 3 neutral public arbitration panel members recommended by the Council and 2 neutral public alternate members recommended by

the Council for staggered 3-year terms. The Executive must designate one of the public members to serve as Chair and one as Vice-Chair. To implement the staggered terms, the Executive must appoint the Chair and the Vice-Chair to a 3-year term, the third public member to a one-year term, and the two alternate public members to a 2-year term. After these initial appointments, the Executive must appoint each public member to a 3-year term, except any public member appointed to fill a vacancy. If a vacancy is created by a public member's death, disability, resignation, non-performance of duty, or other cause, the Executive must appoint, subject to Council confirmation, a public member recommended by the Council to complete the member's term. Each public member must be:

(1) a resident of the County;

(2) knowledgeable in fiscal matters; and

(3) currently unaffiliated with federal, state or local government management or a labor union that represents federal, state or local government employees.

Each public member must file a limited public financial disclosure statement under Section 19A-17(a)(6).

(c) *Composition.* An arbitration panel contains 3 voting members and 2 non-voting members. In addition to the 3 voting public members appointed by the Executive, one non-voting member must be selected by the certified employee representative involved in the impasse and one non-voting member must be selected by the employer. If a public member is unavailable to serve on a panel, the Chair of the Panel must designate an alternate public member to the panel on a rotating basis.

(d) *Term.* An arbitration panel selected under subsection (c) serves until the Council takes final action on the collective bargaining agreement at impasse.

(e) *Compensation.* Each arbitration panel member must serve without compensation from any source for service rendered as a panel member, except that an active employee member may receive administrative leave to serve on a panel. The County must reimburse each panel member for any expense required to serve on a panel. A panel member must not receive reimbursement for expenses from any other source.

(f) *Procedure.* The Chair must preside at any hearing. If the Chair is unavailable for a panel, the Vice-Chair must preside. If both the Chair and the Vice-Chair are unavailable, the 3 public members must select a Chair. A majority of the 3 public members must vote for a decision resolving an impasse.

Approved:

Nancy Navarro, President, County Council — Date

Approved:

Isiah Leggett, County Executive — Date

This is a correct copy of Council action.

Linda M. Lauer, Clerk of the Council — Date

LEGISLATIVE REQUEST REPORT

Bill 9-13
Collective Bargaining –Impasse – Arbitration Panel

DESCRIPTION: Bill 9-13 would establish an interest arbitration panel to resolve an impasse, require an impasse arbitration hearing to be open to the public, and generally amend County collective bargaining laws.

PROBLEM: The current system of permitting the parties to jointly select a private labor arbitrator to serve as both a mediator and arbitrator does not provide sufficient accountability to the County taxpayers.

GOALS AND OBJECTIVES: To increase the public accountability of the interest arbitration system.

COORDINATION: Human Resources, County Attorney

FISCAL IMPACT: To be requested.

ECONOMIC IMPACT: To be requested.

EVALUATION: To be requested.

EXPERIENCE ELSEWHERE: To be researched.

SOURCE OF INFORMATION: Robert H. Drummer, 240-777-7895

APPLICATION WITHIN MUNICIPALITIES: Not applicable.

PENALTIES: None.

Interest Arbitration Decisions Since 1988

#	Date	Union	Arbitrator	Issues	Award
1	2/19/1988	FOP	Fishgold	1. Indemnification of County for dues checkoff. 2. 1 day of leave for occupational stress. 3. County - narrow non-discrimination clause. 4. FOP - add traffic officers to PPV program. 5. FOP – reopener for disability retirement. 6. Differential pay for specialized officers. 7. Clothing allowance. 8. Shift differential pay. 9. COLA (5.5% v. 3%)	FOP
2	2/25/1991	FOP	Bloch	1. Maintenance of standards provision. 2. Alcohol/drug policy. 3. COLA (6.2% v. 0%) 4. Retirement Incentive Program (RIP)	County
3	2/12/1992	FOP	Kennelly	1. FOP – add 1 additional step 2. COLA (me-too up to 2% v. 0%)	FOP
4	2/19/1992	FOP	Bloch	1. Furlough procedures. 2. FOP - 4 days of compensatory leave for furlough. 3. Reduce pay, 32 hours of annual leave to be used in 2 years.	FOP
5	2/23/1993	FOP	Porter	1. COLA (3% v. 1.5%) 2. FOP - RIP. 3. Increase clothing allowance. 4. Increase pay differential.	FOP
6	3/23/1994	FOP	Bloch	1. Health insurance policy. 2. COLA (2.7% v. 2.5%). 3. Disability leave – donations of sick leave.	FOP
7	4/25/1994	FOP	Fasser	1. Eligibility for RIP enacted by Council.	FOP
8	2/14/1995	FOP	S. Strongin	1. COLA (2.9% v. 1.5%). 2. Partial SCDR (66 2/3% v. variable).	FOP
9	6/12/1998	FOP	Oldham	1. FOP – change disability procedures. 2. FOP – County option - DROP. 3. FOP – increase COLA for retirees. 4. FOP – increase multiplier for over 65. 5. FOP – increase employee retirement contribution.	FOP

10	2/26/2001	FOP	S. Strongin	1. COLA ($2800 + $600 v. $2500). 2. FOP - shift differential re-opener.	FOP
11	2/24/2003	FOP	Sharnoff	1. FOP – 1 additional personal leave day. 2. FOP – compressed schedule for special assignment. 3. FOP – increase PPV for canine officers. 4. COLA (3.5% v. 2%). 5. Selection of attorneys for criminal offense. 6. County – single issue arbitration for changes to directives.	County[1]
12	3/19/2004	IAFF	La Rue	1. IAFF – Increase the multiplier for calculating pension for integrated plan after reaching Social Security age.	IAFF
13	3/15/2007	FOP	Bloch	1. FOP - Police Hearing Board decision to bind Chief on discipline.	FOP
14	11/29/2007	FOP	Bloch	County agreed to FOP offer.	Settled
15	5/8/2008	FOP	Bloch	1. Implementation of mobile video system.	County[2]
16	3/2010	FOP	Fishgold	1. FY11 service and longevity increments (3.5% v. 0%). 2. Reinstitute tuition assistance for FY11.	FOP[3]
17	3/22/2010	MCGEO	Vaughn	1. RIF procedures and limits. 2. RIP savings to reduce RIFs in bargaining unit.	County
18	2/01/2011	IAFF	Vaughn	1. Health, prescription drug, dental, vision, life, and disability insurance premium splits. 2. Prescription drug and life insurance benefits. 3. Employee retirement contributions. 4. Critical Incident Stress Management Team, Out of class work, Compensatory time	IAFF
19	2/18/2011	FOP	Barrett	1. Service increment – (3.5% v. 0%) 2. Health, prescription drug, dental, vision, life, and disability insurance premium splits. 3. Prescription drug and life insurance benefits. 4. Employee retirement contributions. 5. Tuition Assistance	FOP

[1] The FOP appealed decision and Circuit Court held that item 6 was invalid under Police Collective Bargaining Law.
[2] The FOP appealed the decision and Circuit Court upheld the arbitrator's decision.
[3] The Council rejected the arbitrator's award.

20	3/28/2011	MCGEO	La Rue	1. Health, prescription drug, dental, vision, life, and disability insurance premium splits. 2. Prescription drug and life insurance benefits. 3. Employee retirement contributions. 4. Multi-lingual pay, court time, attendance incentive, and classification studies	MCGEO

Montgomery County Lodge 35, Inc.
18512 Office Park Drive
Montgomery Village, MD 20886
301-948-4286
www.foplodge35.com

Interest arbitrators currently are selected either through the procedures of the independent American Arbitration Association or through **mutual** agreement of the union and the county executive. Independent, neutral, professional arbitrators, skilled in issues of labor, are the norm and it is an affront to fairness and a sham to deviate from existing law.

The impasse procedure works and is effective. To suggest that arbitrators the parties have used have a bias against the county because the county receives less awards than the employee representatives is absurd. Arbitrators selected by the parties are governed by strict standards set forth by the American Arbitration Association, National Academy of Arbitrators, and the Federal Mediation and Conciliation Service.

There is absolutely no evidence that interest arbitrators the parties have used are biased toward or against either party. Arbitrators go on the basis of facts presented to them. This bill is based on a **subjective** view and is structured to create a process that unfairly gives complete and total advantage to the county.

I want to remind the committee of the change to the impasse procedure the council made several years ago, changing the criteria for the neutral arbitrator to consider, giving greater preference to the county, putting employee representatives at a disadvantage from the start of impasse.

This bill is obviously designed to take impasse resolution out of the hands of independent, neutral arbitrators and put it in a forum where the deck is stacked against fairness, impartiality, and neutrality which is undemocratic at its core.

There is simply no evidence the neutral arbitrators selected by both parties have a bias. Because the county wins most tort claims it defends in state and federal court, does that mean the courts and judges are biased in favor of government? It most certainly does not.

In our impasse procedure, the neutral party arbitrator examines the facts that are placed on record, applies those facts to the impasse procedure (Sec. 33-81), and then objectively selects the most reasonable offer within the constraint of the law.

LOCAL 1664

Montgomery County Career Fire Fighters Association

Montgomery County Council, June 18, 2013 Public Hearing: Bill 9-13

Written Testimony of the Montgomery County Career Fire Fighters Association

John J. Sparks, President

The MCCFFA is strongly opposed to Bill 9-13, which would separate the role of mediator and arbitrator in the process for resolving impasses in labor contract negotiations, and would also establish an arbitration panel that gives three inexperienced, uninformed "public" members the authority to set the terms of collective bargaining agreements. The purported reasoning behind both parts of this bill is not well thought out, and is, in fact, seriously flawed.

Turning first to the provisions of the bill that would preclude an individual from serving both as the mediator and an arbitrator in the same impasse proceeding, we note that the Council staff memorandum on the bill indicates a belief that having the same person act as both mediator and arbitrator "lessens the ability of a mediator to get the parties to speak freely during private sessions." We can only conclude that such statement is written by a council staff member who has had little or no actual experience in impasse resolution proceedings. From many years of experience in actual proceedings involving this County and multiple County Executives that the exact opposite of what has been stated in the memorandum is actually true.

Engaging a mediator in private talks who a party knows might subsequently set the terms of the collective bargaining agreement actually creates an *incentive* for the party to speak openly with the mediator because the party then has an opportunity early on in the process to try and frame the issues for the ultimate decision-maker as to the strengths of the party's position. On the other hand, in talking to a mediator who has no decision-making role in a subsequent arbitration proceeding, a party is unlikely to "lay its cards on the table" and to make meaningful compromises. What is more likely in that scenario is that the party would only attempt to reach resolutions on minor issues, and instead take its chances on winning the major issues in arbitration.

Turning to the second aspect of the bill which would replace the single arbitrator with an arbitration panel comprised of three voting public members and two non-voting partisan members, it is simply not true this proposal presents a better method for resolving bargaining impasses than the current process.

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It is overly simplistic to conclude from win-loss statistics over the years that the current process is in need of reform. In undertaking a more meaningful analysis of the cases, two conclusions become readily apparent. First, most of the arbitrations have involved the FOP; the other two unions have gone to arbitration only three times in the many years since the process has been in place —and the County prevailed in one of those cases. Second, examining the details of those cases reveals that County Executives have proceeded to arbitration with extreme and unjustifiable proposals. A prime example is the County Executive's proposals that were presented in the 2011 arbitrations involving all three County Government unions in which he argued for cut-backs in employee benefits that even the Council concluded went too far when it adopted the County's FY 2012 budget. Another example is the County Executive's proposal that year to deny health insurance coverage to fire fighters who were forced to retire because of service-connected disabilities. No arbitrator or any other reasonable person would have chosen the County Executive's Last Best Final Offer with that proposal included in the package.

The Council should also carefully consider the fact the current method of resolving bargaining impasses involves *professional labor arbitrators* who have many years of experience in this field and who have adjudicated hundreds of cases. The fact that in order for an individual to be selected for an impasse proceeding he/she has to be agreed to by both the County Executive and the Union means that the arbitrator is mutually respected by the parties, and at the same time negates any suggestion that an arbitrator has either a pro-employer or pro-union bias. Moreover, the Council sets the specific and detailed criteria that the arbitrators must use in reaching their decisions, and the arbitrators must demonstrate that they have adhered to those criteria in writing their decisions or they will be "blacklisted" in the future not only in this jurisdiction but likely others as well.

Finally, we note that the only substantive qualification set forth in the bill for an individual to be appointed to an arbitration panel is that he/she has knowledge about fiscal matters. The individual is not required to have knowledge of or experience with local government budgets or labor relations matters. Individuals who have no experience in the specialized field of labor relations cannot possibly be expected to fully comprehend all of the issues and ramifications associated with the proposals presented in an 'interest arbitration' (which includes proposals beyond just fiscal issues, e.g.; working conditions, employee health and safety, etc.).

For the reasons stated herein, we conclude there is no need to change the existing impasse resolution procedures, and even if the Council were to consider doing so, the structure proposed in Bill 9-13 is certainly provides no improvement upon the current system that has existed for years.

Drummer, Bob

From: Joan Fidler [joan_fidler@yahoo.com]
Sent: Wednesday, June 19, 2013 5:00 PM
To: Mandel-Trupp, Lisa
Cc: Drummer, Bob
Subject: Fw: Bill 9-13

FYI and a bit hasty.
----- Forwarded Message -----
From: Joan Fidler <joan_fidler@yahoo.com>
To: "Councilmember.Navarro@montgomerycountymd.gov" <Councilmember.Navarro@montgomerycountymd.gov>
Sent: Wednesday, June 19, 2013 4:55 PM
Subject: Bill 9-13

Dear President Navarro,

The Montgomery County Taxpayers League would like to convey its position to you on Bill 9-13, Collective Bargaining - Impasse - Arbitration Panel. We support the bill.

We are not against collective bargaining, but we are extremely dismayed as to how arbitration in the last 20 "impasses" has redounded in favor of the unions 14 times. This extraordinarily high number of decisions in favor of union positions begs the question: Is the system weighted against the taxpayer?

Where is the accountability to the public? Why is there no representation by taxpayers on an arbitration panel? All taxpayers live in the county; all members represented by unions do not. Yet they receive benefits for which the taxpayer is on the hook. We are not necessarily for a residency requirement but we are for fairness and equity. Why are taxpayers excluded from representation?

In the current system, the labor arbitrator on the impasse panel acts as both mediator and arbitrator. Furthermore, this mediator-arbitrator is accountable to the union and the county representative but not to the taxpayer. In a matter as fiscally serious as pay and benefits which accounts for 80% of the operating budget, the taxpayer is excluded. Not so in September and December when property taxes come due.

The Montgomery County Taxpayers League supports the separation of the mediator and arbitrator roles. We support the creation of an arbitration panel. We support representation on the panel to include public members. We support a majority of the 3 public members on the panel vote for decisions involving an impasse. We support that the arbitration decision be binding on the County Executive and the union.

The County Council speaks often of fairness and equity. We applaud you for that. The taxpayers of Montgomery County deserve no less.

Sincerely,

Joan Fidler
President
Montgomery County Taxpayers League

OFFICE OF THE COUNTY EXECUTIVE
ROCKVILLE, MARYLAND 20850

Isiah Leggett
County Executive

072407

MEMORANDUM

April 30, 2013

TO: Nancy Navarro, President County Council

FROM: Jennifer A. Hughes, Director, Office of Management and Budget
Joseph F. Beach, Director, Department of Finance

SUBJECT: Council Bill 9-13, Collective Bargaining - Impasse - Arbitration Panel

Please find attached the fiscal and economic impact statements for the above-referenced legislation.

JAH:a2a

c: Kathleen Boucher, Assistant Chief Administrative Officer
Lisa Austin, Offices of the County Executive
Joy Nurmi, Special Assistant to the County Executive
Patrick Lacefield, Director, Public Information Office
Joseph F. Beach, Director, Department of Finance
Michael Coveyou, Department of Finance
Joseph A. Adler, Director, Office of Human Resources
Sarah Cook, Office of Human Resources
Lori O'Brien, Office of Management and Budget
Ayo Apollon, Office of Management and Budget

Fiscal Impact Statement
Council Bill 9 - 13 Collective Bargaining – Impasse – Arbitration Panel

1. **Legislative Summary.**

   This legislation would:

   - separate the role of mediator and arbitrator;
   - establish an arbitration panel consisting of 3 voting neutral public, 1 non-voting union representative, and 1 non-voting employer representative; and
   - open the impasse arbitration hearing to the public.

   A majority of the 3 public members on the arbitration panel must vote for a decision resolving an impasse and the decision would be binding on the County Executive and the union. Any necessary appropriation of funds would continue to be subject to Council approval.

2. **An estimate of changes in County revenues and expenditures regardless of whether the revenues or expenditures are assumed in the recommended or approved budget. Includes source of information, assumptions, and methodologies used.**

   - The County will incur lower costs related to an arbitration decision because it will not be compensating an impasse neutral for arbitration services. During the last two rounds of mediation/arbitration, those charges have ranged from approximately $750 to $8,000. These charges vary based on the length of an arbitration hearing, the per diem charge of the neutral, and the complexity of the issues. If the parties reach a settlement agreement, there are usually no charges for an arbitrator, with the exception of a cancellation fee.

   - The County will incur new costs for expenses required for each panel member to serve on the panel. If a panel member is an active employee, there may be a cost to the County to provide backfill for the County work that would normally be done by that member. These expenses are indeterminate at this time.

3. **Revenue and expenditure estimates covering at least the next 6 fiscal years.**

   The number and frequency of interest negotiations and subsequent impasse resolution processes are indeterminate at this time. In the past three years, the County has negotiated with the Fraternal Order of Police (FOP), International Association of Fire Fighters (IAFF), and Municipal and County Government Employees Organization (MCGEO) each year. It has gone to arbitration for 6 of those negotiations. Prior to that, negotiations were staggered and usually happened roughly every 3 years for each of the unions. Arbitrations were not as frequent.

During FY15, the County will be in negotiations with the IAFF and MCGEO for economic reopeners to cover FY16 and then the following year for term negotiations. Also during FY15, the County and the FOP will conduct term negotiations for the contract that will begin in FY16; in FY14 term negotiations will be conducted with the Montgomery County Volunteer Fire Rescue Association for the contract that will begin in FY15. If negotiations follow the same 3-year pattern as was usual before the economic downturn, between FY14 and FY19 there will be 10 rounds of negotiations. Savings from arbitrator charges are estimated to range from $0 (no resulting arbitrations) to $80,000 (all resulting in arbitrations), offset by reimbursed expenditures to the panel.

4. **An actuarial analysis through the entire amortization period for each bill that would affect retiree pension or group insurance costs.**

   Not applicable.

5. **Later actions that may affect future revenue and expenditures if the bill authorizes future spending.**

   Not applicable.

6. **An estimate of the staff time needed to implement the bill.**

   The staff time needed to implement this bill is indeterminate at this time, but is not expected to be significant. Staff time will be needed to select and maintain the list of 5 public panel members (3 voting members and 2 alternates).

7. **An explanation of how the addition of new staff responsibilities would affect other duties.**

   None.

8. **An estimate of costs when an additional appropriation is needed.**

   Not applicable.

9. **A description of any variable that could affect revenue and cost estimates.**

   See response to 2 and 3 above.

10. Ranges of revenue or expenditures that are uncertain or difficult to project.

See response to 2 and 3 above.

11. If a bill is likely to have no fiscal impact, why that is the case.

Not applicable.

12. Other fiscal impacts or comments.

Not applicable.

13. The following contributed to and concurred with this analysis:
Lori O'Brien, Office of Management and Budget; and
Sarah Cook, Office of Human Resources.

Jennifer A. Hughes, Director
Office of Management and Budget

4/29/13
Date

Economic Impact Statement
Bill 9-13, Collective Bargaining – Impasse – Arbitration Panel

Background:

This legislation would:

- Establish an interest arbitration panel to resolve an impasse over a collective bargaining agreement, and
- Require an impasse arbitration hearing to be open to the public

1. **The sources of information, assumptions, and methodologies used.**

   Not applicable

2. **A description of any variable that could affect the economic impact estimates.**

   Not applicable

3. **The Bill's positive or negative effect, if any on employment, spending, saving, investment, incomes, and property values in the County.**

   Bill 9-13 would separate the role of mediator and arbitrator during the collective bargaining process. Essentially, the previous role of an arbitrator, who is a labor professional arbitrator selected by the County Executive and the union, would serve as both mediator and arbitrator. The bill would separate those roles and create an arbitration panel consisting of three members recommended and confirmed by the County Council and appointed by the County Executive. Essentially the Bill amends the collective bargaining process and would not have a direct effect on the County's employment, spending, saving, investment, incomes, and property values.

4. **If a Bill is likely to have no economic impact, why is that the case?**

   The Bill is likely to have no economic impact with reasons stated in paragraph 3.

5. **The following contributed to and concurred with this analysis:** David Platt and Mike Coveyou, Finance;

Joseph F. Beach, Director
Department of Finance

4/15/13
Date