



THE PRINCE GEORGE'S COUNTY GOVERNMENT
Office of Audits and Investigations

March 2, 2016

MEMORANDUM

TO: Robert J. Williams, Jr.
Council Administrator

William M. Hunt
Deputy Council Administrator

THRU: David H. Van Dyke *DHV*
County Auditor

FROM: Inez N. Claggett *INC*
Legislative Auditor

RE: Fiscal Impact Statement
CB-008-2016 The Labor Code

Pursuant to your request, we have reviewed CB-008-2016 to estimate its fiscal impact on Prince George's County, Maryland.

CB-008-2016 amends the Prince George's County Labor Code to eliminate the County's Public Employees Relations Board (PERB) and to provide for new arbitration processes.

During 2014 the Maryland Office of the Attorney General issued an opinion that applied to certain Arbitrators appointed to the County's PERB. The opinion clarified that holding certain positions as an Arbitrator in more than one jurisdiction violates the State's constitutional prohibition against holding more than one (1) office for profit. This resulted in a resignation of a PERB Arbitrator from the unfair labor practice panel and the revising of services that would be performed by a PERB Arbitrator serving on the impasse panel.

The County's appointed PERB Arbitrators charge average hourly rates between \$450 and \$525 per hour for service work related to their time spent conducting hearings, researching, writing and preparing for the dispute resolution. Since 2011, there have been two to three dispute resolution cases initiated against the County, according to information obtained from the Office of Human Resources Management. One of those cases was extraordinary and demanded extensive Arbitrator time, however, this had not been the norm for the past three decades.

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The proposed Bill does not change the basis for County arbitration. The Bill does change the Arbitrator selection process and eliminates the County's PERB. The proposed process seeks to establish that the two sides who are party to a dispute, assist in determining their Arbitrator through the use of Arbitrator lists provided by either the American Arbitration Association or the Federal Mediation and Conciliation Service (FMCS). Individuals from each side of the dispute will review the Arbitrator list received, and will eliminate Arbitrators until one name remains. This individual, pending scheduling, will be used to arbitrate the dispute.

The costs for arbitrations are also being proposed to be split by all parties for matters related to impasse or unfair labor practice/negotiability disputes. Costs for representation matter disputes will continue to be borne by the County.

Enactment of CB-008-2016 eliminates the applicability of the Maryland Office of the Attorney General opinion upon the County as well as eliminates the need for continual Arbitrator appointment by the Office of the County Executive. The fiscal impact of the Bill cannot be determined at this time as dispute resolution costs are based upon the performance of service and hourly service rates of each Arbitrator.

If you require additional information, or have questions about this fiscal impact statement, please call me.