

**R65G**  
**State Higher Education Labor Relations Board**

***Operating Budget Data***

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(\$ in Thousands)

	<b>FY 02</b>	<b>FY 03</b>	<b>FY 04</b>		<b>% Change</b>
	<b><u>Actual</u></b>	<b><u>Working</u></b>	<b><u>Allowance</u></b>	<b><u>Change</u></b>	<b><u>Prior Year</u></b>
Reimbursable Funds	\$227	\$431	\$399	-\$32	7.42%
<b>Total Funds</b>	<b>\$227</b>	<b>\$431</b>	<b>\$399</b>	<b>-\$32</b>	<b>7.42%</b>

- The State Higher Education Labor Relations Board is totally supported by reimbursable funds, the responsibility of which is apportioned among the State's institutions of higher education. Specific apportionments are found in **Appendix 4**.

***Personnel Data***

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	<b>FY 02</b>	<b>FY 03</b>	<b>FY 04</b>	
	<b><u>Actual</u></b>	<b><u>Working</u></b>	<b><u>Allowance</u></b>	<b><u>Change</u></b>
Regular Positions	3.00	3.00	3.00	0.00
Contractual FTEs	0.25	0.50	0.40	-0.10
<b>Total Personnel</b>	<b>3.25</b>	<b>3.50</b>	<b>3.40</b>	<b>-0.10</b>

***Vacancy Data: Regular Positions***

Budgeted Turnover: FY 04	0.06	1.90%
Positions Vacant as of 12/31/02	0.00	0.00%

- The State Higher Education Labor Relations Board's turnover rate is very low since, in the event that it has any resignations, it is not expected that a new hire will make notably less than the existing staff member. The 1.9% that has been budgeted is intended to accommodate any delay in hiring replacement staff, in the event of a resignation.

Note: Numbers may not sum to total due to rounding.

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## ***Analysis in Brief***

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### **Major Trends**

***Changing Focus of Activity:*** While focused on representation election activity in the first fiscal year after its creation, the State Higher Education Labor Relations Board is now focusing more on unfair labor practices.

### **Issues**

***Report on Board Activity:*** The board is asked to comment on the changing focus away from the conduct of elections toward the development of regulations governing unfair labor practices, receipt of unfair labor practice complaints, activities related to memoranda of understanding negotiations, and other responsibilities.

### **Recommended Actions**

1. Concur with Governor's allowance.

**R65G**  
**State Higher Education Labor Relations Board**

***Operating Budget Analysis***

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**Program Description**

The State Higher Education Labor Relations Board (SHELRB or “board”) administers Chapter 341, Acts of 2001. This legislation permits certain employees of State higher education institutions to determine whether they wish to elect an exclusive representative and enter into collective bargaining with their employers. The legislation also provides protections to both employees and the State through elections, collective bargaining, and the administration of memoranda of understanding. The board:

- conducts representation elections;
- certifies results and elected exclusive representatives;
- adopts regulations for elections and for unfair labor practices;
- receives petitions and hears complaints; and
- on a voluntary basis, may assist parties in pursuing memoranda of understanding through negotiations.

SHELRB is a very small independent agency with three regular employees. The regular staff, with assistance from consultants and contractual employees, provides ongoing services as indicated in the program description and provides support to the five-person board.

In accomplishing their responsibilities, the board and staff have developed a number of performance goals. Three of those goals are to:

- respond to petitions by unions for representation elections in a timely and efficient manner;
- receive and process petitions and complaints and address controversies in a timely and efficient manner; and
- adopt regulations to implement statutory authority and monitor and add to or amend regulations on an ongoing basis.

**Performance Analysis: Managing for Results**

## *R65G – State Higher Education Labor Relations Board*

The board's Managing for Results (MFR) submission focuses primarily on the efficient functioning of its office and the timely completion of the tasks involved in reaching its performance goals. It has submitted ample evidence that it has reached its objectives and requests funding at essentially the same level as has been provided in the past.

Specific objectives of the board include the evaluation and approval of representation election petitions within 48 hours of receipt. Of the 54 election petitions evaluated to date, the board approved all within this time frame<sup>1</sup>. They have also been 100% successful in certifying election candidates, meeting with all parties to discuss orders, issuing final election orders, and holding elections within 90 days of the original election petition. Their last election-related goal, to facilitate high turnout for those elections and to certify the results in a timely manner, has also been reached. Of the 6,482 employees qualified to participate in elections held to date, 71% voted, clearly a high turnout. All elections resulted in union representation; information on the exclusive representative chosen by individual bargaining units can be found in **Appendix 3**.

In addition to conducting elections and related responsibilities, the board has also been busy with unfair labor practice cases stemming from those elections, subsequent negotiations, disciplinary actions, and other activity. MFR performance measures dealing with the processing of these cases are provided; however, outcome related measures have not yet been developed. The Department of Legislative Services suggests that developing outcome-related measures (e.g. indicators of impartiality) should be more explicitly addressed. The consistent application of procedures and standards is one way of indicating impartiality, for example, but this important responsibility and the degree to which SHELRB accomplishes it should be noted. If a complaint procedure has been developed, information concerning activity in that area would also be useful as an indicator. Notwithstanding these suggestions, indicators provided show that according to existing goals and objectives, SHELRB has shown a high degree of success in moving the process along in an expeditious and effective manner.

### **Governor's Proposed Budget**

SHELRB, established during the 2001 session in the legislation granting collective bargaining rights to higher education employees, is funded at \$399,369 in the Governor's fiscal 2004 allowance with reimbursable funds from higher education institutions (Appendix 4). This represents a \$32,042 decrease from the fiscal 2003 working appropriations of \$431,411, as indicated in **Exhibit 1**.

The change in the allowance over the working appropriation in SHELRB can be largely attributed to three things: a decrease in turnover, a decrease in the funds available for contractual employees, and a sizeable decrease in rent paid.

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<sup>1</sup> Please note that in the MFR measures published in the Governor's budget books, results are recorded on a calendar year basis.

**Exhibit 1**

**Governor’s Proposed Budget  
State Higher Education Labor Relations Board  
(\$ in Thousands)**

	<u>FY 02</u> <u>Actual</u>	<u>FY 03</u> <u>Working</u>	<u>FY 04</u> <u>Allowance</u>	<u>Change</u>	<u>% Change</u> <u>Prior Year</u>
Reimbursable Funds	\$227	\$431	\$399	-\$32	7.42%
<b>Total Funds</b>	<b>\$227</b>	<b>\$431</b>	<b>\$399</b>	<b>-\$32</b>	<b>7.42%</b>

**Where It Goes:**

**Personnel Expenses**

Turnover adjustments .....	\$5
Other fringe benefit adjustments .....	2

**Other Changes**

Contractual full-time equivalent compensation reduction .....	-15
Reduction in rent .....	-23
Other .....	-1

<b>Total</b>	<b>-\$32</b>
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Note: Numbers may not sum to total due to rounding.

**Regular Employees**

The most significant change in regular employee compensation is attributable to a decrease in the budgeted turnover amount (\$5,196). SHELRB is fully staffed in fiscal 2003 but has a 4.17% turnover rate. In fiscal 2004, the lower turnover rate of 1.90% reflects two things: the likelihood that the board will not compensate any potential replacement staff at a significantly lower level than existing staff and the fact that the agency is so small. Having such a small staff makes it likely that the board will be able to predict any staff resignations well ahead of time and plan for a prompt replacement.

**Contractual Employees**

The reduction in the contractual staffing level from 0.5 to 0.4 full-time equivalents, and the resulting decrease of \$15,789, represents a reduction in the need for short-term help. For general advice and complicated issues regarding unfair labor practices and regulation promulgation, the staff will continue to enlist the aid of outside attorneys. Another component of the drop is reduced need for non-legal staff support at elections.

**Non-personnel Expenses**

During fiscal 2003, SHELRB moved from its 45 Calvert Street, Annapolis location, where it used offices supplied by the Department of Budget and Management, to the Maryland Higher Education Commission building on Bestgate Road, also in Annapolis. This move resulted in a decrease in rent from \$40,000 for fiscal 2003 to \$16,445 for fiscal 2004.

## *Issues*

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### **1. Report on Board Activity**

SHELRB has overseen 31 representation elections to date, the outcomes of which are summarized in **Appendix 3**. Labor representatives and representatives of higher education institutions are now participating in negotiations over the terms of the memoranda of understanding (MOU). These MOUs will establish the wages, hours, and working conditions for higher education employees newly represented by labor organizations. In addition to the potential for holding 17 more elections, the board's role during the foreseeable future will be to adopt regulations for unfair labor practices, receive petitions and hear complaints, and assist parties in pursuing MOUs. **SHELRB should be prepared to discuss the status of representation elections, development of regulations governing unfair labor practices, unfair labor practice claims, activities related to memoranda of understanding negotiations, and other collective bargaining activity anticipated in the State higher education system.**

***Recommended Actions***

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1. Concur with Governor's allowance.

***Current and Prior Year Budgets***

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**Current and Prior Year Budgets  
State Higher Education Labor Relations Board  
(\$ in Thousands)**

	<b><u>General Fund</u></b>	<b><u>Special Fund</u></b>	<b><u>Federal Fund</u></b>	<b><u>Reimb. Fund</u></b>	<b><u>Total</u></b>
<b>Fiscal 2002</b>					
Legislative Appropriation	\$0	\$0	\$0	\$0	\$ 0
Deficiency Appropriation	0	0	0	0	0
Budget Amendments	0	0	0	450	450
Reversions and Cancellations	0	0	0	0	0
<b>Actual Expenditures</b>	<b>\$0</b>	<b>\$0</b>	<b>\$0</b>	<b>\$450</b>	<b>\$450</b>
<b>Fiscal 2003</b>					
Legislative Appropriation	\$0	\$0	\$0	\$431	\$ 431
Budget Amendments	0	0	0	0	0
<b>Working Appropriation</b>	<b>\$0</b>	<b>\$0</b>	<b>\$0</b>	<b>\$431</b>	<b>\$431</b>

Note: Numbers may not sum to total due to rounding.

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Object/Fund Difference Report  
State Higher Education Labor Relations Board

<u>Object/Fund</u>	FY 02		FY 03		FY 04	FY 03 – FY 04	Percent
	<u>Actual</u>	<u>Working</u>	<u>Appropriation</u>	<u>Allowance</u>			
<b>Positions</b>							
01 Regular	3.00	3.00	3.00	3.00	3.00	0	0%
02 Contractual	0.25	0.50	0.50	0.40	0.40	-0.10	-20.0%
<b>Total Positions</b>	<b>3.25</b>	<b>3.50</b>	<b>3.50</b>	<b>3.40</b>	<b>3.40</b>	<b>-0.10</b>	<b>-2.9%</b>
<b>Objects</b>							
01 Salaries and Wages	\$ 155,566	\$ 220,536	\$ 227,224	\$ 6,688	\$ 6,688		3.0%
02 Technical & Spec Fees	24,989	57,875	42,086	-15,789	-15,789		-27.3%
03 Communication	2,500	10,000	8,116	-1,884	-1,884		-18.8%
04 Travel	7,245	10,000	15,000	5,000	5,000		50.0%
08 Contractual Services	34,146	85,000	83,248	-1,752	-1,752		-2.1%
09 Supplies & Materials	2,107	8,000	4,000	-4,000	-4,000		-50.0%
11 Equip - Additional	0	0	3,000	3,000	3,000		N/A
13 Fixed Charges	425	40,000	16,695	-23,305	-23,305		-58.3%
<b>Total Objects</b>	<b>\$ 226,978</b>	<b>\$ 431,411</b>	<b>\$ 399,369</b>	<b>-\$32,042</b>	<b>-\$32,042</b>		<b>-7.4%</b>
<b>Funds</b>							
09 Reimbursable Fund	\$ 226,978	\$ 431,411	\$ 399,369	-\$32,042	-\$32,042		-7.4%
<b>Total Funds</b>	<b>\$ 226,978</b>	<b>\$ 431,411</b>	<b>\$ 399,369</b>	<b>-\$32,042</b>	<b>-\$32,042</b>		<b>-7.4%</b>

Note: Fiscal 2003 appropriations and fiscal 2004 allowance do not include cost containment and contingent reductions.

**Maryland State Higher Education Labor Relations Board  
Election Status Report**

<b>Institution</b>	<b>Exempt</b>	<b>Nonexempt</b>	<b>Sworn Police</b>	<b>Petitions<sup>1</sup></b>
BCCC	AFSCME	AFSCME	AFSCME	3
Bowie S.U.	AFSCME	AFSCME	MCEA	6
Coppin St. College	AFSCME	AFSCME	AFSCME	6
Frostburg S.U.	AFSCME	AFSCME	MCEA	5
Morgan S.U.	no election	AFSCME	no election	2
St. Mary's College	AFSCME	AFSCME	AFSCME	6
Salisbury U.	no election	pending <sup>2</sup>	MCEA	4
Towson U.	no election	no election	no election	
U. of Baltimore	AFSCME	AFSCME	AFSCME	6
UMB	no election	AFSCME	no election	1
UMBC	no election	AFSCME	no election	2 (1 wd)
UMBI	no election	no election	no unit	
UMCES	no election	MCEA	no unit	1
UMCP	AFSCME	AFSCME	FOP	3
UMES	AFSCME	AFSCME	AFSCME	7 (1 wd)
UMUC	no election	AFSCME	no unit	2 (1 wd)
USMO	no election	no election	no unit	

17 institutions, 48 units, 54 petitions

<b>Unit Type</b>	<b>Units</b>	<b>Elections</b>	<b>Representatives</b>
Exempt:	17	8	AFSCME, 8
Nonexempt:	17	14	AFSCME, 12; MCEA, 1; undetermined, 1
Sworn:	12	9	AFSCME, 5; FOP, 1; MCEA, 3

AFSCME = American Federation of State, County, and Municipal Employees

MCEA = Maryland Classified Employees Association

FOP = Fraternal Order of Police

Source: State Higher Education Labor Relations Board

<sup>1</sup> Total number of petitions (originating and intervening) handled; withdrawals indicated.

<sup>2</sup> Runoff election won by MCEA is being challenged by AFSCME. Hearing scheduled for January 2003.

**State Higher Education Labor Relations Board**  
**Institutional Apportionment Fiscal 2004**

<b>Institution</b>	<b>Total Positions</b>	<b>Proportion of Total Positions</b>	<b>Labor Relations Apportionment</b>
University of Maryland, Baltimore	3,409.72	16.6%	\$66,295
University of Maryland, College Park	7,221.75	35.1%	\$140,180
Bowie State University	423.00	2.1%	\$8,387
Towson University	1,600.50	7.8%	\$31,151
University of Maryland Eastern Shore	647.77	3.1%	\$12,380
Frostburg State University	662.50	3.2%	\$12,780
Coppin State College	366.50	1.8%	\$7,189
University of Baltimore	530.77	2.6%	\$10,384
Salisbury State University	827.50	4.0%	\$15,975
University of Maryland University College	683.80	3.3%	\$13,179
University of Maryland, Baltimore County	1,686.58	8.2%	\$32,748
University of Maryland Center for Environmental Science	235.02	1.1%	\$4,393
University of Maryland Biotechnology Institute	315.63	1.5%	\$5,991
University System of Maryland Office	104.50	0.5%	\$1,997
<b>University System of Maryland</b>	<b>18,715.54</b>	<b>90.9%</b>	<b>\$363,029</b>
Baltimore City Community College	535.00	2.6%	\$10,384
St. Mary's College of Maryland	393.00	1.9%	\$7,588
Morgan State University	952.00	4.6%	\$18,371
<b>Total</b>	<b>20,595.54</b>	<b>100.0%</b>	<b>\$399,372</b>

Source: Maryland Fiscal 2004 Budget Book