Department of Legislative Services
Maryland General Assembly
2025 Session

FISCAL AND POLICY NOTE
First Reader

Senate Bill 750 (Senator Kramer)
Finance

State Personnel - Collective Bargaining - Faculty

This bill authorizes faculty at the University System of Maryland (USM), Morgan State University (MSU), and St. Mary's College of Maryland (SMCM) to collectively bargain. **The bill takes effect July 1, 2025.**

Fiscal Summary

State Effect: Expenditures for USM institutions, MSU, and SMCM increase minimally to reimburse the Public Employee Relations Board (PERB) for collective bargaining expenses. Accordingly, PERB reimbursable revenues and expenditures increase minimally. In addition, USM, MSU, and SMCM administrative and personnel expenditures may increase, potentially significantly, but any such costs are contingent on the outcome of elections and subsequent collective bargaining and, therefore, cannot be reliably estimated.

Local Effect: None.

Small Business Effect: None.

Analysis

Bill Summary: Up to two bargaining units at each USM institution, MSU, and SMCM may be established – one for all eligible faculty, except contingent, contractual, or temporary faculty and one for all eligible contingent, contractual, or temporary faculty. However, these two bargaining units may choose to combine into a single bargaining unit.

"Faculty" is defined as full-time, part-time, or adjunct employees of a USM institution, MSU, or SMCM whose assignments involve academic responsibilities, including teachers, researchers, and department heads and those in comparable positions. "Faculty" includes tenure track, nontenure track, and tenured employees. "Faculty" does not include officers, supervisory employees, confidential employees, or student employees.

Current Law: Chapter 341 of 2001 extended collective bargaining rights to many categories of higher education personnel at public four-year institutions of higher education and Baltimore City Community College but excluded all faculty and students from the benefit. In addition, contingent, contractual, temporary, or emergency employees are specifically excluded from collective bargaining. Also excluded are student employees, including a teaching assistant or a comparable position, fellow, or postdoctoral intern.

University Employment and Compensation Policies

USM institutions must follow various policies related to staff employment and compensation. For example, under USM Policy II – 1.05 Policy on the Employment of Full-Time, Non-Tenure Track Instructional Faculty in the University System of Maryland and USM Policy II – 1.06 Policy on the Employment of Salaried, Part-Time, Non-Tenure Track Instructional Faculty in the University System of Maryland, every effort must be made to make salaries professionally appropriate and competitive to the extent allowed by available fiscal resources.

Wages for graduate assistants are set by each institution. USM institutions must follow USM Policy III – 7.11 Policy on Graduate Assistantships. Under this policy, appointments may be made for appropriate periods of time, as determined by the institution. A graduate assistant may serve on a full-time, half-time, or other basis. A full-time assistant's responsibilities should require, on average, 20 hours per week. A half-time assistantship should require an average of 10 hours per week.

According to USM policy, each institution must establish stipend levels for graduate assistants that are competitive with peer institutions, to the extent allowed by available fiscal resources. Further, each institution must establish minimum stipend amounts annually, with discretion to award stipends above the minimum level.

Public Employee Relations Board

The Public Employee Relations Act (Chapter 114 of 2023) substantially restructured collective bargaining by public employees, including establishing PERB as the replacement for three separate boards – among them the former State Higher Education Labor Relations Board – to oversee collective bargaining for all public employees. PERB may investigate and take appropriate action in response to complaints of unfair labor practices, including strikes and lockouts. The State and its officers, employees, agents, or representatives are prohibited from engaging in unfair labor practices. PERB also administers elections for exclusive representatives.

Certification of an Employee Organization

In order to be certified, an employee organization must submit a petition showing that at least 30% of the eligible employees in a bargaining unit wish to be represented by the petitioning organization. Other employee organizations may participate in the election if they prove that 10% of the eligible employees in the bargaining unit wish to be represented by them. There must also be a provision for “no exclusive representative” on the ballot. PERB must conduct the election by secret ballot, which may be in person, by mail, or electronic. Interest in union representation can be shown by a union authorization card or a union membership card as specified.

An employee organization may request a preferred method of voting; if there is a dispute between two or more employee organizations, PERB may designate the method of voting.

PERB must certify as exclusive representative the employee organization receiving the votes in an election from a majority of the employees voting in the election.

Office of Administrative Hearings

The Office of Administrative Hearings (OAH) has been delegated authority by the Department of Budget and Management to conduct State Personnel Management System hearings, including those involving grievances and disciplinary appeals. OAH has also been delegated hearing authority by USM and MSU to hear similar matters.

State Fiscal Effect:

Public Employee Relations Board

PERB operates on a reimbursable funding model with respect to public institutions of higher education, with each institution paying a per-covered employee fee to PERB for operating expenses. Therefore, PERB reimbursable revenues and expenditures increase minimally for each election. Actual revenues and expenditures depend on the number of elections held, the number of members, and the number and duration of any disputes. PERB anticipates increased costs peaking over three fiscal years (fiscal 2026 through 2028) and then tapering off; costs include postage for ballots, office supplies, and per diem board payments.

Higher Education Institutions

Higher education expenditures increase minimally for USM institutions, MSU, and SMCM to reimburse PERB for expenses related to collective bargaining.

Actual costs depend on whether eligible faculty decide to collectively bargain and the actual reimbursable costs that can be assigned to the institutions. Whether faculty choose to create one or two bargaining units may also minimally affect expenditures.

Administrative expenditures may increase minimally at USM institutions, MSU, SMCM to expand collective bargaining to eligible faculty. Several institutions advise that additional full-time staff are necessary, although most do not specify how many. Expenditures may further increase for legal and human resource advisers to help manage the collective bargaining process if faculty members elect to be represented by an exclusive representative.

Salary expenditures for eligible faculty may increase; however, any increases depend on actual negotiations and current salaries and benefits. Health and retirement benefit costs may also increase, to the extent they are negotiated. The State shares in the cost of salary and fringe benefit increases for State-supported employees at USM, MSU, and SMCM.

Office of Administrative Hearings

OAH anticipates that the bill has, at a minimum, an operational impact because OAH needs to train its administrative law judges on the substantive areas of the bill. Actual impacts will ultimately depend on the number of additional hearings resulting from the bill (for instance, for potentially more grievance-related proceedings).

Additional Information

Recent Prior Introductions: Similar legislation has been introduced within the last three years. See HB 493 and SB 823 of 2024; HB 275 and SB 247 of 2023; and HB 751 and SB 118 of 2022.

Designated Cross File: HB 661 (Delegate Foley, *et al.*) - Appropriations.

Information Source(s): University System of Maryland; Morgan State University; Public Employee Relations Board; Department of Budget and Management; Office of Administrative Hearings; Department of Legislative Services

Fiscal Note History: First Reader - February 19, 2025
js/mcr

Analysis by: Caroline L. Boice

Direct Inquiries to:
(410) 946-5510
(301) 970-5510