Department of Legislative Services

Maryland General Assembly
2025 Session

FISCAL AND POLICY NOTE
First Reader

Senate Bill 231 (Chair, Finance Committee)(By Request - Departmental - Public Employee Relations Board)

Finance

State Government - Public Employee Relations Act - Alterations

This departmental bill alters provisions of the Public Employee Relations Act (PERA) by requiring the Public Employee Relations Board (PERB) to appoint up to three deputy directors who are attorneys, as specified by the bill, instead of three deputy directors that have specialized responsibilities. The bill repeals the condition of a public health concern for an exclusive representative to meet with a new employee by video or similar technology. An employee organization's right to membership dues ceases when it ceases to be the exclusive representative of the applicable bargaining unit. The bill repeals the minimum requirement of 10 days of voting for in-person voting for an exclusive representative of a bargaining unit, so PERB may designate the time period for in-person voting after consulting with the public employer and the employee organizations on the ballot.

Fiscal Summary

State Effect: The bill creates operational efficiencies and may create potential future cost savings, as discussed below. Revenues are not affected.

Local Effect: None.

Small Business Effect: PERB has determined that this bill has minimal or no impact on small business (attached). The Department of Legislative Services concurs with this assessment.

Analysis

Bill Summary: The bill eliminates the requirement that deputy directors have knowledge and experience with the subject matter area associated with their position. Any deputy director instead of the appropriate deputy director can perform specified job duties.

Current Law:

Exclusive Representative Meeting with New Employees

Public employers must allow an exclusive representative to (1) meet with a new employee in a bargaining unit represented by the exclusive representative within the first full pay period of the new employee's start date or (2) attend and participate in a new employee program that includes one or more employees who are in a bargaining unit represented by the exclusive representative. A meeting between the new employee and exclusive representative must be in person unless an exclusive representative chooses to meet by video or similar technology if public health concerns necessitate meeting remotely.

Membership Dues Deductions

An employer must automatically deduct from an employee's paycheck the dues authorized and owed to the certified exclusive representative if the employee is a member of the bargaining unit represented by the certified exclusive representative and assents to the deduction. The employee organization's right to membership dues deductions must remain in full force and effect until (1) an employee revokes membership in accordance with a collective bargaining agreement or the membership application; (2) the employee cancels the membership dues deduction; or (3) the employee is no longer employed by the public employer.

Deputy Directors

PERB must appoint three deputy directors (one primarily responsible for Executive Branch labor relations, one primarily responsible for public school labor relations, and one primarily responsible for public higher education labor relations). The deputy directors must have knowledge of and experience with labor issues and their respective subjective matter area.

Elections

Generally, PERB must conduct an election for an exclusive representative of a bargaining unit if a valid petition is filed and the bargaining unit is determined to be appropriate. PERB must conduct the election by secret ballot and in whole or in part by in-person voting, mail, or an electronic voting system. PERB may designate the time period for in-person voting only after consulting with the public employer and the employee organization on the ballot, but PERB must allow at least 10 days of voting for an election, unless the employee organization requests an extension. If the voting system is inoperable, PERB may extend the time period for voting.

Background: Chapter 114 of 2023, PERA, established PERB to oversee collective bargaining for all public employees. Prior to PERA, the collective bargaining rights of State employees, employees of public institutions of higher education, employees of community colleges, or public school employees, including teachers, were administered by one of three labor relations boards, depending on the nature of the employees' employer: the State Labor Relations Board (SLRB); the State Higher Education Labor Relations Board (SHELRB); and the Public School Labor Relations Board (PSLRB). PERA consolidated different collective bargaining laws that apply to different employees into one set of rules and procedures for public employees. The Act also repealed SLRB, SHELRB, and PSLRB, and instead established PERB to oversee collective bargaining for all the previously mentioned public employees.

In addition to consolidating three labor boards into one, the Act consolidated different collective bargaining laws into one law, including provisions regarding employee access, unfair labor practices, management and employee rights, prohibited employer and employee actions, designation of bargaining units, elections, and certification of exclusive representatives.

PERB notes that of the 10 representation petitions filed with PERB since its inception, none of the petitioners has requested in-person elections.

State Expenditures: The bill creates operational efficiencies and potential future cost savings by authorizing PERB to hire up to three deputy directors instead of requiring PERB to hire three deputy directors that specialize in specific subject matter areas.

PERB has hired two deputy directors for fiscal 2026 but has not yet filled the third deputy director position. Since the bill authorizes up to three deputy director positions, instead of requiring three positions, PERB could realize cost savings from not hiring a third deputy director if it chooses to do so. However, since the bill does not diminish the job responsibilities of the deputy directors, it is likely that PERB may still need three deputy directors. To the extent that no longer having the deputy directors specialize in subject matter areas increases work productivity, the bill produces cost savings of more than $120,000 on an annual basis if the third deputy director position is no longer needed.

PERB notes that the minimum 10-day requirement for in-person voting required under current law poses a staffing challenge if a petitioner were to ask for in-person voting; thus, eliminating the minimum 10-day requirement eases potential staffing burdens.

Ceasing membership dues deductions when an employee organization ceases to be the exclusive representative of the applicable bargaining unit codifies existing practice.

The Office of Administrative Hearings (OAH) notes that it has the authority to hear matters relating to PERB, so OAH may need to train administrative law judges on substantive aspects of the bill, which it can do with existing resources.

Additional Information

Recent Prior Introductions: Similar legislation has not been introduced within the last three years.

Designated Cross File: HB 266 (Chair, Appropriations Committee)(By Request - Departmental - Public Employee Relations Board) - Appropriations.

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

Fiscal Note History: First Reader - January 14, 2025
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ANALYSIS OF ECONOMIC IMPACT ON SMALL BUSINESSES

TITLE OF BILL: State Government - Public Employee Relations Act - Alterations

BILL NUMBER: SB0231

PREPARED BY: Michael J. Hayes & Erica L. Snipes

PART A. ECONOMIC IMPACT RATING

This agency estimates that the proposed bill:

_XX_ WILL HAVE MINIMAL OR NO ECONOMIC IMPACT ON MARYLAND SMALL BUSINESS

OR

___ WILL HAVE MEANINGFUL ECONOMIC IMPACT ON MARYLAND SMALL BUSINESSES

PART B. ECONOMIC IMPACT ANALYSIS

This proposed legislation will have little to no economic impact on small businesses in Maryland because the bill has mostly to do with internal staffing operations of the Public Employee Relations Board, which only has jurisdiction over public employers, public employees, and unions that represent those employees.