

Department of Legislative Services
Maryland General Assembly
2026 Session

FISCAL AND POLICY NOTE
First Reader

House Bill 473 (Delegate Feldmark, *et al.*)
Government, Labor, and Elections

Education - Collective Bargaining - Certificated Employees - Class Size

This bill repeals the prohibition against a public school employer and employee organization negotiating the maximum number of students assigned to a class during collective bargaining. **The bill takes effect July 1, 2026.**

Fiscal Summary

State Effect: No direct effect on State operations or finances. To the extent collective bargaining results in additional teachers needing to be hired to meet negotiated class size requirements, general fund expenditures increase to pay increased retirement costs. However, any increases are constrained by the amount of funds appropriated to the local school system by the county government, so the total fiscal impact is likely minimal overall. Public Employee Relations Board (PERB) expenditures are not materially affected. Revenues are not affected.

Local Effect: Local school system expenditures may increase to support half the costs of mediation and arbitration. Allowing local boards of education to negotiate the maximum number of students assigned to a class may increase the number of teachers required in a local school system, which may increase total local school system expenditures on salary for additional teachers. However, any agreement is constrained by the amount of funds a county appropriates for the local school system. Therefore, the total overall fiscal impact is likely minimal overall. Revenues are not affected.

Small Business Effect: None.

Analysis

Current Law: On request, a public school employer or at least two of its designated representatives must meet and negotiate with at least two representatives of the exclusive negotiating agent for certificated public school employees on salaries, wages, hours, and other working conditions, including (1) procedures regarding employee transfers and assignments; (2) the structure, time, and manner of access to new employee processing; and (3) a career ladder for educators. A public school employer may not negotiate the school calendar, the maximum number of students assigned to a class, or any matter precluded by applicable statutory law. A public school employer may negotiate on other matters that are mutually agreed to by the employer and the employee organization. A matter that is not mutually agreed to as a subject of negotiation may not be raised in any action taken to resolve an impasse.

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 Public School Labor Relations Board – to oversee collective bargaining for all public employees. PERB administers and enforces public sector collective bargaining statutes, including investigating and adjudicating unfair labor practice charges, administering elections for exclusive representatives, and resolving disputes regarding the negotiability of bargaining subjects.

For certificated public school employees, collective bargaining remains governed by § 6-406 of the Education Article. Under that section, PERB resolves disputes concerning whether a proposed topic of bargaining is mandatory, permissive, or illegal, and administers the statutory impasse resolution process. If PERB determines that an impasse has been reached, it must order mediation in accordance with § 6-406. If mediation does not result in agreement, PERB conducts arbitration and issues a final and binding written award selecting one complete final offer, as specified in statute. The public school employer and the employee organization are required to share the costs of mediation and arbitration equally.

Any negotiated agreement or arbitration award is subject to county fiscal approval, and if sufficient funds are not appropriated to implement the agreement, the local board of education must renegotiate with the employee organization before making a fiscal determination consistent with applicable law.

Local Expenditures: Each local board of education may negotiate maximum class size for certificated employees, rather than being prohibited from negotiating on the topic. This *may* increase the number of negotiations and impasse matters with local school employee organizations, but it is assumed this will not materially affect local finances.

Allowing local boards of education to negotiate the maximum number of students assigned to a class may increase the number of teachers required in a local school system, which may increase total local school system expenditures on salary for additional teachers. Further, Prince George's County Public Schools notes that making class size a negotiable subject may also reduce flexibility in staffing decisions related to enrollment shifts, midyear transfers, and programmatic needs. In limited circumstances, negotiated reductions in class size could also create pressure for additional classroom space.

However, any agreement is constrained by the amount of funds a county appropriates for the local school system. Therefore, additional expenditures on additional teachers due to negotiating a maximum class size would likely be redirected from expenditures on other local school system expenditures including salary increases for teachers. Therefore, the total overall fiscal impact is likely minimal.

Alternatively, local governments could choose to direct more local funding to local school systems for this purpose. However, any such choice would be a local decision.

Additional Information

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

Designated Cross File: None.

Information Source(s): Maryland State Department of Education; Public Employee Relations Board; Baltimore City Public Schools; Prince George's County Public Schools; Department of Legislative Services

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