

MARC KORMAN  
Legislative District 16  
Montgomery County

MAJORITY LEADER

Appropriations Committee

*Subcommittees*

Capital Budget

Oversight Committee on Personnel

Chair, Transportation and the  
Environment



The Maryland House of Delegates  
6 Bladen Street, Room 350  
Annapolis, Maryland 21401  
410-841-3649 · 301-858-3649  
800-492-7122 Ext. 3649  
Marc.Korman@house.state.md.us

THE MARYLAND HOUSE OF DELEGATES  
ANNAPOLIS, MARYLAND 21401

Arbitration Reform for State Employees Act (HB 380)  
Testimony of Delegate Marc Korman—Favorable

Thank you Mr. Chair, Mr. Vice Chair and my colleagues on the Appropriations Committee. I come before you today to present the **Arbitration Reform for State Employees Act of 2023 (HB 380)**. The legislation is a combination of an amendment to the state constitution and statutory changes that would alter the system of government employee negotiations in Maryland to impose binding arbitration, allowing a neutral third party to settle contract disputes between the Governor and state workforce.

The constitutional amendment portion is necessary to require the Governor to provide sufficient funds in the state budget to implement and fund all terms of a memorandum of understanding agreed to by the state and a public employees union.

Maryland's current bargaining system does not work as well as it should. Under the previous administration the Governor and several of the collective bargaining units could not reach an agreement. When that happens, the Governor is free to impose the result of their liking. This creates a scenario in which the Governor could choose to favor some constituencies over others. It is long past time that Maryland comes up with a better process to work out these collective bargaining disputes that does not hinge on the political leanings of whoever occupies the Governor's mansion at a given time.

The Arbitration Reform for State Employees Act would lay a new framework to better resolve labor disputes by using a neutral third-party arbiter. The bill requires that at the beginning of the negotiation period, both sides will agree on a neutral arbiter by July 15 of each year, with negotiations concluding by September 30. If an agreement is not reached by October 1, an impasse is declared and binding arbitration is triggered. Each side will be required to present their best and final offer to the arbiter who is required to make a final determination by December 15. Binding arbitration will avoid the protracted labor disputes that we have seen in recent years by taking the politics out of labor disputes and giving both sides an incentive to come to a mutual agreement.

There is precedent for binding arbitration in Maryland. Eight counties currently impose binding arbitration for fire and EMS bargaining units through Charter and Code-level legislation in addition to certain state transit and public safety workers. Across the country, states such as

Connecticut, Delaware and Hawaii have reformed their labor laws to permit binding arbitration for non-public safety state employees.

Maryland's public sector employees, and the citizens they serve, deserve a more fair and efficient process to resolve labor disputes. Settling disputes in binding arbitration before a neutral third party will prevent acrimonious labor battles from dragging on and gives Maryland's public sector employees the security they deserve as they serve Maryland.

I urge a favorable report on HB 380 so that we can start the process of reforming a negotiating system that is clearly not working as intended.