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Testimony of David Maher
SB 218 – Arbitration Reform for State Employees Act of 2023
Budget & Taxation Committee
February 1, 2023
Support / Favorable

Binding interest arbitration is the single best way to bring objectivity, professionalism, and ultimately resolution to collective bargain for State employees.

My firm represents AFSCME Maryland Council 3. We also represent firefighters, teachers, county and municipal employees, and other public employees. We routinely negotiate in the context of binding interest arbitration.

Arbitration is the crucial tool for successful and cooperative labor relations in the public sector – where rationality is favored and strikes are disallowed. That is so because arbitration (i) **motivates negotiating parties to reach an agreement** and, when they cannot, (ii) it provides **a final resolution and agreement based on reason and fact**. On this basis, several counties, Baltimore City, and Ocean City have adopted arbitration; as have several states with mature labor relations.

Arbitration is a dispute resolution tool to break an impasse. When parties bargain in good faith but cannot reach agreement, they may reach impasse – a sticking point over the last unresolved subjects. Arbitration allows **a professional neutral to hear the positions and reasoning from both sides** and break the impasse by choosing the more appropriate resolution of those final disputed subjects. The neutral's decision is based on factors set by law to account for the potential cost to the State, the realities of the labor market and the cost of living, and other objective measures.

Although both sides can take an impasse to arbitration, both sides ordinarily work hard to avoid arbitration. Parties to collective bargaining disfavor "winning" and "losing." Thus, **arbitration makes it more likely that an agreement will be negotiated.** This bill also puts the arbitrator in the position of helping and supervising the negotiations process, to promote an effective and successful process, and thus avoid impasse.

Many additional questions are addressed in the following pages.

Testimony of David Maher - SB 218 – Arbitration Reform for State Employees Act of 2023
Budget & Taxation Committee – February 1, 2023 - Support / Favorable

What is Binding Arbitration?

> **Arbitration** is the way to avoid, and if necessary to resolve, stalled or high conflict collective bargaining. It is the preferred and widely adopted way to resolve differences between labor and management who must reach agreement through bargaining. The **possibility of binding arbitration** encourages both sides to be centrist and objective and reach agreement. The **actuality of binding arbitration** produces a collective bargaining agreement that is more centrist and objective. An **arbitration award** is subject to judicial review under standards that are well defined in Maryland law.

What collective bargaining rights do State employees currently have?

- The State and each exclusive representative (employee union) are to meet, exchange information and proposals, and negotiate in advance of the budget cycle and legislative session.
- When negotiations are to begin, however, is not set by law. The exchange of information and proposals is not subject to supervision and disputes during negotiations are not promptly addressed. Negotiations over budget items – such as COLAs and steps – must conclude before January 1, but if there is no agreement by that date, then management may impose the budget it sees fit.
- Negotiations over non-budget items – such as safety issues, telework – could continue after January 1, but there is no deadline for conclusion and no process for resolution of differences.
- A memorandum of understanding is eventually prepared to reflect the budget items agreed or imposed and the other terms and conditions for employees on which some agreement has been reached.

What happens if labor and management are far apart and in high conflict over appropriate COLAs, steps, and other budget items?

- If negotiations start early enough, and information and proposals are exchanged, and if it seems agreement is unlikely and conflict is more likely, then before October 25, labor may request appointment of a fact finder to offer recommendations.
- To that end, the fact finder can issue subpoenas, hold hearings, take testimony, and receive other evidence on the issues in dispute.
- The fact finder makes written recommendations regarding wages – COLAs, steps, bonuses – and other budgetary and non-budgetary items and topics.
- The recommendations are issued before November 20. They are sent to the Governor, the President of the Senate, and the Speaker of the House of Delegates on or before December 1. No action is required.
- The fact finder's written recommendations are not binding. Management may impose the budget its sees fit, and non-budget items are left unresolved.

Testimony of David Maher - SB 218 – Arbitration Reform for State Employees Act of 2023
Budget & Taxation Committee – February 1, 2023 - Support / Favorable

Why propose binding arbitration?

- Binding arbitration results in more agreements, more quickly, with less conflict, founded on more objectivity and more centrist proposals – budgetary and non-budgetary.
- The written recommendations of a fact finder do not resolve conflict, but instead only give it some context and third party insights.
- To offer recommendations to conflict, is to offer no real resolution to conflict at all.

Why should binding arbitration for State employees be authorized by constitutional amendment?

- Under the Maryland Constitution, the Governor has sole authority to prepare and submit a budget for the next fiscal year to the General Assembly.
- The Governor's sole authority permits the Governor to disregard both a fact finder's written recommendations and new terms included in a memorandum of understanding – to proceed as the Governor sees fit, regardless of objective evidence or rationality.
- Binding arbitration would permit an experienced, neutral third party to balance the needs of State employees against the mission and means of the State, and to adopt a fair outcome and agreement for all to be bound by.

Will there need to be implementation legislation should this pass?

- Yes. This is why SB 218 and HB 380 include both a constitutional amendment to simply authorize binding arbitration; and then implementation language to improve the negotiations process and to define the mechanics of the arbitration process and implement the Constitutional authorization.

Is binding arbitration authorized for any public employees in Maryland?

- Yes, for some State employees: Maryland Transportation Code § 7-602 states "(i)f, in a labor dispute between the Administration and any employees described in § 7-601 of this subtitle, collective bargaining does not result in agreement, the Administration shall submit the dispute to an arbitration board."
- Yes, for some county and municipal employees: Eight Maryland jurisdictions: Anne Arundel County, Baltimore City, Baltimore County, Frederick County, Howard County, Montgomery County, Prince George's County and the Town of Ocean City have authorized Binding Arbitration for fire and EMS bargaining units through Charter and local legislation.
- The Maryland Court of Appeals has approved of binding arbitration.

What entities would binding arbitration apply to?

- Binding arbitration would apply to the State and the exclusive representatives of State employees; State institutions of Higher Education (USM, Morgan State

University, St. Mary's College of Maryland, Baltimore City Community College) and each exclusive representative of their employees; and the Maryland Environmental Service and the exclusive representative of its employees.

How is a neutral arbitrator chosen?

- The arbitrator is to be selected from a list of 15 arbitrators provided by the American Arbitration Association. The list shall consist of qualified, nationwide arbitrators who are members of the National Academy of Arbitrators. The parties shall select the arbitrator by alternately striking the names from the list until one name remains.

What are the arbitrator's duties and responsibilities to help negotiations?

- The arbitrator may hear and help resolve any disputes, including bargaining in good faith, that arise during bargaining, though these decisions are not binding on the parties and the State Labor Relations Board and State Higher Education Labor Relations Board retain jurisdiction over unfair labor practices;
- May require documents to inform those resolutions of disputes, and issue remedial orders;
- May compel estimates of revenues and expenditures from the BRE;
- May call or conduct meetings and hearings, virtually or in-person;
- May compel production of documents or testimony of witnesses;
- May mediate and aid in resolving any disputes in negotiation.
- May issue a final, self-executing order resolving the impasse that is final and binding on the parties and the Governor.

What are the factors an arbitrator shall have to weigh to resolve an impasse in negotiations?

- The interests and welfare of the public;
- The financial ability of the employer to meet costs (without the premise of increasing or imposing new revenue raisers);
- The present and future general economic conditions of the State and its Higher Education institutions;
- Comparable wages, hours and conditions of like employees in adjacent states;
- Consumer prices for goods and services;
- Overall compensation presently received, including wages, vacation and other fringe benefits;
- Comparisons of collective bargaining patterns in other states and among county employees;
- The neutral arbitrator will consider the lawful authority of the employer to use special funds;
- The stipulations of the parties;
- Changes in the circumstances during the pendency of arbitration;
- Other traditional factors.

Testimony of David Maher - SB 218 – Arbitration Reform for State Employees Act of 2023
Budget & Taxation Committee – February 1, 2023 - Support / Favorable

Timeline Comparisons for Maryland Collective Bargaining

Under Present Law	**Under SB 218 / HB 380**
No set date to begin	Negotiations begin on or around July 1
	On or around July 15 a neutral arbitrator is selected to serve as Proctor
	Negotiations continue with arbitrator available to help resolve disputes quickly
	September 30: targeted conclusion of negotiations
	October 1: impasse can be declared (if no agreement through negotiations)
	October 6: a last, best & final offer is submitted by each side
If the parties do not conclude negotiations before October 25, either side may request that a fact finder be used to hear issues and make a recommendation	Within 30 days of the impasse (i.e. in October), the arbitrator shall begin to hold a formal hearing
The fact finder shall be employed no later than November 1	Generally, the formal hearing shall conclude within 45 days of the impasse date (mid-November).
By November 20 the fact finder shall make written recommendations regarding wages, hours, and working conditions and any other terms of employment	The neutral arbitrator shall issue a preliminary written award on or before December 5
The written recommendations of the fact finder are be delivered to the Governor, the exclusive representative, the President of the Senate, and the Speaker of the House of Delegates on or before December 1	Within 5 business days, the parties shall review the award and may request changes or adjustments in the award (technical tweaks or subsequent agreements)
No more action required on recommendations	On or before December 15 the neutral arbitrator shall issue a final written award
The parties must conclude negotiations on economic matters by January 1 If impasse is not resolved or negotiations does not result in an MOU, management imposes budget as it sees fit	After December 15, if requested by either party, the neutral arbitrator must issue by January 20 a statement of reasons for the final written award

SB 218- Sen. McCray Testimony .pdf
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Position: FAV

Cory V. McCray
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Deputy Majority Whip

Budget and Taxation Committee
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Vice Chair, Capital Budget
Pensions
Chair, Public Safety, Transportation, and Environment

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Vote Yes on Senate Bill 218

Bill Title: Arbitration Reform for State Employees Act of 2023
Hearing Date: February 1, 2023, Budget and Taxation

Dear Chair Guzzone & Chair Griffith,

I write to you today, to request the committee's support for the "Arbitration Reform for State Employees Act of 2023" (Senate Bill 218). Senate Bill 218 ensures that agencies of the State of Maryland reach an impasse with the representative unit for the employees of the State of Maryland. It is critical that we set up a fair process for bargaining negotiations with a neutral arbitrator. This is not a unique system for the bargaining units for State employees and already exists within the private sector and many local jurisdictions within the State of Maryland.
Senate Bill 218 sets up the framework for when bargaining would take place, what takes place when met with an impasse, and how to move forward with picking a neutral arbitrator. With my knowledge of past collective bargaining agreements with binding arbitration, I have found that it is rare that binding arbitration is ever utilized in the process. With the information supplied by both parties, the most just decision is reached on how to move forward. Due to Senate Bill 218 having a budget component to it, there is a constitutional amendment that would be put forward to the voters of Maryland in November 2024.
Senate Bill 218 would be a gracious signal to employees of the State of Maryland that going forward fair negotiations will take place. I hope that you will join me in supporting Senate Bill 218 with a favorable report.

Respectfully,

Cory V. McCray
State Senator

SB 218 - Arbitration Reform for State Employees Ac
Uploaded by: Donna Edwards
Position: FAV

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President
Donna S. Edwards

Secretary-Treasurer
Gerald W. Jackson

SB 218 - Arbitration Reform for State Employees Act of 2023
Senate Budget and Taxation Committee
February 1, 2023

SUPPORT

Donna S. Edwards
President
Maryland State and DC AFL-CIO

Chairman and members of the Committee, thank you for the opportunity to provide testimony in support of SB 218 - Arbitration Reform for State Employees Act of 2023. My name is Donna S. Edwards, and I am the President of the Maryland State and DC AFL-CIO. On behalf of the 300,000 union members in the state of Maryland, I offer the following comments.

Under current law, when the Governor and state workers reach an impasse in bargaining, the Governor can simply choose to ignore the process and appropriate funds for workers based on their previous contract. In theory, any Governor could completely bypass the negotiations process and leave workers in the lurch for the entirety of his/her term in office. It creates a perverse incentive for a Governor to do nothing, stalling negotiations indefinitely while workers' wages and benefits remain stagnant for years.

SB 218 fixes these issues by amending the Maryland Constitution to include binding arbitration for state worker collective bargaining. Binding arbitration is a common dispute resolution process in both private and public sector labor relations. It recognizes that both parties do not always agree and that negotiations can reach an impasse. When this happens, a neutral arbitrator is tasked with drafting a written award that lays out the terms of a settlement. Importantly, SB 218 makes it clear that the state is required to fund any final awards that the arbitrator imposes. Without a provision like this, there would be nothing binding about arbitration.

SB 218 will provide balance in the negotiations process, giving both parties every motivation to work toward a timely agreement. Management will no longer have the incentive to wait out negotiations in the hopes that they can save money and unilaterally implement and fund their own proposals. The process listed in the bill for the selection of neutral arbitrators is shared by many unions and employers across the country. Workers deserve balance and timely decisions. By putting the conditions of the memorandum of understanding directly into the budget, we ensure that what has been negotiated and agreed upon, is honored. This bill is a fair and balanced approach to providing effective and efficient negotiations for our state employees. We urge a favorable report on SB 218.

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Patrick Moran - President

SB 218 - Arbitration Reform for State Employees Act of 2023
POSITION: FAVORABLE

AFSCME Council 3 supports SB 218. This legislation and proposed amendment to the Maryland Constitution alters the collective bargaining process for State and Higher Education employees, including by requiring the selection of a neutral arbitrator to oversee all aspects of collective bargaining; establishing a process of arbitration in the event of impasse; and providing that the decisions of a neutral arbitrator are binding. It also requires that each budget bill submitted by the Governor contain the appropriations necessary to implement all terms and conditions of employment in collectively bargained memoranda of understanding for the next ensuing fiscal year.

In Maryland, some state employees in the Maryland Transit Administration have binding arbitration already and the process works well. County and municipal employees in eight jurisdictions also have binding arbitration through their charters and local laws: Anne Arundel County, Baltimore City, Baltimore County, Frederick County, Howard County, Montgomery County, Prince George's County, and the Town of Ocean City.

Currently, Maryland state and higher education collective bargaining negotiations are limited in their effectiveness since there is no fruitful process for breaking an impasse when it occurs. Both sides can just continue saying "no" to each other's proposals and then management, because they control the budget, can choose to implement their proposal without reaching an agreement. This goes against the spirit of collective bargaining which is to establish a forum for management and labor to periodically sit down at the table to formally discuss issues including equitable compensation, leave, and benefits; processes for employees input and participation; and a myriad of other terms and conditions of employment. The linchpin of collective bargaining is a mutual understanding and respect for the process itself, where finding common ground through deliberation and compromise is acknowledged by all parties.

The following states that have collective bargaining for state employees, AK, CA, CT, DC, DE, HI, IL, ME, MN, NE, NJ, NM, NV, OH, OR, PA, MT, RI, WA have a terminal point for negotiations, either binding interest arbitration, the right to strike, or a legislative process. These processes create a level playing field for both parties.

This legislation would create a mutual incentive to compel parties to reach an agreement around collective bargaining negotiations by instilling a binding interest arbitration process,

whereby if the two sides cannot come to agreement through negotiations by a specified deadline the proposals from the two sides would be presented to a professional,

neutral third-party arbitrator – hearing from witnesses and experts, with data and evidence – for consideration of all the facts involved with the purpose of determining which proposal is most appropriate to implement. The choice by the arbitrator would then be considered a binding resolution to be implemented by the Governor and exclusive bargaining representative, as well as the General Assembly for whatever appropriations are necessary to implement and fund the memorandum of understanding.

SB 218 is a strong and positive step toward enhancing fairness, balance, efficiency, and resolution. It follows a model that is well-established in other states and among Maryland counties. We urge a favorable report.

Senate Bill 218 Arbitration Reform for State Emplo

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Senate Bill 218
Arbitration Reform for State Employees Act of 2023
Senate Budget and Tax Committee
Senate Finance Committee
February 1, 2023

Unfavorable

Chair Guzzone, Chair Griffith, and Members of the Budget and Tax, and Finance Committees,

Thank you for the opportunity to share our thoughts on Senate Bill 218, which requires the use of an arbitrator at the onset of negotiations. In our assessment, this Bill condenses the negotiation process to an unrealistic timeframe, expands collective bargaining to include fringe, health, and pension benefits, and provides the arbitrator with broad decision-making authority over the College. Additionally, this Bill would result in a considerable and unnecessary financial burden. For these reasons, St. Mary's College urges an unfavorable report for Senate Bill 218.

The cost to include an arbitrator throughout the negotiation process is estimated at $50,000 or more per year, an expense that both the College and the bargaining units would share. Additionally, the condensed timeframe to complete negotiations required under the Bill would necessitate the College having to hire outside legal assistance to support the effort, resulting in an additional cost of approximately $156,000 per year.

Currently, the collective bargaining process requires considerable participation by nearly half of our human resources office staff, as well as managers of several essential operational departments. Condensing the negotiation process to three months, from July 1 to September 30 each year, would significantly impede these employees from performing their duties during a critical time, specifically, preparing for and transitioning to the fall semester. To accommodate the condensed schedule and to ensure a smooth transition into the fall semester, the College would need to hire an outside firm at considerable cost to advise and support the negotiations process.

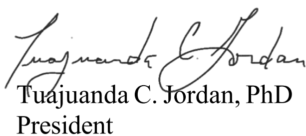
Historically when working with the union employees at St. Mary's College, we have always found common ground and reached mutual agreement without the use of an arbitrator. Requiring an arbitrator would be wasteful and an unnecessary expense for both the institution and our employees.

Senate Bill 218 would expand collective bargaining to include fringe, health, and pension benefits. As a state institution, the College participates in all state benefit programs and should not be required to separately negotiate over benefits for which it has no authority.

Lastly, granting an arbitrator final decision-making power during the collective bargaining process would supersede the St. Mary's College of Maryland Board of Trustees statutory authority for governance and management of the College, including the Board's authority over personnel and financial matters.

For these reasons, I urge an unfavorable report on Senate Bill 218.

Thank you for your consideration and continued support of St. Mary's College of Maryland.



Tuajuanda C. Jordan, PhD
President

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SENATE BUDGET AND TAXATION COMMITTEE
Senate Bill 218
Arbitration Reform for State Employees Act of 2023
February 1, 2023
Unfavorable

Chair Guzzone, Vice Chair Rosapepe, and members of the committee, thank you for the opportunity to offer testimony on Senate Bill 218.

Senate Bill 218 proposes a significant overhaul of the collective bargaining process in the state of Maryland including for the institutions that comprise the University System of Maryland (USM). The bill (1) puts the ultimate decision-making authority into the hands of a single third party, (2) undermines the process of negotiations by imposing binding interest arbitration, and (3) expands the scope of bargaining, among other changes. As proposed, the establishment of binding interest arbitration would have serious, potentially grave fiscal consequences for the USM and particularly its smaller institutions.

Putting the ultimate decision-making authority into the hands of a single third party is antithetical to the collective bargaining process. Binding interest arbitration would allow an outside party, who is neither accountable to the public nor subject to the consequences of their decisions, to unilaterally decide the terms of a union contract and award wage and other increases requiring expenditure of tax dollars – raising a constitutional question about a state's delegation of such broad authority. Public employees and their exclusive representatives may make unrealistic demands during negotiations believing that arbitrators, who are often oblivious to fiscal pressures, will be more amenable than their employers. This will inevitably lead to inflationary wages and exorbitant costs that will have a harmful impact on the State's budgets.

Senate Bill 218 provides no incentive for the parties to compromise by essentially establishing a system more akin to litigation than to collective bargaining. It can be expected that impasse will be higher in a system that ends with interest arbitration than in a system that does not. Rather than engage in realistic negotiations, the parties could game the process, and the availability of arbitration will have a "chilling effect" upon the parties' efforts to honestly negotiate an agreement. Over time the parties may begin to default to arbitration, relying on arbitrators to write their labor contracts. The adversarial nature of the arbitration process will undoubtedly impact the ability of the parties to achieve and maintain good labor relations.

Additionally:

- Senate Bill 218 simultaneously expands the scope of collective bargaining in an overly broad manner, inconsistent even with federal law, by including "fringe benefits, health benefits, and pension benefits" as mandatory subjects of bargaining, while abbreviating the timeframe for negotiations – between July 1 and September 30. The bill does not establish a different timeline for consolidated collective bargaining.

- The parties are required to utilize a paid arbitrator throughout the process. The cost of arbitrator services can range from $1,000 to $3,000 per day, easily totaling thousands or tens of thousands of dollars.

- Under current law, the State Higher Education Labor Relations Board ("Board") has the statutory authority to resolve complaints of unfair labor practices. The bill would improperly infringe on the rights of the Board by authorizing an arbitrator to resolve certain disputes during the bargaining process through issuance of advisory opinions. Arbitrators, who are using their own independent judgment, may resolve bargaining disputes in a manner inconsistent with and contrary to prior Board precedent.

- Senate Bill 218 creates a conflict of interest, real or perceived, on the part of the arbitrator. The arbitrator would function first as a proctor to "meaningfully" engage with the parties throughout the course of bargaining, then as a mediator to "attempt to resolve the impasse," and would finally function as the hearing officer responsible for making the final determination and choosing to award one side's last, best, and final offer over the other. Mediation and arbitration are two separate and distinct processes. The longstanding principles underlying the protection and importance of confidentiality in mediation and in settlement discussions are undermined by this process.

Even with the new consolidated collective bargaining process, the USM has 25 individually certified collective bargaining units across its constituent institutions, represented by three different exclusive representatives. These units are on a unique bargaining schedule, and each has a high potential to reach an impasse with implementation of this type of "no compromise" arbitration.

Senate Bill 218 would have a significant impact on the USM and we urge an unfavorable report.

About the University System of Maryland

The University System of Maryland (USM)—one system made up of twelve institutions, three regional centers, and a central office—awards eight out of every ten bachelor's degrees in the State of Maryland. The USM is governed by a Board of Regents, comprised of twenty-one members from diverse professional and personal backgrounds. The chancellor, Dr. Jay Perman, oversees and manages the operations of USM. However, each constituent institution is run by its own president who has authority over that university. Each of USM's 12 institutions has a distinct and unique approach to the mission of educating students and promoting the economic, intellectual, and cultural

growth of its surrounding community. These institutions are located throughout the state, from western Maryland to the Eastern Shore, with the flagship campus in the Washington suburbs. The USM includes Historically Black Colleges and Universities, comprehensive institutions, research universities, and the country's largest public online institution.

USM Office of Government Relations - Patrick Hogan: phogan@usmd.edu

Morgan State Bill Response - SB218.pdf
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Office of the President

Morgan State University Testimony
Dr. David K. Wilson, President

Senate Bill 0218 (Senators McCray, Jackson, Benson, and Hettleman)
Arbitration Reform for State Employees Act of 2023
Committees: Budget and Taxation Committee
and Finance Committee
February 1, 2023

Unfavorable

Chair Guzzone, Vice Chair Rosapepe, members of the Budget and Taxation Committee; Chair Griffith, Vice Chair Klausmeier, and members of the Finance Committee. We, at Morgan, thank you for the opportunity to share our position on Senate Bill 218. The summary of the Bill states the following: *Altering the collective bargaining process for State employees, including by requiring the selection of a neutral arbitrator to oversee all aspects of collective bargaining, establishing a process of arbitration in the event of impasse, and providing that certain decisions of a neutral arbitrator are advisory; requiring that each budget bill contain the appropriations necessary to implement all terms and conditions of employment in certain memoranda of understanding for the next ensuing fiscal year; etc.*

Morgan State University is the premier public urban research university in Maryland, known for its excellence in teaching, intensive research, effective public service and community engagement. Morgan prepares diverse and competitive graduates for success in a global interdependent society.

Morgan State University opposes this bill for the reasons below. Morgan has been involved in collective bargaining since 2001 and the process has gone well without the mandatory involvement of an arbitrator, even in the absence of reaching impasse.

As stated, this bill requires the parties to select an arbitrator who will act as a "proctor," overseeing all aspects of the collective bargaining process. This does not mean that an arbitrator will be assigned only when there is an impasse, but will have involvement throughout the entire process. The bill gives the arbitrator extensive involvement and authority over the parties and many issues in the collective bargaining process. The bill extends collective bargaining to include fringe benefits, health benefits and pension benefits. This would interfere with the authorities of the State of Maryland that oversee fringe benefits, health benefits and pension benefits for State employees.

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Among other problematic provisions, the bill states:

A. *May mediate or aid in the resolution of any dispute between the parties regarding the conduct of negotiations, including whether the conduct of a party is in good faith.*

This gives the arbitrator the ability to determine if the conduct of the parties is considered to be in good faith. What happens if the parties believe they are conducting negotiations in good faith, but the arbitrator does not? Currently, if a party believes that another party is not bargaining in good faith, they can file an Unfair Labor Practice (ULP) with the State Higher Education Labor Relations Board (SHELRB). Thus, there is already an established mechanism to address such concerns, with an agency that has been in existence for years and has specialized expertise to address these issues. Moreover, the parties would be required to pay the arbitrator's fees, which is unnecessary given the existence of SHELRB.

B. *May receive from the parties copies of information requests presented and responses received, to mediate or aid in the resolution of disputes over the timeliness and sufficiency of information demands and production.*

This appears to give the arbitrator the authority to judge whether information requests are within reason, not understanding the work required to produce the information or whether the parties have access to such information. This also may have the impact of taking the parties focus off the negotiations to devote substantial resources to filing and defending claims before the arbitrator.

C. *May issue opinions in order to help to resolve disputes over requests for information or promote bargaining in good faith.*

Again, this gives the arbitrator authority over a matter for which they would have no or little knowledge. Once more, there is no reason to deviate from the agency already in place, SHELRB.

In addition to potentially becoming overly embroiled in the negotiation process, the arbitrator has unfettered authority to resolve a bargaining impasse. The arbitrator, after a hearing, has the authority to sustain the "entirety" of either party's Last, Best and Final Offer. In reaching such decision, the arbitrator is empowered to consider wages, hours and conditions of employment of employees performing similar services in public employment in adjacent states. The arbitrator can also look to collective bargaining patterns in other states and among county employees in Maryland.

The arbitrator's decision is "final and binding."

It should be noted that once there is interest arbitration, it is highly unlikely that the parties will reach agreement without it. Both sides will be inclined to hold back their best offer, so they have a cushion in case the negotiation goes to arbitration.

Moreover, interest arbitration for public employees is fundamentally anti-democratic. It takes budget/management responsibility away from elected officials, or appointed officials who report to elected officials and gives it to arbitrators, who have no responsibility to the voters/taxpayers and whose decisions are unreviewable.

In addition to the extensive authority of the arbitrator, there will be extensive costs associated with this bill. Arbitration fees can be quite high, with many labor arbitrators charging $2,000 or more per day. Moreover, it is quite possible that an arbitrator will award wage rates and benefits well beyond what has historically been affordable based on funding that the Legislature has approved and authorized since collective bargaining in higher education became the law.

Again, Morgan State University opposes this bill for the reasons outlined.

Respectfully Submitted,

Dr. David K. Wilson
President, Morgan State University