



WES MOORE  
*Governor*

ARUNA MILLER  
*Lieutenant Governor*

HELENE GRADY  
*Acting Secretary*

MARC L. NICOLE  
*Deputy Secretary*

February 17, 2023

The Honorable Melony Griffith  
Chair, Senate Finance Committee  
3 East, Miller Senate Office Building  
Annapolis MD 21401

**RE: Letter of Information – Senate Bill 367 – Public Employee Relations Act**

Dear Chair Griffith and Committee Members:

The Department of Budget and Management (DBM) would like to offer information on certain provisions within Senate Bill 367 for the Committee's consideration.

Senate Bill 367 includes a broad binding arbitration provision that will require binding arbitration to take place whenever there is a dispute between the State and an exclusive representative regarding the terms and applications of a negotiated agreement. Under current law, if an impasse is reached during negotiations, either party may request a neutral fact finder whose recommendations are advisory. Giving a private arbitrator the power to mandate funding in the proposed budget represents a significant policy shift toward granting a private, unelected official the power to prioritize among public policy needs. When deciding on the State's budget each year, the Governor and the General Assembly must balance a wide range of public policy needs within a set of resource constraints. Since employee compensation is a significant portion of the State's non-mandated spending, this bill will allow a private arbitrator to have significant influence over the State's fiscal and policy priorities. The bill provides for no method of appeal or review of the private arbitrator's decision.

The bill also eliminates management's rights provisions from the statute and appears to provide bargaining rights to supervisors and managers. Allowing for bargaining rights for supervisors and managers goes beyond what is allowed under the federal National Labor Relations Act, which the bill states that it is intended to follow. DBM is concerned that these additional restrictions on the State's ability to manage employees and its operations will erode the operational effectiveness and potentially adversely impact service delivery to citizens.

While DBM supports the rights of employees to collectively bargain, DBM respectfully suggests that it is in the best interest of the State to retain control and discretion over budget priorities and to maintain clearly enumerated agency rights.

Sincerely,

Raquel Coombs  
DBM Chief of Staff