

FAVORABLE
House Bill 114
Arbitration Reform for State Employees Act of 2024

House Appropriations Committee
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Government Relations

The Maryland State Education Association supports House Bill 114. This legislation amends the collective bargaining process for state employees by establishing specified timelines for the commencement and termination of negotiations, requiring the selection of a neutral arbitrator to oversee the collective bargaining process, and creating an arbitration process to resolve impasse in bargaining including final and binding arbitration on the parties. The legislation also requires that each budget bill submitted by the Governor contains the appropriations necessary to implement all terms and conditions of employment in each agreement reached with the state.

MSEA represents 75,000 educators and school employees who work in Maryland's public schools, teaching and preparing our almost 900,000 students so they can pursue their dreams. MSEA also represents 39 local affiliates in every county across the state of Maryland, and our parent affiliate is the 3 million-member National Education Association (NEA).

While the bill does not directly affect our members, House Bill 114 represents a significant step forward to ensure state employees receive the dignity and respect they deserve by establishing an effective dispute resolution process in collective bargaining negotiations. Unlike private sector employees and certain public employees in other state jurisdictions, Maryland public employees do not have the right to strike. Binding arbitration provides a peaceful, timely, and final resolution to disputes between public employers and public employees concerning essential terms and conditions of employment such as compensation, benefits, leave, and



working conditions. These issues are of profound importance to workers and their families and weigh heavily on retaining current employees and attracting new workers into state government to deliver essential services to the residents of Maryland.

Twenty-six states and the District of Columbia have authorized binding arbitration for certain categories of public employees or all public employees including Alaska, California, Connecticut, Hawaii, Illinois, Iowa, Maine, Massachusetts, Michigan, Minnesota, Montana, Nebraska, Nevada, New Hampshire, New Jersey, New Mexico, New York, Ohio, Oklahoma, Oregon, Pennsylvania, Rhode Island, Texas, Vermont, Washington, Wisconsin, and Wyoming.

In Maryland, binding interest arbitration is authorized for certain state employees in the Maryland Transit Administration, and certain county and municipal employees in eight counties and the Town of Ocean City. Additionally, binding interest arbitration provided by the Public Employee Relations Board is available to public school employers and exclusive representatives of public school employees to resolve impasse in negotiations.

Under current law, fact finding is the only alternative dispute resolution mechanism available to resolve impasse in negotiations between the state and the exclusive representative representing state employees. Fact-finding only provides the parties with non-binding recommendations and is inadequate to promote the timely resolution of impasse in negotiations.

Maryland must do all it can to compete with neighboring jurisdictions and the private sector to make employment with the state competitive and attractive. The peaceful, timely resolution of disputes in collective bargaining negotiations through binding arbitration is a significant step forward to accomplish that goal. MSEA applauds the sponsors for bringing this legislation forward and standing with working families.

We urge the committee to issue a Favorable Report on House Bill 114.