



Maryland

DEPARTMENT OF BUDGET
AND MANAGEMENT

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Secretary

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Deputy Secretary

SENATE BILL 188 Arbitration Reform for State Employees of 2024

STATEMENT OF INFORMATION

DATE: January 16, 2024

COMMITTEE: Senate Budget and Taxation

SUMMARY OF BILL: Senate Bill 188 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 bargaining 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.

EXPLANATION: 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. This legislation also strikes language requiring collective bargaining negotiations to conclude before January 1st for any item requiring an appropriation of fund for the next fiscal year, which would be operational problematic. 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.

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