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Patrick Moran – President

SB 188 - Arbitration Reform for State Employees Act of 2024
Budget and Taxation Committee
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FAVORABLE

AFSCME Council 3 supports SB 188. Currently, if impasse is reached during contract negotiations for State and higher and education employees a neutral factfinder is selected to evaluate the parties' proposals. Then, the factfinder makes non-binding recommendations. Management can still choose to impose the budget they see fit, and non-budget items are left unresolved. The current negotiating process leads to unproductive dynamics. Management does not have to negotiate in good faith towards an agreement since they can ultimately just impose what they want, regardless.

SB 188 motivates the parties to bargain in good faith by establishing more workable timelines to ensure negotiations are concluded in time for budget submissions; allows for the selection of a neutral arbitrator to mediate the negotiations if necessary; and in the event of an impasse, establishes a process for binding interest arbitration. Binding interest arbitration is like factfinding during contract negotiations: a neutral third party is still selected during impasse to evaluate proposals based on objective and rational evidence. However, binding interest allows the arbitrator to issue a decision that is binding upon the parties, and this provides the opportunity for an actual resolution to the dispute, unlike factfinding which is just a recommendation.

SB 188 is important because unlike State employees in Pennsylvania and in 9 other states¹, Maryland state employee cannot strike. Without the right to strike, arbitration is a much-needed tool for successful and cooperative public-sector labor relations. Most states in America allow binding interest arbitration for some or all employees². Most Big 10 Institutions, including all 4 schools that will be added next in conference realignment have arbitration provisions in their union contracts with staff. In Maryland state government, the Maryland Transit Administration already has binding interest arbitration authorized in the Transportation Article. Eight Maryland county and municipal jurisdictions have authorized binding arbitration for its employees³. Binding interest arbitration has not led to a collapse of government anywhere and there's no reason to believe it will happen in our state government or higher education institutions if this bill passes.

SB 188 simply ensures is that the parties work together in good faith to reach an agreement and avoid impasse, but should impasse occur, it guarantees that there will at least be a resolution ultimately. The dedicated public servants who choose a career with the State deserve fair contract negotiations regardless of the administration sitting across the table from them.

We urge you to please support our dedicated and hard-working state employees by passing the Arbitration Reform for State Employees Act of 2024.

It's time for Maryland to catch up with the 26 states and District of Columbia that already authorize binding interest arbitration. We urge a favorable report on SB 188.

¹**States where state employees have the right to strike:** Alaska, California, Hawaii, Illinois, Minnesota, Montana, Ohio, Oregon, Pennsylvania, and Vermont.

²**States with binding interest arbitration for some or all state employees:** Alaska, California, Connecticut, District of Columbia, Hawaii, Illinois, Iowa, Maine, Massachusetts, Michigan, Minnesota, Nebraska, Nevada, New Hampshire, New Jersey, New Mexico, New York, Ohio, Oklahoma, Oregon, Pennsylvania, Rhode Island, Texas, Vermont, Washington, Wisconsin, & Wyoming

³**Maryland jurisdictions with binding arbitration authorized for some or all employees:** Anne Arundel County, Baltimore City, Baltimore County, Frederick County, Howard County, Montgomery County, Prince George's County, and the Town of Ocean City.

