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THE MARYLAND HOUSE OF DELEGATES ANNAPOLIS, MARYLAND 21401

Testimony of Delegate Jazz Lewis on HB159 - Arbitration Reform for State Employees Act of 2025

Members of the Budget and Taxation Committee,

It's my privilege to present my strong support for HB159, the Arbitration Reform for State Employees Act of 2025. This crucial legislation proposes a blend of constitutional amendment and statutory changes, aiming to refine how our state government resolves contract disputes with state employees through binding arbitration. The core of this bill is to ensure a fair and expedient resolution process by engaging a neutral third-party arbiter.

The current system in place doesn't provide any means for settling disputes. Often, negotiations reach a stalemate that can't be resolved by the negotiating parties. In the current process, a neutral fact finder can be appointed to make non-binding recommendations to resolve an impasse. Due to the lack of a forcing mechanism to make those recommendations binding, we often find ourselves in deadlocks that neither party, management, nor employees can break.

But even then, management can still impose their desired budget and leave other items unresolved. This situation we encountered under the previous administration resulted in state workers being denied the equitable negotiation process they rightfully deserve. HB159 seeks to address this by introducing a more just and efficient method for settling contract disputes by utilizing a neutral third-party arbiter. As written, this new system would see both sides agree to an arbiter by July 15th every year, with contract negotiations concluded by September 30th. If an agreement is not reached by October 1st, an impasse is declared, setting off the binding arbitration process. Under this system, both sides present their best and final offer, which the arbiter uses to make a final determination by December 15th. This legislation will ensure that we avoid protracted labor disputes and incentivize both sides to come to a mutual agreement.

The process outlined in this bill ensures that there is a means to resolve negotiation impasses the administration might have with our state workforce. This process is not revolutionary either, as binding arbitration is already utilized by a number of Maryland counties

and municipalities and the Maryland Transit Administration is already authorized to use binding interest arbitration in the Transportation Article.¹ Not to mention, the majority of states and the District of Columbia already permit binding arbitration for at least some of their state workforce.²

In previous years, when this bill was introduced, there was discussion about whether this process would impact our constitutional ability to use our budgetary authority. To answer that question, we requested guidance from the Office of the Attorney General. In response, the Attorney General's office informed my office that "the draft bill does not purport to limit the General Assembly in the constitutional power to increase, diminish or add items to the budget bill." I am happy to provide the letter received from the Attorney General for the Committee's review.

With the response from the Attorney General, the process laid out in HB159 creates a balanced and final process for contract disputes with the state workforce while upholding the legislature's duties as custodians of the state's budget. This year's bill is slightly different than prior versions from previous years. What has been introduced over previous years, with a couple of minor changes for clarity. We also specify that this bill does not prevent the parties of binding arbitration from being able to pursue a complaint about unfair labor practices. We are also working a sponsor amendment, which will clarify that the bill will only go into effect upon approval of the accompanying ballot measure. And the administration has indicated their willingness to work with us to ensure this bill works.

Our state employees are the backbone of our government, and they deserve a fair and timely mechanism to resolve labor disputes and contract negotiations. It's imperative that we rectify the shortcomings of our current process to prevent future harm to our employees and, by extension, to the quality of services we deliver to the people of Maryland.

In light of these reasons, **I respectfully request a favorable report on HB159.** Let's take a step forward in ensuring our state workforce is supported by a just and efficient arbitration process.

Thank you for your consideration.

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<https://docs.google.com/document/d/1oZlg-eNwHz9qcWtynqfbHpJwYLBPGob1/edit?usp=sharing&oid=100216021080132051878&rtpof=true&sd=true>

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<https://docs.google.com/document/d/1Ewut6cyh2nvD34HqVFXpHBIZFjKNeQCw/edit?usp=sharing&oid=100216021080132051878&rtpof=true&sd=true>