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**SB 457 – State Retirement and Pension System - Transfers Between Systems –  
Workgroup  
Budget and Taxation Committee  
February 13, 2025**

**Position: FAVORABLE**

AFSCME Council 3 represents 45,000 state, county, and municipal employees across Maryland, many of whom are participants in our local and state pension systems. Our members appreciate having an opportunity to be represented wherever discussions around their pay, benefits, and working conditions are happening, and we are proud to support Senate Bill 457. This bill establishes a workgroup of stakeholders, including a member of the American Federation of State, County, and Municipal Employees (AFSCME), to make recommendations for improving the process when members transfer between the state and local retirement and pension systems.

We urge the committee to provide a favorable report on SB 457. Thank you.

The following states that have collective bargaining for state employees, AK, CA, CT, DC, DE, HI, IL, ME, MN, NE, NJ, NM, NV, OH, OR, PA, MT, RI, WA have a terminal point for negotiations, either binding interest arbitration, the right to strike, or a legislative process. These processes create a level playing field for both parties.

This legislation would create a mutual incentive to compel parties to reach an agreement around collective bargaining negotiations by instilling a binding interest arbitration process, whereby if the two sides cannot come to agreement through negotiations by a specified deadline the proposals.

From the two sides would be presented to a professional, neutral third- party arbitrator – hearing from witnesses and experts, with data and evidence – for consideration of all the facts involved with the purpose of determining which proposal is most appropriate to implement. The choice by the arbitrator would then be considered a binding resolution to be implemented by the Governor and exclusive bargaining representative for whatever appropriations are necessary to implement and fund the memorandum of understanding. The budgetary powers of the Maryland General Assembly remain unaltered.

SB 188 is a strong and positive step toward enhancing fairness, balance, and efficiency, and resolution. It follows a model that is well-established in other states and among Maryland counties. We urge a favorable report.

