



Testimony - HB 159, Arbitration Reform for State Employees Act of 2025  
Favorable  
Senate Budget & Tax Committee  
March 27, 2025  
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Director of Political & Legislative Affairs on Behalf of SEIU Local 500

Honorable Chairman Guzzone & Members of the Senate Budget & Tax Committee:

As a public sector union of over 23,000 workers from varying careers, we know collective bargaining negotiations do not always conclude expeditiously. Improving working conditions is not always a process where consensus is reached by both parties. In the private sector, negotiations can take months or even extend years. This drawn out process of negotiations does not work in the public sector. Occupational readiness, morale, and tax dollars are all casualties when negotiations can't be reached in public sector negotiations. Binding arbitration ensures both parties reach agreement through a neutral third party.

We at SEIU Local 500 express our strong support for the Maryland Arbitration Reform for State Employees Act of 2025. This bill will improve the collective bargaining process for Maryland's state employees through enhanced arbitration mechanisms and it represents a significant step toward ensuring fair and efficient labor negotiations, ultimately benefiting both public employees and the State of Maryland.

As amended, HB 159 establishes a framework for neutral arbitration in cases of bargaining impasse, ensuring that negotiations are conducted fairly and in good faith. Key provisions of the bill include:

- The selection of a neutral arbitrator from a vetted panel to facilitate and oversee collective bargaining discussions.

- The requirement for the Governor to include in the annual budget bill the necessary appropriations to implement agreed-upon employment terms within a memorandum of understanding.
- A clearly defined arbitration process that provides an orderly mechanism for resolving labor disputes while maintaining fiscal responsibility through adherence to state budget limitations.

These provisions are critical for maintaining a productive and equitable work environment for Maryland's dedicated public workforce. By streamlining the arbitration process, the bill enhances the ability of employees to negotiate fair wages, benefits, and working conditions without undue delays or disruptions.

Moreover, HB 159 ensures that arbitration decisions remain advisory while respecting the authority of the General Assembly to approve appropriations, thereby balancing labor rights with the state's financial realities. This thoughtful approach strengthens Maryland's public sector while upholding budgetary discipline.

We urge you to support this legislation, as it reflects a commitment to improving the working conditions for Maryland's dedicated state employees while safeguarding fairness and transparency in the resolution of employment disputes.

We ask you to support HB 159 and pass it out of this committee with a favorable vote.

Thank you for your time and consideration.

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