

SB 288 - SLEOLA - FAV.pdf

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Position: FAV



**State Law Enforcement
Officers Labor Alliance**
542 Ritchie Highway
Severna Park, Maryland 21146



January 22, 2025

The Honorable Guy Guzzone
Chair, Budget and Taxation Committee
3 West Miller Senate Office Building
11 Bladen Street
Annapolis, Maryland 21401

Re: SB 288 – Arbitration Reform for State Employees Act of 2025 - SUPPORT

Dear Chair Guzzone:

The State Law Enforcement Officers Labor Alliance (SLEOLA) is the exclusive representative for 1,757 active state law enforcement officers. We are writing in Support of Senate Bill 288.

Senate Bill 288 is seeking to modify the current collective bargaining process for State employees. The current collective bargaining process that is used by the State is both unfair and unproductive. Binding Interest arbitration does not guarantee the employees will receive raises, rather it ensures the reasonableness and fairness of the collective bargaining process. Binding Interest arbitration would help make the process fair for both SLEOLA and the State.

This is an important proposal for each of the members of SLEOLA, and we ask for a favorable report of SB 288.

Sincerely,

Brian Gill
President

cc: Members, Senate Budget and Taxation Committee

SB0288_Arbitration_Reform_for_State_Employees_MLC_

Uploaded by: Cecilia Plante

Position: FAV



TESTIMONY FOR SB0288

Arbitration Reform for State Employees Act of 2025

Bill Sponsor: Senator McCray

Committee: Budget and Tax

Organization Submitting: Maryland Legislative Coalition

Person Submitting: Cecilia Plante, co-chair

Position: **FAVORABLE**

I am submitting this testimony in favor of SB0288 on behalf of the Maryland Legislative Coalition. The Maryland Legislative Coalition is an association of activists - individuals and grassroots groups in every district in the state. We are unpaid citizen lobbyists, and our Coalition supports well over 30,000 members.

The rights of workers to organize and to bargain collectively with employers ensures that both workers and management come to the table as equals. However, under current law, when the Governor and state workers reach an impasse in bargaining, the Governor can simply choose to ignore the process and appropriate funds for workers based on previous levels. SB0288 corrects this inequity.

Workers have organized in many different industries and have been able to ensure that they have good working conditions, health care, and reasonable wages. Arbitration would give our state workers the same rights. Sure, it might cost the state more, but is it right for us to pay wages that fall short of private industry or provide poor working conditions?

Binding arbitration not only has the potential of improving the lives of our state workers. With better terms of employment and the ability to participate in arbitration in the future, we may be able to fill the 4,000 vacancies that exist across the state government.

We support this bill and recommend a **FAVORABLE** report in committee

SEIU Local 500 Testimony on SB 288 - 2025.pdf

Uploaded by: Christopher Cano

Position: FAV



Testimony - SB 288, Arbitration Reform for State Employees Act of 2025
Favorable
Senate Budget and Taxation Committee
January 22, 2025
Christopher C. Cano, MPA
Director of Political & Legislative Affairs on Behalf of SEIU Local 500

Honorable Chairman Guzzone & Members of the Senate Budget & Taxation 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 represents a critical step forward in ensuring fair, transparent, and equitable dispute resolution processes for state employees, and I believe it will have a lasting, positive impact on both state workers and the broader Maryland workforce.

One of the key strengths of this legislation is its commitment to creating a more balanced system for resolving disputes. Under the current framework, employees may feel at a disadvantage when engaging in arbitration due to procedural biases or a lack of transparency. By instituting clear guidelines and standards for arbitration proceedings, the Maryland Arbitration Reform Act ensures that employees will have a fairer opportunity to present their cases and receive equitable outcomes.

The bill also strengthens the protections for workers by mandating that arbitration proceedings be conducted with an emphasis on impartiality. This is especially important as it promotes a system in which workers' rights are respected and upheld, helping to reduce the power imbalance that can sometimes favor employers in arbitration settings.

This reform aligns with best practices and modern standards in labor relations, ensuring that Maryland remains a leader in promoting fairness for all workers.

Moreover, the bill enhances efficiency in resolving disputes. By providing a more streamlined and consistent approach to arbitration, both state employees and the state itself can avoid prolonged litigation and the associated costs, leading to more timely resolutions and reduced strain on the judicial system.

I 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.

Thank you for your time and consideration.

We ask you to support SB 288 and pass it out of this committee with a favorable vote.

Thank you,

Christopher C. Cano, MPA
Director of Political & Legislative Affairs
SEIU Local 500

SB 288_DebbieMichaels_FAV.pdf

Uploaded by: Deborah Michaels

Position: FAV

**DEBBIE MICHAELS
PO BOX 1611
WESTMINSTER, MD 21158**

Written Testimony

SB0288

Arbitration Reform for
State Employees Act of 2025
FAVORABLE

I have worked at UMBC as support staff for seventeen years, have served as the president of our workers union since 2014 and am a USM/AFSCME MOU bargaining team member. I want to bring to your attention some of the reasons why binding arbitration is so important and would benefit both the USM, the state and the unions that negotiate with them.

During our negotiations on the MOU that was ratified in July 2024, we met multiple times over a 2-year period. At all of these meetings, there was a minimum of one, often times two representatives from the universities HR and Labor Management staff and USM administrators, each earning generous six figure salaries. Additionally, there was the union team, with much more modest salaries, averaging around 50k. Moreover, there is the expense of USM's legal counsel, which does not come cheap. I bring this up to highlight that there is a cost when negotiations are unnecessarily dragged out on impasse.

Not only did USM delay starting negotiating the consolidated contract for eight months, these negotiations should not have taken as long as they did once we began. We were not starting from scratch. We already had multiple contracts in place with very similar language. This was a matter of blending these contracts, updating wording to clarify the intent of the agreements, and making much needed improvements to benefit both parties.

Though fact-finding is a current option, should we proceed with this step, there is no guarantee of a satisfactory outcome. Additionally, we must tighten up timelines for such negotiations. Continuing to meet multiple times, without moving to sign tentative agreements, is a waste of time to everyone at the table and expensive in terms of achieving nothing for all that time spent.

Binding arbitration would help resolve many of these expensive issues by compelling both parties to come together in an efficient manner prior to needing to escalate the process. Should the need arise and an impasse is not resolved, a third party review can assess all the facts and provide an unbiased binding solution.

Thank you for your consideration to support SB0288.

Sincerely,

Debbie Michaels
President, AFSCME Local 1459
University of Maryland, Baltimore County (UMBC)

SB288_AFSCME3_FAV.pdf

Uploaded by: Denise Gilmore

Position: FAV



1410 Bush Street (Suite A)
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Phone: 410-547-1515
Email: info@afscmemd.org

Patrick Moran – President

SB 288 – Arbitration Reform for State Employees Act of 2025
Budget and Taxation
January 22, 2025

FAVORABLE

AFSCME Council 3 strongly supports SB 288. Under current law, when contract negotiations for state and higher education employees reach an impasse, a neutral factfinder is selected to evaluate the parties' proposals and make non-binding recommendations. As a result, management can still impose the budget proposals they want, and non-budgetary issues remain unresolved. Because the outcome of these negotiations is non-binding, the process often leads to unproductive dynamics. Bad actor managers do not have to negotiate in good faith towards an agreement since they can ultimately just impose what they want, regardless.

SB 288 encourages the parties to bargain in good faith by establishing clearer and more workable timelines, ensuring that negotiations are completed in time for budget submissions. The bill also allows for the selection of a neutral arbitrator to mediate if necessary and, in the event of an impasse, introduces a process for binding interest arbitration. Unlike factfinding, which results in non-binding recommendations, binding interest arbitration involves a neutral third party who evaluates the proposals based on objective, rational evidence and issues a binding decision. This creates a pathway for a true resolution to the dispute. Additionally, SB 288 includes a constitutional amendment that requires the Governor to include the appropriations necessary to fund the terms agreed upon in the memoranda of understanding with state personnel unions within the Governor's budget proposal. The legislature's budgetary powers remain unaltered.

SB 288 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 four schools recently added through 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 for their state employees.

Eight Maryland county and municipal jurisdictions have authorized binding arbitration for its employees³. Where binding arbitration exists, it has consistently resulted in the parties reaching a settlement and coming to an agreement far more often than it has led to actual arbitration. It has consistently resulted in the parties reaching a settlement and coming to an agreement far more often than it has led to actual arbitration. The prospect of a binding decision encourages both sides to negotiate more seriously and work toward a mutually agreeable solution, reducing the need for arbitration itself.

SB 288 simply ensures that the parties work together in good faith to reach an agreement and avoid an impasse. However, should an impasse occur, it guarantees that there will ultimately be a resolution. The dedicated public servants who choose a career with the state deserve fair and meaningful contract negotiations, regardless of the managers 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 2025.

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 288.

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.

SB 288 - Arbitration Reform for State Employees Ac

Uploaded by: Donna Edwards

Position: FAV



**MARYLAND STATE & DC
AFL-CIO**

Donna S. Edwards
President

Gerald W. Jackson
Secretary-Treasurer

**SB 288 - Arbitration Reform for State Employees Act of 2025
Senate Budget & Taxation Committee
January 22nd, 2025**

SUPPORT

**Donna S. Edwards
President
Maryland State and DC AFL-CIO**

Chairman and members of the Committee, thank you for the opportunity to provide testimony in support of SB 288 - Arbitration Reform for State Employees Act of 2025. My name is Donna S. Edwards, and I am the President of the Maryland State and DC AFL-CIO. On behalf of the 300,000 union members in the state of Maryland, I offer the following comments.

The current law incentivizes a Governor to avoid action if they fail to reach an agreement with state employees in the bargaining process. They may simply disregard the process, allowing them to bypass negotiations and abandon workers throughout the entirety of their term.

SB 288 addresses these issues by amending the Maryland Constitution to establish binding arbitration for state worker collective bargaining. Binding arbitration is a common dispute resolution process in both private and public sector labor relations all around the country. It recognizes that both parties do not always agree and that negotiations can stall without a fair resolution. When this happens, a neutral arbitrator is tasked with drafting a written award that outlines the terms of a settlement that both parties must respect and adhere to.

Public sector workers in the following states have some form of binding interest arbitration for their collective bargaining processes: Alaska, California, Connecticut, District of Columbia, Hawaii, Illinois, Iowa, Main, Massachusetts, Michigan, Minnesota, Montana, Nebraska, Nevada, New Hampshire, New Jersey, New Mexico, New York, Ohio, Oklahoma, Oregon, Pennsylvania, Rhode Island, Texas, Vermont, Washington, Wisconsin, Wyoming. Even in Maryland, our county workers in Allegany, Anne Arundel, Baltimore City, Baltimore County, Frederick County, Prince George's, Wicomico have binding interest arbitration for some or all of their units. Maryland is in the minority of states with public sector collective bargaining that do not also have binding interest arbitration.

SB 288 provides balance in the negotiations process, giving both parties every motivation to bargain in good faith and work toward a timely agreement. Management will no longer have the incentive to wait



**MARYLAND STATE & DC
AFL-CIO**

Donna S. Edwards
President

Gerald W. Jackson
Secretary-Treasurer

out negotiations in the hopes that they can save money and unilaterally implement and fund their own proposals. The process listed in the bill for the selection of neutral arbitrators is shared by many unions and employers all over the country. Workers deserve balance and timely decisions. By putting the conditions of the memorandum of understanding directly into the budget, we ensure that what has been negotiated and agreed upon, is honored. This bill is a fair and balanced approach to providing effective and efficient negotiations for our state employees. We urge a favorable report on SB 288.

SB 288 - Arbitration Reform for State Employees Ac

Uploaded by: Michael McMillan

Position: FAV

Amalgamated Transit Union Local 1300

126 W. 25th Street, Baltimore, Maryland 21218
Telephone: 410-889-3566 Facsimile: 410-243-5541
www.atu1300.org

Proudly representing the transit workers of the MTA!



SB 288 - Arbitration Reform for State Employees Act of 2025 - Favorable Senate Budget and Taxation Committee January 22nd, 2025

Chair Guzzone and members of the committee, thank you for the opportunity to speak with you today. ATU Local 1300 represents over 3,000 transit workers at the Maryland Transit Administration (MTA). Our members keep Maryland moving every day.

I am here for a very simple reason, binding arbitration works. I know this because I've been through the arbitration process myself. MTA workers were granted this dispute resolution process back when they were still employees of the Baltimore Transit Company (BTC) and kept it when they transitioned to becoming part of the state's workforce.

Our country had a patchwork of different approaches to collective bargaining, with some transit workers agreeing in the 1950s to binding arbitration with their employers as a less confrontational form of negotiations. Other systems still maintained their right to strike. During the 1960s and 1970s, federal aid and regulations transformed the transit systems across the country. Recognizing that the federal government had an interest in making sure that this federal aid did not undermine the existing collective bargaining practices of transit workforces, Congress passed Section 13C of the Urban Mass Transportation Act of 1964. Put simply, this guaranteed that transit workers that had binding arbitration would keep their binding arbitration and transit workers that had the right to strike would keep their right to strike.

Just because you have binding arbitration, does not mean that it will be used. Of the last five contract negotiation cycles (e.g. 2022, 2019, 2015, 2012, and 2010) binding arbitration was only invoked twice. Simply having the option to invoke arbitration forces both parties to act in good faith. Arbitration also cuts both ways. Both parties can win or lose, but what ultimately matters is finding a common ground and reasonable position that can sway a neutral arbitrator.

I am available to answer any questions that the Committee may have on my experience with arbitration as a state employee.

***Examples of Arbitration - Already In Use by State Employees
2018 to 2022 Collective Bargaining Agreement - ATU Local 1300 & Maryland Transit Administration***

Article (9) - ARBITRATION

Section (1) Should any grievance be unsettled as provided in Step 2 of Article (8) hereof, the Union may forgo Step 3 by notifying the other party within forty-five (45) calendar days thereafter, and request in writing that the dispute be submitted directly to standard arbitration. If neither Step 2 within Article 8 nor the option contained in this Article is exercised within the 45-calendar day period, the matter shall be considered closed and withdrawn. Upon such request, an arbitrator shall be selected in accordance with the parties' Bilateral Arbitration Selection Agreement.

Section (2) The arbitrator, after being selected, shall commence hearings as expeditiously as possible and shall render his/her decision in writing four (4) weeks, if possible, following the closing of the hearing (which shall include the filing of post-hearing briefs, if applicable).

Section (3) The arbitrator shall be confined to the issues presented in writing, and shall not have the power to add to or subtract from, or to modify any of the terms of this agreement or of any other agreements made supplementary thereto.

Section (4) The decision of the arbitrator when submitted to the parties, in writing, together with the finding of facts, and the reasons in support thereof, shall be final and binding upon MTA and the UNION.

Article (64) -- DURATION

This Agreement shall become effective July 1, 2018 and shall remain in force and effect through June 30, 2022 and shall continue in force and effect from year to year thereafter unless written notice of amendment, revision, modification or termination is given by either party to the other party by registered mail on or before the 30th day of April prior to the expiration period of this contract or any renewals thereof.

In the event that, pursuant to the preceding section of this Agreement, either party gives written notice of amendment, revision or modification of this Agreement or requests termination of all or any part of this Agreement, and negotiations fail to result in an Agreement between the parties, all issues in dispute shall be submitted to a Board of Arbitration on written demand of either party.

The Board of Arbitration shall be composed of three (3) persons, one (1) to be chosen by the Administration, one (1) to be chosen by the UNION, and the two (2) thus selected to select the disinterested arbitrator. The findings of a majority of said Board of Arbitration shall be final and binding on the parties hereto.

Each of the parties hereto shall name its arbitrator within ten (10) days after having received written notice from the other party hereto, and if either party fails to name its arbitrator it shall forfeit its case. If, after a period of ten (10) days from the date of the appointment of the two (2) arbitrators representing the UNION and the Administration the disinterested arbitrator has not been selected, then either arbitrator may request the American Arbitration Association to furnish a list of five (5) persons from which the arbitrator shall be selected. The American Arbitration Association shall be asked to furnish such list within seven (7) days of the receipt of the request. The arbitrators appointed by the parties, no later than five (5) days after the receipt of such list, shall determine by lot the order of elimination and thereafter each shall in that order alternately eliminate one (1) name until only one (1) name remains, and that person on the list shall be the disinterested arbitrator and chairman of the Board. All the conditions in this

contract shall remain undisturbed during the arbitration proceedings. Each of the parties hereto shall bear the expense of its own arbitrator, and the parties hereto shall jointly bear the expenses of the impartial arbitrator.

SB 288 Arbitration Reform for State Employees Act

Uploaded by: tamika winkler

Position: FAV

CORY V. MCCRAY
Legislative District 45
Baltimore City

DEPUTY MAJORITY WHIP

Budget and Taxation Committee

Subcommittees

Chair, Health and Human Services

Vice Chair, Capital Budget

Executive Nominations Committee

Legislative Policy Committee

Joint Committee on Gaming Oversight



James Senate Office Building
11 Bladen Street, Room 221
Annapolis, Maryland 21401
410-841-3165 · 301-858-3165
800-492-7122 Ext. 3165
Cory.McCray@senate.state.md.us

THE SENATE OF MARYLAND
ANNAPOLIS, MARYLAND 21401

Vote Yes on SB 288

Bill Title: Arbitration Reform for State Employees Act of 2025

Committee: Budget and Taxation Committee

Hearing Date: January 22, 2025

Dear Chair Guzzone, Vice Chair Rosapepe, and members of the Budget and Taxation Committee:

My name is Cory McCray for the record. I would like to request your support for SB 288, which proposes a constitutional amendment to improve the collective bargaining process for state employees in Maryland.

SB 288 takes important steps to ensure fairness and efficiency in labor negotiations for state personnel unions by:

- Requiring the Governor to include an appropriation in the budget bill to fund all terms of the collective bargaining agreement.
- Introducing a neutral third-party arbitrator when negotiations reach an impasse.
- Establishing a framework for binding arbitration, contingent upon voter approval of the constitutional amendment at the next General Election.

Importantly, this bill preserves the General Assembly's budgeting authority, as we can still amend the Governor's budget after it is introduced.

Why SB 288 Is Necessary:

The current negotiation process for state employees, including those at our public four-year higher education institutions, is fundamentally broken. Without a meaningful procedure to address impasses, negotiations can drag on indefinitely, leaving critical issues unresolved.

Binding arbitration creates a balanced playing field for both parties, encouraging good-faith negotiations and fostering timely agreements. In jurisdictions where binding arbitration is in place, parties are more likely to reach agreements without even needing arbitration, making the process both fairer and more efficient.

Maryland Lags Behind:

- 26 states and the District of Columbia already provide some or all state employees the right to binding arbitration.
- Several Maryland jurisdictions, including eight counties and the Town of Ocean City, grant this right to some or all employees.
- Public K-12 employees statewide and Maryland Transit Administration (MTA) employees within state government already have access to binding arbitration.

This legislation ensures that state employees receive the same level of respect and fairness afforded to other workers, aligning Maryland with best practices nationwide.

The General Assembly has a long-standing commitment to supporting workers' rights to collectively bargain. SB 288 continues this legacy by strengthening the process and ensuring efficient negotiations that lead to fair contracts.

I request a favorable Vote on SB 288. Thank you for your time and consideration. I am happy to answer any questions.

Continued Blessings,

A handwritten signature in blue ink, appearing to read 'Cory V. McCray', with a stylized flourish at the end.

Cory V. McCray
45th District

SB288_USM_UNF.pdf

Uploaded by: Sherri Roxas

Position: UNF



SENATE BUDGET AND TAXATION COMMITTEE
Senate Bill 288
Arbitration Reform for State Employees Act of 2025
January 22, 2025
Unfavorable

Chair Guzzone, Vice Chair Rosapepe and members of the committee, thank you for the opportunity to offer testimony on Senate Bill 288. Senate Bill 288 would represent the third significant and substantial overhaul to the collective bargaining statute in recent years. As written, the University System of Maryland (USM) respectfully opposes Senate Bill 288. The USM knows you're well aware of the current budget climate as we all are. The recently proposed deductions to our budget of 5% equate to \$111 million. This is in addition to last year's cut and another mid-year cut to the FY25 budget which leaves the USM down over 180 million cumulatively in FY25 and FY26. The imposition of additional policy changes at this time would be more than challenging for all of our campuses on top of these reductions.

The USM is comprised of twelve distinguished institutions, and three regional centers. We award eight out of every ten bachelor's degrees in the State. Each of USM's 12 institutions has a distinct and unique approach to the mission of educating students and promoting the economic, intellectual, and cultural growth of its surrounding community. These institutions are located throughout the state, from western Maryland to the Eastern Shore, with the flagship campus in the Washington suburbs. The USM includes three Historically Black Institutions, comprehensive institutions and research universities, and the country's largest public online institution.

Collective bargaining has existed in the State of Maryland, including for employees of USM's institutions, for more than twenty years. For two decades, the institutions (including now the Chancellor as part of the consolidated collective bargaining process) have negotiated successfully, and in good faith, with the exclusive representatives (AFSCME, MCEA, and FOP) of the twenty-five individual bargaining units across the USM and have reached agreement without the need for third-party intervention in almost every instance. The current collective bargaining process provides every incentive for the parties to compromise, a vital aspect of any labor agreement. At a signing ceremony in August, AFSCME Maryland Council 3 and the USM announced the first ever system-wide contract for AFSCME-represented workers. The ceremony came after the ratification of the contract by the parties where [workers overwhelmingly voted in favor of the contract](#). The USM agrees with AFSCME leaders and membership who said the ratification of this contract is "historic." The existing process under the statute works. Like the legislative process, the negotiation process can be challenging, but if allowed to work to its natural conclusion, it renders a good product.

Putting the ultimate decision-making authority into the hands of a single third party is inconsistent with the process of collective bargaining and could have serious fiscal consequences for the USM, particularly its smaller institutions. While Senate Bill 288 purports to bind the Governor to include appropriations in his budget necessary to fund implementation of all wage and other terms and conditions of employment in each MOU, it is unclear whether the General Assembly would be

obligated to ultimately fund those terms. If those terms go unfunded, Senate Bill 288 would essentially create an unfunded mandate, binding the institutions to “take all actions necessary to carry out and effectuate the final written award and place into effect the memorandum of understand.” The unintended result of which would likely be an increase in tuition and fees and/or a reduction in services and positions.

Additionally, the bill significantly and unrealistically restricts the timeframe for negotiations to between July 1 and September 30. Not only does negotiation of a successor contract typically take more than three months to complete, but the negotiation of a new contract can take 18 months or more to negotiate if the parties are meeting on a frequent and regular basis. Note that, under existing law, all terms of an MOU continue in full force and effect until a successor agreement is negotiated. Senate Bill 288 creates a conflict of interest, real or perceived, on the part of the arbitrator, and infringes on the rights and authority of the Public Employee Relations Board. Utilization of a paid arbitrator throughout the process will easily total thousands or tens of thousands of dollars in addition to the attorney fees and costs of experts such as an economist.

While there are certain states and local jurisdictions that make a binding interest arbitration process available, binding interest arbitration is a process generally reserved to public safety employees such as those in police and fire units that are typically smaller and have a unique set of needs and circumstances. Even in those states where regular staff employees have access to an interest arbitration process, that process is often vastly different from the one outlined in Senate Bill 288. Many of those states utilize a multi-stage impasse resolution process, an appeal/review process is available, and they do not utilize the same decision-maker at every step of the process. States such as CA, IL, OH, PA, OR, MT, and WA, for example, do not have a binding interest arbitration requirement for public higher education employees.

Alternatives to the bill as proposed may include: exclusion of the USM from the bill; tightening and strengthening the existing statutory process without a complete overhaul of the collective bargaining statute; amending the bill so the third-party arbitrator’s decision is binding as to non-economic matters only; amending the bill to apply only to public safety units; utilizing a multi-stage interest arbitration process that includes a panel of arbitrators; and/or pushing back the effective date to July 2028.

The USM greatly values the dedication and hard work of its employees who keep our institutions running in support of our providing an affordable and accessible education for Maryland students and their families. The USM remains committed to providing competitive wages and benefits to recruit and retain a highly skilled workforce. Both the institutions and the USM can continue to successfully do that, in part, through good faith negotiations under the existing process with the exclusive representatives across the System.

For these reasons, the USM respectfully opposes Senate Bill 288. If the committee is inclined to move this bill, the USM would appreciate inclusion in discussions of potential amendments.



UNIVERSITY SYSTEM
of MARYLAND



SMCM SB288 Letter of Information.pdf

Uploaded by: Brandon Engle

Position: INFO

Senate Bill 288
Arbitration Reform for State Employees Act of 2025
Senate Budget & Taxation Committee

Letter of Information

Chair Guzzone, Vice Chair Rosapepe, and members of the Budget & Taxation Committee, thank you for the opportunity to share St. Mary's College of Maryland's analysis of Senate Bill 288.

In general, this bill alters the collective bargaining process for State employees by requiring the selection of a neutral arbitrator to oversee all aspects of collective bargaining, establishes an arbitration process in the event of impasse, and requires that the annual budget bill contain the appropriations necessary to implement all terms and conditions of employment. In our assessment, this bill would heavily condense the existing negotiation process, expand collective bargaining to include fringe, health, and pension benefits beyond existing state benefit programs for employees, and provide an arbitrator with broad decision-making authority over the College. Additionally, this bill would result in significantly increased operational complexities and financial cost to the College.

Currently, the collective bargaining process requires considerable participation by nearly half of our human resources office staff, as well as managers of several essential operational departments. Condensing the negotiation process to three months – from July 1 to September 30 of each year – would impede these employees from performing their normal duties during the critical transition to our annual fall semester. In order to simultaneously accommodate the condensed schedule and ensure a smooth transition for first-year and returning students, the College would be required to retain outside legal counsel, resulting in additional costs of approximately \$156,000 per year. Further, the cost of including an arbitrator throughout the negotiation process is estimated at \$50,000 or more per year – an expense that both the College and bargaining units would share.

Beyond altering the negotiation time frame, Senate Bill 288 would expand collective bargaining to include fringe, health, and pension benefits. As a state institution, St. Mary's College participates in all applicable state benefit programs; requiring the College to separately negotiate over benefits for which it has no authority would result in significant operational and financial costs to the College. Finally, granting an arbitrator final decision-making power during the collective bargaining process would supersede the St. Mary's College of Maryland Board of

Trustees' existing statutory authority over governance and management of the College - including the Board's authority over personnel and financial matters.

St. Mary's College of Maryland has traditionally enjoyed a productive and collaborative relationship with our employees and collective bargaining units. Further, we have always found common ground and reached mutual agreement without the use of an arbitrator. Thank you for your consideration and continued support of St. Mary's College of Maryland.

A handwritten signature in black ink, reading "Tuajuanda C. Jordan". The signature is written in a cursive style with a large, stylized initial 'T'.

Tuajuanda C. Jordan, PhD
President

SB0288 DBM Letter of Information.docx.pdf

Uploaded by: Dana Phillips

Position: INFO

WES MOORE
Governor

ARUNA MILLER
Lieutenant Governor



HELENE GRADY
Secretary

MARC L. NICOLE
Deputy Secretary

SENATE BILL 288 Arbitration Reform for State Employees of 2024

Letter of Information

DATE: January 22, 2025

COMMITTEE: Budget and Taxation

POSITION: No position

Dear Chair Guzzone and Committee Members:

The Department of Budget and Management (DBM) would like to offer information on certain provisions of Senate Bill 288 for the Committee's consideration.

Senate Bill 288 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. 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. Employee compensation is a significant portion of the State's non-mandated spending. Binding arbitration would allow a private arbitrator to have significant influence over the State's fiscal and policy priorities and this bill provides for no method of appeal or review of the private arbitrator's decision. Many states and local governments with binding arbitration have put significant limitations and guidance into their law as a result.

While DBM supports the rights of employees to collectively bargain, we continue to have concerns about the control and discretion over budget priorities and agency rights as the bill is currently drafted.

**For additional information, contact Dana Phillips at
(410) 260-6068 or dana.phillips@maryland.gov**

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<http://dbm.maryland.gov>

