

HB 159_SLEOLA_FAV - 03-27-2025 B&T.pdf

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Position: FAV



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



March 27, 2025

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

Re: HB 159 – 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 House Bill 159.

House Bill 159 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 HB 159.

Sincerely,

Brian Gill
President

cc: Members, Senate Budget and Taxation Committee

SEIU Local 500 Testimony on HB 159 (Senate Crossov

Uploaded by: Christopher Cano

Position: FAV



Testimony - HB 159, Arbitration Reform for State Employees Act of 2025
Favorable
Senate Budget & Tax Committee
March 27, 2025
Christopher C. Cano, MPA
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.

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

B&T Testimony of Delegate Jazz Lewis on HB0159 - A

Uploaded by: Delegate Jazz Lewis

Position: FAV

JAZZ LEWIS
Legislative District 24
Prince George's County

MAJORITY WHIP

Appropriations Committee



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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>

HB159_AFSCME3_FAV.pdf

Uploaded by: Denise Gilmore

Position: FAV



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Patrick Moran – President

HB 159 – Arbitration Reform for State Employees Act of 2025
Budget and Taxation Committee
March 27, 2025

FAVORABLE

AFSCME Council 3 strongly supports HB 159. 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.

HB 159 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, HB 159 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.

HB 159 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.

HB 159 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.

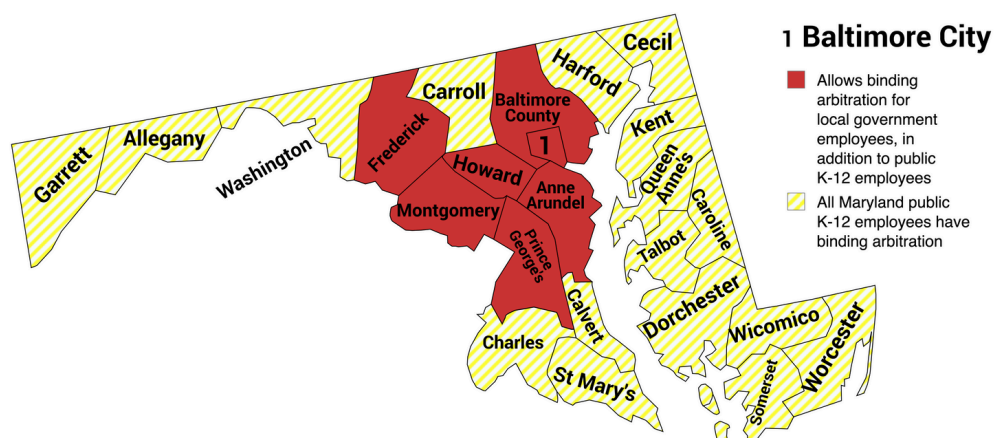
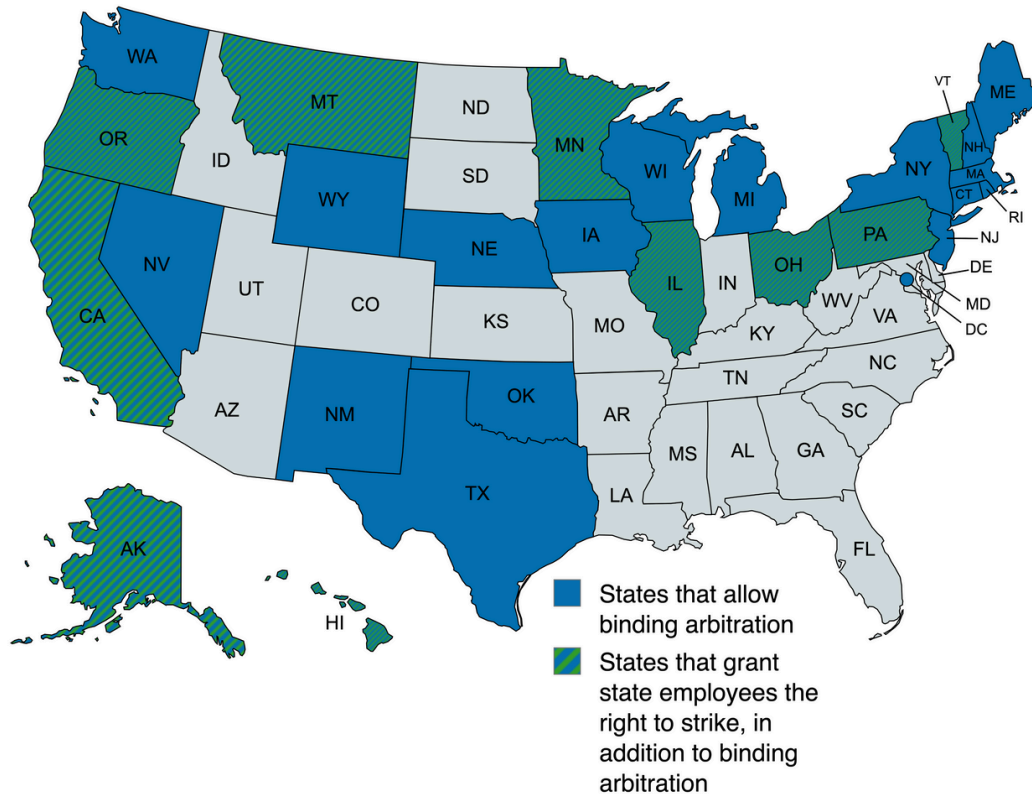
It's time for Maryland to catch up with the 26 states and District of Columbia that already authorize binding interest arbitration. We urge a favorable report on HB 159.

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.

Where Binding Arbitration already exists



HB 159 - Arbitration Reform for State Employees Ac

Uploaded by: Donna Edwards

Position: FAV



MARYLAND STATE & D.C. AFL-CIO

AFFILIATED WITH NATIONAL AFL-CIO

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Gerald W. Jackson

HB 159 - Arbitration Reform for State Employees Act of 2025

Senate Budget and Taxation Committee

March 27, 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 HB 159 - 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.

Binding arbitration is mutually beneficial to our state government, our state employees, and taxpayers.

HB 159 proposes amending the Maryland Constitution to establish binding arbitration for certain state worker collective bargaining. Binding arbitration is a common dispute resolution process in both private and public sector labor relations all around the country. HB 159 provides balance in the negotiations process, giving both parties every motivation to bargain in good faith and work toward a timely agreement.

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, Maine, Massachusetts, Michigan, Minnesota, Nebraska, Nevada, New Hampshire, New Jersey, New Mexico, New York, Ohio, Oklahoma, Oregon, Pennsylvania, Rhode Island, Texas, Vermont, Washington, Wisconsin, and Wyoming. Even in Maryland, certain county workers in Anne Arundel, Baltimore City, Baltimore County, Frederick County, Howard, Montgomery, Prince George's, and the Town of Ocean City 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.

The process listed in HB 159 for the selection of neutral arbitrators is shared by many unions and employers all over the country. This bill is a fair and balanced approach to providing effective and efficient negotiations for our state employees.

For these reasons, we urge a favorable report on HB 159.

AFT Senate Side HB 159. Binding Arbitration.pdf

Uploaded by: Todd Reynolds

Position: FAV

**Written Testimony Submitted to the
Maryland Senate Budget and Taxation Committee
HB 159
Arbitration Reform for State Employees Act of 2025
March 27, 2025
SUPPORT**

Good afternoon, Chair Guzzone, Vice Chair Rosapepe, and members of the Senate Budget and Taxation Committee. AFT-Maryland is the state federation for a number of public K-12 education, public higher education, and public employee unions in our state, representing over 20,000 employees in the Baltimore Teachers Union, the Maryland Classified Employees Association, county and municipal government employees in Baltimore City and Baltimore County, the full-time faculty at eight of the state's community colleges, and state employees in the Maryland Professional Employees Council (state employees in Unit G), AFT Healthcare-Maryland (state employees in Unit E), Maryland Classified Employees Association (representing staff at Salisbury University and UMCES), and the Maryland School for the Deaf (state employees in Unit K). On behalf of these workers, and especially the 4 state employee unions this bill would benefit, we call for a favorable report to HB 159, the bill that would ensure a fair bargaining process in contract negotiations between the Governor and the state's workforce.

During the last two years of bargaining, our unions have had an amicable, professional, and productive relationship with the administration, engaging in a real, good faith exchange of ideas to resolve problems our employees face in various state agencies. Our support of this bill should not be seen as an indictment of that relationship; rather, our unions realize that sometimes those relationships can change depending on who occupies these offices in the future, and that an objective process to resolve disputes at the bargaining table is in the best interest of the state and its employees. What this bill would do is create a rational process by which impasses during contract negotiations may be resolved. Additionally, even offering the potential for either side to request an arbitrator whose decision regarding an impasse at bargaining will further advance and ensure that each side will be working in good faith to come to a resolution at the bargaining table.

In Maryland, binding arbitration is already the norm for a large number of public sector employees. All local K12 public school systems in the state have the right to binding arbitration if contract negotiations come to an impasse, as do a number of municipal and county employee unions in their negotiations with management. Even a sector of state employees working within

the State Department of Transportation have access to binding arbitration. We must note, however, that while the local K12 School districts and their unions do utilize binding arbitration, because it is a state school, the negotiations between the teachers and staff union and the administration at the Maryland School for the Deaf do not have this right. Let us correct this error and bring a level of objectivity and fairness to the collective bargaining system to the rest of state employees by passing HB 159.

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HB159_USM_XFSENB.T.pdf

Uploaded by: Andy Clark

Position: INFO



SENATE BUDGET AND TAXATION COMMITTEE
House Bill 159
Arbitration Reform for State Employees Act of 2025
March 27, 2025
Letter of Concern

Chair Guzzone, Vice Chair Rosapepe and members of the committee, thank you for the opportunity to offer testimony on House Bill 159. The USM acknowledges and greatly appreciates all the hard work the legislature has already put into amending the bill to exclude the USM from the binding arbitration process itself. There do appear to be, however, certain revisions, presumably unintentional, that could impact and challenge the USM.

House Bill 159 seems to inadvertently shift the burden of funding negotiated increased costs, including wage increases for state-supported positions, away from the General Assembly and directly onto the institutions. The revisions specifically remove the condition that matters incorporated in a USM MOU requiring the appropriation of funds be referred to the General Assembly for that appropriation. This would break from decades-old precedent regarding the structure of the state budget and have the potential to significantly increase institution costs if construed in such a way.

Additionally, House Bill 159 continues to expand the mandatory subjects of bargaining to specifically include fringe benefits and health benefits. This change would apply to the USM. First, it is unclear how the USM would accomplish the negotiation of fringe and health benefits which are largely controlled by the State. More importantly, this expansion has the potential to significantly increase employer costs, particularly if matters of fringe benefits and health benefits are submitted to an arbitrator. The increased employer costs would extend to the USM despite having no control over such matters.

Thank you again for the opportunity to offer these comments on House Bill 159 for your consideration. The USM looks forward to working with the sponsor to address these unintended consequences.

