



BRANDON M. SCOTT  
MAYOR

*Office of Government Relations  
88 State Circle  
Annapolis, Maryland 21401*

**SB0922**

March 12, 2026

**TO:** Members of the Senate Finance Committee

**FROM:** Nina Themelis, Director of the Mayor's Office of Government Relations

**RE:** Senate Bill 922: Collective Bargaining - Local Government Employees and Public Employee Relations Act

**POSITION: UNFAVORABLE**

Chair Beidle, Vice Chair Hayes and members of the Committee, please be advised that the Baltimore City Administration (BCA) respectfully **opposes** Senate Bill (SB) 922 which would expand collective bargaining requirements for local government employees under the Maryland Public Employee Relations Act.

Baltimore values the contributions of its public workforce and has a long history of working collaboratively with employee organizations. The City currently negotiates collective bargaining agreements with several unions representing thousands of municipal employees. These agreements are the result of good-faith negotiations that balance fair compensation for workers with the City's obligation to maintain fiscal stability and deliver essential services to residents.

However, the City has several significant concerns regarding the provisions of this legislation.

**State Mandate Limits Local Flexibility**

SB 922 would establish a uniform statewide framework governing collective bargaining for county and municipal employees. While well-intentioned, this approach does not reflect the wide variation in fiscal capacity, workforce composition, and service delivery responsibilities among Maryland's local governments.

Baltimore faces unique fiscal pressures and operational challenges with a limited tax base when compared to other larger counties in the State. A one-size-fits-all statewide mandate would limit the City's ability to design labor relations structures that reflect its local budget realities and workforce needs.

In recent years the City's budget has absorbed the impact of shifting State costs to local jurisdictions. From teacher pension costs to updating the cost-share structure for SDAT, these growing requirements limit flexibility in the City's budget. Since Fiscal 2017 fixed costs budgets have grown 17%. This growth crowds out the City's ability to fund the services which are most important to our residents.

## **Binding Arbitration Increases Costs and Delays Negotiations**

The presence of binding arbitration can significantly alter the dynamics of collective bargaining. When arbitration becomes a likely outcome, negotiations can become more prolonged and adversarial. Parties may delay compromise in anticipation that an arbitrator will ultimately decide key issues. This dynamic often results in longer negotiation timelines and higher overall labor costs, as the threat of arbitration shifts leverage during contract discussions. We've seen this play out firsthand as we have worked through contract negotiations with our public safety unions (since Fiscal 2023 arbitration has been initiated seven times during Police and Fire negotiations).

Additionally, arbitration decisions can impose financial obligations that exceed locally available resources. Because arbitrators are not responsible for managing municipal budgets or balancing competing service demands, these outcomes can create fiscal commitments that local governments may struggle to sustain.

## **Personnel Costs Already Dominate the City's Budget**

Personnel expenses already represent the largest share of Baltimore's operating budget – estimated at 45% of the total operating budget in Fiscal 2027. As a result, even modest increases in wages or benefits can have a significant impact on the City's structural fiscal balance.

Rising personnel costs will constrain the City's ability to make strategic investments in staffing and services. In December 2025 the City released its updated 10-Year Financial Plan that focuses on strategic investments in the City's budget while providing property tax relief to residents. Mandated growth in wages will significantly impact our ability to make key investments envisioned in the plan, including:

- Significant investment in infrastructure by growing local investment in the capital budget
- Eradicating vacant properties in the City
- Providing tax relief to residents
- Improving core City services

While identifying these investments, the 10-Year Plan also prioritizes competitive wages for City employees. The City is already making progress towards this goal by implementing the recommendations of a salary study for our lowest paid employees.

## **Conclusion**

The City of Baltimore strongly supports its workforce and remains committed to fair and productive labor relations. However, SB 922 would significantly reduce local flexibility, increase fiscal risk, and complicate the City's ability to manage its workforce responsibly within available resources.

For these reasons, the City respectfully requests an **unfavorable** report on SB 922.

Thank you for your consideration.