

**Department of Legislative Services**  
Maryland General Assembly  
2019 Session

**FISCAL AND POLICY NOTE**  
**First Reader**

Senate Bill 696  
Finance

(Senator Kramer)

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**Collective Bargaining - Chancellor of the University System of Maryland -  
Negotiations**

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This bill requires the Chancellor of the University System of Maryland (USM) to act on behalf of USM and its constituent institutions, rather than the institutions' presidents under current law, for the purposes of collective bargaining. It also requires each USM institution to have its own bargaining units and repeals current law allowing bargaining units among USM institutions. If an exclusive representative represents more than one bargaining unit at an institution, to the extent practicable, the chancellor and the exclusive representative must negotiate the terms of one consolidated collective bargaining memorandum of understanding (MOU) to apply to all bargaining units for employees of the institution represented by the exclusive representative. On mutual agreement and in writing, the parties may designate a matter to be negotiated by the institution's president and a timeline to conclude the negotiations. On conclusion of those negotiations, the matters of agreement must be included in the consolidated MOU. Finally, the bill specifies that all terms of a presently existing MOU as specified may not be impaired in any way by the bill and must remain in full force and effect until a successor MOU is agreed to and ratified. **The bill takes effect June 1, 2019.**

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**Fiscal Summary**

**State Effect:** The bill does not materially affect State finances as explained below.

**Local Effect:** None.

**Small Business Effect:** None.

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## Analysis

**Current Law/Background:** The Board of Regents of USM must appoint a Chancellor of USM. The chancellor is the Chief Executive Officer of USM and the Chief of Staff for the Board of Regents of USM. The chancellor must (1) advise the Board of Regents of USM; (2) conduct systemwide planning; (3) coordinate and arbitrate among the institutions and centers of USM; (4) assist the institutions in achieving performance goals in accordance with their adopted performance accountability plan; (5) provide technical assistance to institutions and centers such as legal and financial services; (6) perform the duties the board assigns; and (7) see that the policies of the board are carried out. The Chancellor serves at the pleasure of the board. The Chancellor is entitled to the compensation established by the board.

The president of a USM institution must act on behalf of the institution for the purposes of collective bargaining. The exclusive representative must designate one or more representatives to participate as a party in collective bargaining on behalf of the exclusive representative.

An MOU that incorporates all matters of agreement reached by the parties must be executed by the exclusive representative and the president of the USM institution or the president's designee. To the extent these matters require legislative approval or the appropriation of funds, the matters must be recommended to the General Assembly for approval or for the appropriation of funds. To the extent matters involving a State institution of higher education require legislative approval or the appropriation of funds, the matters must be recommended to the General Assembly for approval or for the appropriation of funds. For skilled service or professional service employees who are an employee of an institution, the terms of an MOU executed by the president and the exclusive representative apply.

An MOU must contain all matters of agreement reached in collective bargaining process. The MOU must be in writing and signed by the exclusive representative involved in the collective bargaining negotiations and the president of the system institution or the president's designee.

No MOU is valid if it extends for less than one year or for more than three years. In the case of a State institution of higher education, an MOU is not effective until it is ratified by the institution's governing board and a majority of the votes cast by the employees in the bargaining unit.

The presidents of USM institutions may agree to cooperate for the purpose of collective bargaining. A president may elect to terminate a cooperation agreement with another USM institution.

Appropriate bargaining units must consist of (1) all eligible nonexempt employees, as described in the federal Fair Labor Standards Act, except eligible sworn police officers; (2) all eligible exempt employees, as described in the federal Fair Labor Standards Act; and (3) all eligible sworn police officers.

**State Fiscal Effect:** The bill does not materially affect State finances. Although the bill consolidates most collective bargaining duties from the institution presidents to the chancellor, overall the bill likely has no impact on total expenditures. The bill will increase the time spent on collective bargaining by the chancellor and the USM office, but will likely decrease the time spent on collective bargaining by institutions. Overall, it is assumed that the collective bargaining agreements negotiated under the bill will be very similar to those negotiated under current law.

The State Higher Education Labor Relations Board (SHELRB) advises that the bill does not change any employee rights under the collective bargaining law administered in regard to the USM institutions by SHELRB. The bill also does not change any responsibilities that either employers, employee, or employee representatives will have under the collective bargaining law. Therefore, there will likely be no fiscal or operational impact on the SHELRB.

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### **Additional Information**

**Prior Introductions:** None.

**Cross File:** HB 767 (Delegate B. Barnes, *et al.*) - Appropriations.

**Information Source(s):** University of System of Maryland; Maryland State Labor Relations Board State Higher Education Labor Relations Board; Department of Legislative Services

**Fiscal Note History:** First Reader - February 24, 2019  
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