

Department of Legislative Services
Maryland General Assembly
2020 Session

FISCAL AND POLICY NOTE
First Reader

House Bill 1074
Ways and Means

(Delegate Ebersole, *et al.*)

Education - Collective Bargaining - Certificated Employees - Class Size

This bill repeals the prohibition against a public school employer and employee organization negotiating the maximum number of students assigned to a class during collective bargaining. **The bill takes effect July 1, 2020.**

Fiscal Summary

State Effect: To the extent additional teachers must be hired due to allowing negotiation on the maximum class size collective bargaining process, general fund expenditures increase to pay increased retirement costs. However, any increases are constrained by the amount of funds appropriated to the local school system by the county government and thus; the total fiscal impact is likely minimal overall. Public School Labor Relations Board (PSLRB) expenditures are likely not materially affected. Revenues are not affected.

Local Effect: Allowing local boards of education to negotiate the maximum number of students assigned to a class may increase the number of teachers required in a local school system, which may increase total local school system expenditures on salary for additional teachers. However, any agreement is constrained by the amount of funds a county appropriates for the local school system. Therefore, the total overall fiscal impact is likely minimal overall. Local school system expenditures may increase to support half the costs of mediation and arbitration. Revenues are not affected.

Small Business Effect: None.

Analysis

Current Law: On request, a public school employer or at least two of its designated representatives must meet and negotiate with at least two representatives of the exclusive negotiating agent for certificated public school employees about salaries, wages, hours, and other working conditions, including procedures regarding employee transfers and assignments and the structure, time, and manner of the access of the exclusive representative to a public school employer's new employee processing. A local board may not negotiate the school calendar, the maximum number of students assigned to a class, or any matter that is precluded by applicable statutory law. A local board may negotiate on other matter that are mutually agreed to by the local board and the employee organization. A matter that has not been mutually agree to as a subject of negotiation may not be raised in any action taken to resolve an impasses.

Public School Labor Relations Board

PSLRB was established in 2010 as an independent agency of the State government to administer and enforce the labor relations laws for local boards of education and their employees. It is administrated jointly with the State Higher Education Labor Relations Board and the State Labor Relations Board. The proposed fiscal 2021 State budget includes \$428,356 and three full-time regular positions for the administration of the boards. Of that, \$94,456 is reimbursable funds from institutions of higher education, and the remainder is State general funds.

If PSLRB determines the local board of education and local employee organization have reached an impasse in negotiations, it must order them to begin mediation using a neutral mediator within a certain timeframe. The mediation must follow specified procedures. After receiving the mediator's proposed settlement, the local board of education and local employee organization must notify the mediator of their intent to accept the written proposed settlement, accept it in part, or decline the settlement and request arbitration before PSLRB.

If arbitration is requested, PSLRB must follow specified hearing procedures to develop a final and binding written award that selects and adopts the complete final offer of the local board of education, the complete final offer of the local employee organization, or the mediator's complete offer of settlement. The local board of education and local employee organization are required to equally share the costs of mediation and arbitration.

If the county government does not approve sufficient funds to implement a negotiated agreement, the local school board must negotiate with the employee organization before making a fiscal determination in accordance with the timetable and procedure established by PSLRB. A final decision of PSLRB may be appealed to a circuit court.

Certificated employees are school employees that require a certificate to be employed. This includes teachers and principals.

State Expenditures: To the extent additional teachers must be hired due to allowing negotiation on the maximum class size collective bargaining process, general fund expenditures increase to pay increased retirement costs. However, any increases are constrained by the amount of funds appropriated to the local school system by the county government. Therefore, the total overall fiscal impact is likely minimal.

There may be an increase of impasse matters and statutory violation claims made to PSLRB. PSLRB can handle most of these matters using existing budgeted resources; however, there may be cases where additional resources are required.

Local Expenditures: Each local board of education may negotiate maximum class size for certificated employees, rather than being prohibited from negotiating on the topic. This may increase the number of negotiations and impasse matters with local school employee organizations, but it is assumed this will not materially affect local finances.

Allowing local boards of education to negotiate the maximum number of students assigned to a class may increase the number of teachers required in a local school system, which may increase total local school system expenditures on salary for additional teachers. In addition, noted that reducing a maximum class size could also impact capital expenditures, by increasing the number of classrooms required.

However, any agreement is constrained by the amount of funds a county appropriates for the local school system. Therefore, additional expenditures on additional teachers due to negotiating a maximum class size would likely be redirected from expenditures on other local school system expenditures including salary increases for teachers. Therefore, the total overall fiscal impact is likely minimal.

Alternatively, local governments could choose to direct more local funding to local school systems for this purpose. However, any such choice would be a local decision.

Additional Information

Prior Introductions: None.

Designated Cross File: None.

Information Source(s): Public School Labor Relations Board; Maryland State Department of Education; Department of Legislative Services

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