

**Department of Legislative Services**

Maryland General Assembly

2021 Session

**FISCAL AND POLICY NOTE**

**Third Reader - Revised**

(Senator Young)

Senate Bill 556

Finance

Appropriations

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**Collective Bargaining - Maryland School for the Deaf - Application and Separate Bargaining Unit**

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This bill extends collective bargaining rights to specified nonsupervisory faculty at the Maryland School for the Deaf (MSD). The bill also authorizes the establishment of one bargaining unit for faculty at MSD. **The bill takes effect July 1, 2021.**

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**Fiscal Summary**

**State Effect:** Expenditures for MSD increase minimally to reimburse State Labor Relations Board (SLRB) for collective bargaining expenses. Accordingly, SLRB reimbursable revenues and expenses increase minimally. In addition, MSD administrative and personnel expenditures may increase.

**Local Effect:** None.

**Small Business Effect:** None.

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**Analysis**

**Bill Summary:** “Faculty at the Maryland School for the Deaf” is defined as an employee who has been granted a specified status by the Board of Trustees of MSD including, after-school program counselors, American Sign Language specialists, teachers, and teacher aides. It does not include officers or supervisory employees at MSD.

## **Current Law:**

MSD is a State-run public school that educates deaf and hard of hearing children from across the State at its campuses in Frederick and Columbia. Students range in age from prekindergarten through grade 12. MSD also serves families with infants who are deaf or hard of hearing through an early intervention program.

Employees and teachers at MSD do not have collective bargaining rights. Chapter 538 of 2019 established that teachers who are employed by MSD are in the professional service in the State Personnel Management System.

### *Pay Plan for Teachers and Professionals*

The Secretary of the Department of Budget and Management (DBM) must establish, as specified, a uniform pay plan for teachers and other professional personnel at the campuses of MSD. In determining recommendation for the pay plan, the Board of Trustees of MSD, in consultation with the faculty and staff, must review the salaries of public school teachers and other professional personnel in Frederick and Howard counties. The salaries recommended must be adequate to recruit and retain qualified teachers and professional personnel. Every three years DBM must adjust the pay plan, if necessary, to ensure that salaries in the pay plan are adequate to recruit and retain qualified educators and other personnel. Annually, the Board of Trustees of MSD must review the salaries of public school teachers and other professional personnel in Frederick and Howard counties, the Secretary of DBM must review these recommendations prior to the board making adjustments. The Secretary of DBM must incorporate these adjustments into the budget recommendations for the Governor's review and approval for inclusion in the annual budget request.

### *Maryland School for the Deaf Funding*

MSD is formula funded. MSD must receive an appropriation that is equal to or greater than the sum of two formulas. One formula is based on the prior year appropriation and weighted enrollment growth. The other formula is based on the growth in the target per pupil foundation amount for all public schools and weighted enrollment growth. However, the minimum appropriation may be reduced to the extent reductions are made to the administrative expenses of MSD.

### *State Labor Relations Board*

SLRB is responsible for enforcing collective bargaining law with respect to certain State employees.

## **State Fiscal Effect:**

### *State Labor Relations Board*

SLRB reimbursable revenues and expenditures increase minimally to conduct elections and process any cases brought before SLRB. Based on fiscal 2022 Governor’s budget book information, there are approximately 145 MSD teachers; it is assumed that the majority will qualify to collectively bargain. *For illustrative purposes*, if election costs (e.g., postage) are \$3 per individual, revenues and expenditures increase by an estimated \$435 per election (for all eligible employees at MSD).

### *State Aid for Maryland School for the Deaf and Potential Retirement Costs*

Since the State funds MSD based on a funding formula tied to weighted enrollment growth, an increase in personnel costs does not affect MSD formula aid. As a State institution, MSD retirement costs are paid with State funds.

### *Maryland School for the Deaf*

According to the Governor’s fiscal 2022 budget documents, MSD has 145 faculty positions and 45 teacher aides. It is unknown how many individuals will be classified as “teachers” under the bill.

Salary and salary-driven fringe benefit costs, including retirement, may increase due to collective bargaining. Although actual increases cannot be reliably estimated, increases of 1% to 3% are probable. Unless DBM includes any negotiated salary increases in its budget recommendations to the Governor as part of the teacher pay plan, MSD would have to fund any such additional salary costs within its formula funding. Although the bill affects State expenditures for retirement, any such impact is not material.

In fiscal 2022 salaries for *all* MSD employees (including those not eligible for collective bargaining under the bill) are estimated to be \$31.5 million. *For illustrative purposes*, if these costs were to increase by 1% in fiscal 2023 (in addition to a 2% annual projected salary increase), MSD would spend an additional \$315,000 in fiscal 2023 for salaries. State retirement costs would also increase by an immaterial amount beginning in fiscal 2025.

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## **Additional Information**

**Prior Introductions:** None.

**Designated Cross File:** HB 837 (Delegate Carr) - Appropriations.

**Information Source(s):** Department of Budget and Management; State Labor Relations Board; Department of Legislative Services

**Fiscal Note History:** First Reader - February 9, 2021  
rh/rhh Third Reader - March 29, 2021  
Revised - Amendment(s) - March 29, 2021  
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