

Department of Legislative Services  
Maryland General Assembly  
2023 Session

FISCAL AND POLICY NOTE  
First Reader

House Bill 85

(Delegate J. Lewis)

Ways and Means

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Education - Collective Bargaining - Certificated Employees - Class Size

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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, 2023.**

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Fiscal Summary

**State Effect:** To the extent additional teachers must be hired as a result of agreements on class size reductions reached during the 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 not 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 compensation 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. Potential increases in the frequency of mediation and arbitration may increase expenditures by local school systems, which are responsible for half of those costs. Revenues are not affected.

**Small Business Effect:** None.

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## 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 (1) salaries, wages, hours, and other working conditions, including procedures regarding employee transfers and assignments; (2) the structure, time, and manner of the access of the exclusive representative to a public school employer's new employee processing; and (3) a career ladder for educators. 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 matters that are mutually agreed to by the local board and the employee organization. A matter that has not been mutually agreed to as a subject of negotiation may not be raised in any action taken to resolve an impasse.

### *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.

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. However, this does not have a fiscal impact on the board.

**Local Expenditures:** Under the bill, 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, reducing the maximum class size could also affect 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, expenditures on additional teachers due to negotiating a maximum class size would likely be redirected from expenditures on other local school system needs, 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.

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### **Additional Information**

**Prior Introductions:** Similar legislation has been introduced within the last three years. See HB 890 and SB 962 of 2022 and HB 1074 of 2020.

**Designated Cross File:** SB 206 (Senator Beidle) - Finance.

**Information Source(s):** Public School Labor Relations Board; Maryland State Department of Education; Anne Arundel County Public Schools; Frederick County Public Schools; Department of Legislative Services

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