

AFSCME Maryland Council 3

Maryland General Assembly Post-2025 Session Report

April 2025

I. Background

The 447th Session of the Maryland General Assembly opened under significantly challenging circumstances due to a structural budget deficit, a struggling state economy, and change in federal administration that signaled a dramatic transformation in policy from the federal government.

Entering the 2025 session, lawmakers and the Governor were facing the worst budget deficit in 20 years. Even before evaluating and passing the 2026 fiscal year budget, lawmakers and the administration had to address a \$300 million budget shortfall in the FY2025 budget. In total, our state was facing an approximately \$3 billion budget shortfall at the outset of the 2025 session.

General Fund: End-of-year Balances Fiscal 2024-2026 (\$ in Millions)

	2024 <u>Actual</u>	2025 Working	2026 Baseline
Total Funds Available	\$28,307	\$26,629	\$25,443
Total Spending	27,247	26,928	28,189
Cash Balance	\$1,060	-\$299	-\$2,746
Structural Balance (Ongoing Revenues Less Ongoing Spending) Ratio (Ongoing Revenues/Ongoing Operating Costs)	\$220 100.9%	- \$1,007 96.1%	- \$2,291 91.7%
Reserve Fund Activity Appropriations to Rainy Day Fund Transfers to General Fund	\$1,061 479	\$0 355	\$419 77
Estimated Rainy Day Fund Balance – June 30	\$2,411	\$2,134	\$2,528
Rainy Day Fund Balance in Excess of 5%	\$1,168	\$885	\$1,264

At the same time, the incoming Trump Administration was already threatening to fire or layoff a substantial amount of the federal workforce. Maryland's economy is, relative to other states, heavily impacted by the federal government including the number of Maryland residents that earn their income as federal workers, the number of federal worksites and operations within Maryland, and a large number of contractors that engage in business with the federal government. Approximately 160,000 federal civilian jobs are located in Maryland amounting to 11% of total wages in Maryland. Federal contract spending accounted for approximately 10% of Maryland private sector gross state product in federal fiscal year 2023. Maryland's state budget is supported with nearly \$20 billion in federal funding. In short, the federal government plays an immense role in our state budget and economy.

II. Important Budget & Policy Wins

Despite the historic structural budget deficit that needed to be addressed this session, AFSCME members came out on top in the FY26 operating budget. Due to the passionate advocacy of our members who showed up to budget hearings, wrote legislators, and came down in force every Monday night during lobby nights, our state employees' negotiated wage increases were protected in the FY26 budget. This was not a given by any means. Our members' negotiated wage increases totaled approximately \$200 million. The Department of Legislative Services proposed cutting our members' negotiated wage increases as a means to close the budget deficit. However, the General Assembly rejected the proposed cuts to our members' wage increases after our members showed up in force and demanded the General Assembly honor our negotiated salary increases.

Overall, the FY26 operating budget passed by the General Assembly totals \$67 billion. The \$67 billion total represents general funds, special funds, federal funds, and higher education funds. Ultimately, the General Assembly solved the \$3 billion structural budget deficit through approximately \$2 billion in spending cuts and by raising \$1.6 billion in revenue. General funds decreased by \$400 million, while federal funds decreased by almost \$980 million in the FY26 budget.

AFSCME 3 members also lobbied and wrote impactful testimony to push the General Assembly to raise revenue by reforming our tax code to ensure the wealthy pay their fair share in state income taxes and modernizing elements of our sales tax system. Under the revenue reform package, individuals earning more than 500,000 and 1,000,000 will see a slight increase in their state personal income tax rate rising to 6.25% and 6.50%, respectively. A 2% surcharge on capital gains for filers with income in excess of \$350,000 was also enacted. A new sales tax on data/IT services is expected to generate approximately \$500 million in new revenue, while an increase in the sports wagering tax and cannabis tax will raise approximately \$70 million. We also supported several measures that passed and give local jurisdictions more flexibility with their taxing authority. AFSCME Council 3 will continue to advocate for revenue reform over draconian budget cuts that hurt our members and diminish our public services that communities rely on.

In addition to protecting our members' negotiated wage increases, state employees will not be facing layoffs due to budget cuts in the FY26 budget. The budget as enacted does abolish approximately 360 positions in state government, however, these positions are either vacant or newly created positions that were not filled with people. In addition to our key budget victories, AFSCME members also accomplished a meaningful reform of our state's occupational safety and health law for public employees.

<u>SB26/HB176 - The Davis Martinez Public Employee Safety and Health Act</u> (Sponsors: Senator Ben Kramer / Delegate Jared Solomon) (Passed)

In 2024, AFSCME Council 3 lost three of our union brothers to deaths on the job. Agent Davis Martinez served as a Parole and Probation Agent with the Department of Public Safety and Correctional Services. Agent Martinez was murdered while conducting a home visit on a parolee in May 2024. Mr. Ronald Silver II worked in sanitation with the Baltimore City Department of Public Works. Mr. Silver lost his life due to heat stress on the job in August of 2024. Finally, Mr. Timothy Cartwell also worked in sanitation with the Baltimore City Department of Public Works and lost his life in November 2024 when he was pinned between a utility pole and a sanitation truck.

In response to these tragedies, our union advocated for passage of the Davis Martinez Public Employee Safety and Health Act. As enacted, this legislation: i) establishes a Public Employee Safety and Health Unit within the Maryland Occupational Safety and Health administration (MOSH); ii) subjects our public employers to penalties for violations of the Maryland Occupational Safety and Health Act, and iii) requires MOSH to promulgate a workplace violence prevention standard for the public sector on or before October 1, 2026. Maryland will be the third state in the country with a workplace violence prevention standard that covers all public employees when this regulation takes effect.

Finally, the legislation was amended to require the Correctional Training Commission to adopt regulations for the training, issuance, and use of a body-worn camera by a correctional officer. Each correctional unit must develop and maintain a written policy consistent with the regulations adopted by the Commission.

III. Other Legislative Priorities Make Progress and Work Continues

<u>HB159/SB288 - Arbitration Reform for State Employees Act of 2025 (Sponsors: Senator Cory McCray / Delegate Jazz Lewis)</u>

This legislation establishes binding interest arbitration as a mechanism to resolve impasse disputes in collective bargaining between state employees and management. Additionally, the legislation creates specified timelines when negotiations must occur. For future negotiations, bargaining will occur between July 1 and September 30. After October 1, either party, labor or management, may declare an impasse and proceed with binding interest arbitration. Within 30 calendar days after a declared impasse, the arbitrator must hold a hearing to resolve the impasse dispute, and the hearing must conclude within 45 calendar days after the date of impasse. On or before December 15, the arbitrator must issue a final written award that is binding on the parties. In addition to the establishment of binding interest arbitration, the legislation also expands the mandatory subjects of bargaining to include fringe benefits and health benefits.

The legislation also requires a constitutional amendment, which must be approved by Maryland voters in the next election, that would require the Governor to include in the annual budget the appropriations necessary to implement all terms and conditions of employment in each agreement concluded with the state, whether reached through mutual agreement or arbitration.

This session, for the first time the bill passed the House of Delegates and received a crossover bill hearing in the Senate. While this bill did not pass this session, AFSCME will continue to fight for this legislation next session.

SB976/HB1509 - Collective Bargaining — Local Government Employees and Public Employee Relations Act (Sponsors: Senator Clarence Lam / Delegate Kevin Harris)
Unfortunately, many counties and municipalities across the state still have no laws that enable their workers to elect a union of their own choosing and collectively bargain. Additionally, in counties and municipalities that do enable collective bargaining, laws that establish rights, duties, and systems for public sector labor

relations vary depending on the jurisdiction.

This legislation establishes collective bargaining rights for county and municipal employees across Maryland who currently do not have the freedom to collectively bargain. Additionally, the legislation establishes a minimum framework of public sector labor relations for counties and municipalities, based on the Public Employee Relations Act, but provides local governments the option to opt-out of this framework, if they have or establish a comparable public sector labor relations framework and their system is approved by the Public Employee Relations Board.

This session was the first time our union introduced this legislation. Our union worked with our siblings across the labor movement to build support for this legislation and we generated strong interest among legislators through our bill hearings. We will re-introduce this legislation next session and continue to fight for collective bargaining rights for public employees in our counties and municipalities.

ESP Bill of Rights Campaign: <u>SB892/HB1369</u> - Education — Minimum Wage for Education Support Professionals (Sponsors: Senator Craig Zucker / Delegate Greg Wims) / <u>SB712/HB923</u> - State Board of Education — Membership — Educational Support and Administrator Members (Sponsors: Senator Benjamin Brooks / Delegate Eric Ebersole

In 2020, the Maryland General Assembly passed a decade-long education reform plan called the Blueprint for Maryland's Future. Among other things, this legislation established a mandated minimum starting salary for teachers, however, no similar provision was established for school support staff, a.k.a. education support professionals. School support staff including workers in transportation services, custodial and maintenance services, skilled trades, security services, food services, student health services, clerical services, and one-on-one student aides, provide

critical services to public school students, yet their compensation doesn't reflect the value they provide to our state's public education system.

This legislation would have required all school support staff to be paid a minimum hourly wage of \$25 per hour. Unfortunately, given the current fiscal climate in our state, this legislation did not move forward; however, there is widespread and broad recognition among legislators that school support staff should be paid more. AFSCME worked with other labor unions on budget language that will require the Maryland State Department of Education to study this issue further, so that we can use the results of the study in future organizing, bargaining, and legislative advocacy.

SB712/HB923 would have required a position on the Maryland State Board of Education to be reserved for an education support professional and an administrator. Currently, the Maryland State Board of Education has a designated seat for teachers, and this legislation sought the same for an education support professional. Unfortunately, the Maryland State Board of Education strongly opposed this bill. Additionally, there was another bill this session to add additional seats on the State Board of Education for other stakeholders. The legislature chose not to act on these bills.

IV. Notable Legislation

a. Bills AFSCME supported or monitored with testimony

<u>HB1503</u> – State Personnel – Paid Family and Medical Leave (Support - Passed)

The bill implements paid family and medical leave benefits for state employees as a result of our union's collective bargaining negotiations with the state. The bill requires the Secretary of Budget and Management to adopt regulations governing PFML benefits, including conditions and procedures for requesting and approving leave. Beginning July 1, 2026, employees may submit requests to their appointing authority for PFML benefits. It also authorizes the Board of Regents of the University System of Maryland to adopt a similar paid family leave program for their state employees.

<u>SB197/HB123</u> - Maryland Correctional Training Commission – Membership (Support – Passed)

SB197/HB123 expands the membership of the Correctional Training Commission to include the Director of Parole and Probation and an employee from the Division of Parole and Probation recommended by our union. The Correctional Training Commission conducts a variety of functions including issuing certificates to correctional officers for the successful completion of training programs and developing courses of study for correctional officers.

<u>HB424/SB357</u> - Prescription Drug Affordability Board – Authority for Upper Payments Limits (Lowering Prescription Drug Costs for Marylanders Now Act) (Support – Passed)

Among other things, this bill requires the Prescription Drug Affordability Board (PDAB) to determine whether it is in the best interest of the state to set upper payment limits for purchases and payor reimbursements of prescription drug products in the state that have or will create affordability challenges. The purpose of this legislation is to make prescription drugs more affordable for patients.

<u>HB584/SB457</u> - State Retirement and Pension System – Transfers Between Systems – Workgroup (Support – Passed)

This legislation requires the State Retirement Agency to convene a workgroup to investigate and examine the requirements and processes that currently exist for transfers of members service between State and local retirement and pension systems and make recommendations to improve the process of transfers. Our union will have a dedicated seat on this workgroup. The workgroup must report its recommendations to the Governor and General Assembly by December 1, 2025.

<u>HB647/SB702</u> - Correctional Services – Restrictive Housing (Informational – Did not pass)

As introduced, this bill proposed the following changes to our state correctional facilities: (i) limiting the amount of time an individual may be placed in restrictive housing; (ii) requiring all restrictive housing units to create the least restrictive environment necessary for the safety of all incarcerated individuals and staff and for the security of the facility; and (iii) prohibits the placement of a "member of a vulnerable population" in restrictive housing for any period of time. AFSCME offered informational testimony on this bill to inform our legislators on the current state of staffing in our correctional facilities and how our staffing shortages would impact the implementation of this legislation.

<u>HB1029/SB768</u> - Correctional Officers' Retirement System - Membership - Clarifications (Support - Passed)

The bill makes certain individuals members of the Correctional Officers' Retirement System (CORS). The eligible individuals work in the following job classifications: CAMH associate supervisor — CI; Developmental disability associate assistant manager — CI; Development disability associate manager — CI; and Development disability associate supervisor — CI at the following specified Maryland Department of Health facilities: i) Eastern Shore Hospital Center; ii) Thomas B. Finan Center; iii) Potomac Center/Secure Evaluation and Therapeutic Treatment Program; iv) Spring Grove Hospital Center; v) Springfield Hospital Center; vi) Regional Institute for Children and Adolescents-Baltimore; and vii) John L. Gildner Regional Institute for Children and Adolescents. The bill also requires the State Retirement and Pension System to transfer service credit earned by eligible employees in the Employees' Retirement System or the Employees' Pension System to CORS.

<u>HB1080/SB652</u> - Local Government – Local Personnel – Leave with Pay (Support – Passed)

The bill enables local governments to authorize disaster leave with pay for eligible employees. Eligible employees include: i) certified disaster service volunteers with the American Red Cross; ii) members of the Civil Air Patrol; iii) members of the U.S. Coast Guard Auxiliary; iv) members of the Maryland Voluntary Organizations Active in Disaster; v) volunteers with fire and rescue squads; and vi) a member of a community emergency response team. Employees may use up to 30 days of disaster service leave with pay in any 12-month period, contingent upon approval from their employer.

<u>HB226</u> – Anne Arundel County – Public Schools – School Schedule Options (Passed) This legislation authorizes the Anne Arundel County Board of Education to operate the local school system using a scheduling model that ends the use of early dismissal days, to allow for less than 180 school days, if the minimal hours of attendance required by state regulations is met. However, the Board must offer hourly school employees an opportunity to make up the lost wages through other duties before the beginning of the next school year.

<u>HB795</u> – Federal Public Service Loan Forgiveness Program – Employee Certification and Awareness Materials (Support – Passed)

This legislation requires the Student Loan Ombudsman to create and distribute information about the PSLF program for public service employers in Maryland. This helps raise awareness and ensure that employers are equipped to guide their employees through the forgiveness process. Additionally, the bill allows public service employers to annually certify their employees' employment directly with the Department of Education and requires them to proactively provide clarification forms to employees who have previously requested them.

<u>HB1144</u> – State Public Transit Service and Stations – Exclusion for Assault and Bodily Injury

AFSCME was proud to support our union siblings at the Amalgamated Transit Union (ATU) with this legislation. The bill as amended requires the Maryland Transit Administration to convene a workgroup to create a rider code of conduct and implement a comprehensive internal safety program to strengthen protections for MTA operators and passengers. The purpose of this legislation is to create a safer transportation system, free from violence, for operators and passengers. AFSCME Local 1859 President Jimi Smith gave great testimony on behalf of our Mass Transit Administration Police members in support of the bill.

<u>SB48</u> – Department of General Services – Identification Cards – Veteran Status Notation (Support – Passed)

The bill authorizes the Department of General Services (DGS) to include veteran status on DGS-issued identification cards. Generally, DGS-issued ID cards are for state employees. The bill also provides an option for veterans applying for a DGS-issued ID card to be contacted by the Department of Veteran and Military Families. The cross-coordination created by this bill may enable more veterans to receive assistance in accessing state and federal benefits they've earned.

SB431 – Registered Apprenticeship Investments for a Stronger Economy (RAISE) Act This Administration bill establishes the Maryland Office of Registered Apprenticeship within the Maryland Apprenticeship and Training Program of the Maryland Department of Labor. Importantly, the bill also establishes a one-to-one ratio of journeyworkers to apprentices and requires the Maryland Apprenticeship and Training Council to review and recommend deviations of the ratio.

b. Bills AFSCME opposed

SB270 – Board of Trustees of the Maryland Teachers and State Employees Supplemental Retirement Plans – Automatic Enrollment (Opposed – Did not pass) Our union worked with our siblings at the MD/DC AFL-CIO and the Maryland State Education Association (MSEA) to oppose this legislation that aimed to automatically enroll new state hires into 401k-type supplemental retirement plans. Such legislation is often viewed as the initial step toward eroding pensions, which offer a fixed, guaranteed income during retirement unlike supplemental plans susceptible to market fluctuations. Additionally, state employees would have lacked dedicated seats on the board that oversees the supplemental plan, in contrast to the pension board, which includes seats reserved for both active and retired state employees. While saving for retirement is crucial, state employees already contribute up to 7% of their income to the state pension plan and have the option to voluntarily join a supplemental retirement plan if desired.

<u>SB727/HB1359</u> - Charles County – Student Bus Transportation Providers – Provider Displacement (Opposed – Did not pass)

SB727/HB1359, if passed, would have established a new precedent for protecting private contractors over the interests of public services and communities. As introduced, this legislation would have required the Charles County Board of Education to provide at least 10 years notice and hold a public hearing at least 5 years before taking any action that results in the termination of a contract for a private bus operator providing student transportation services. Currently, there is no comparable law in the state of Maryland for private bus contractors, and thankfully, this legislation did not pass.

V. Lobby Nights & Member Testimony

AFSCME members from across the state traveled to Annapolis throughout the session to advocate for our union's priorities and to protect state employees and state services from draconian cuts. Due to the passionate and dedicated advocacy of our members we passed important legislation, protected key investments in our state workforce and public services, and laid the groundwork for future advocacy efforts.

A special thank you and shout out to AFSCME members who attended three or more lobby nights this session!

Charles Lindenberg

AFSCME Council 3 Secretary Treasurer, Cherrish Vick

Christine Duffy

Dale Chase

Ikeia Cornish

John Feeley

Joseph Ponce

Oluwadamilola Olaniyan

Patrick Okafor

Sarah Johnson

Shernae Parker

Tashawna Dove

Todd Holden

Andrew Swetz

Bryan Goodman

Cheryl Smith

Crystal Mckay

Debra Latson

Monique Heckman

Warren Pointer

Warren Roberts

William Chenowith

Madeline Rivard

Phyllis Coleman

We would also like to thank all our members who testified in budget hearings, legislative priorities, and key legislation:

- DPSCS Parole and Probation: Rayneika Robinson
- MDH Administration: Jenny Reese
- Baltimore City Community College: Nena Kutniewski
- DPSCS Corrections: Oluwadamilola Olaniyan & Tony Sines
- MDOT Aviation Administration: Bryan Goodman

- DPSCS Community Supervision: David McDonald
- USM Overview: <u>Krista Bulley</u> & <u>Dionne Williams</u>
- DJS: Denise Henderson Johnson
- MSDE: <u>Jamesa Fosset Williams</u>
- Montgomery College: Lori Ulrich
- Department of Veterans and Military Families: <u>Rodney Dickerson</u>
- DPSCS Division of Pretrial Detention and Services: Zjinaiya Francis
- DHS Social Services: <u>Mary Townes</u>
- DHS Family Investment: Shernae Parker
- DPSCS Division of Pretrial Detention & Services: <u>LaQuan Alston</u>
- DPSCS Administration: Oluwaseun Dada
- Maryland Department of Labor: Adam Stoddard
- University of Maryland College Park: <u>Todd Holden</u>
- DHS Child Support: <u>Stanton Owens</u>
- · Office of the Public Defender: Stephen Musselman
- DBM <u>Personnel Hearings</u>: President Moran, AFSCME Local Union 1678 President Oluwadamilola Olaniyan, AFSCME Local Union President 3661 Rayneika Robinson, AFSCME Local Union 539 President Jenny Reese, AFSCME Local Union 1772 President John Feeley, AFSCME Local Union 1803 Recording Secretary Tonya Woolford, AFSCME Local 112 member Shernae Parker
- HB159/SB288 AFSCME Council 3 President Patrick Moran, AFSCME Council 3 Secretary Treasurer Cherrish Vick
- HB176/SB26 AFSCME Council 3 President Patrick Moran, AFSCME Local Union 3661 President Rayneika Robinson, AFSCME Local Union 44 President Dorothy Bryant, and AFSCME Council 3 Regional Vice President Bill Chenowith.
- HB1369/SB892 AFSCME Local Union 1693 President Delonya Akindoyo
- SB712/HB923 AFSCME Local Union 434 Vice President John Clark
- HB1144 AFSCME Local Union 1859 President Jimi Smith
- HB106 AFSCME Local Union 631 President Wynton Johnson and AFSCME member Juan Carter

VI. Interim Work will Inform Future Work

AFSCME Council 3 will now turn our focus onto county and school board budget hearings to fight for our members' interests across the state and ensure our local governments prioritize public investments in their communities.

Our success in the 2025 General Assembly session is only made possible through advance work done with our members during the legislative interim. Please be on the lookout for how you and your local can be engaged with your union on legislative and

political advocacy during the interim. Through our preparation and work, we build our capacity and strength to fight for our priorities in future sessions.

In solidarity, AFSCME Council 3