

HOUSE BILL 159

P4
HB 114/24 – APP

CONSTITUTIONAL AMENDMENT
(PRE-FILED)

5lr0791
CF SB 288

By: **Delegate J. Lewis**

Requested: September 10, 2024

Introduced and read first time: January 8, 2025

Assigned to: Appropriations

Committee Report: Favorable with amendments

House action: Adopted

Read second time: February 27, 2025

CHAPTER _____

1 AN ACT concerning

2 **Arbitration Reform for State Employees Act of 2025**

3 FOR the purpose of altering the collective bargaining process for certain State employees,
4 including by requiring the selection of a neutral arbitrator to oversee all aspects of
5 collective bargaining, establishing a process of arbitration in the event of impasse,
6 and providing that certain decisions of a neutral arbitrator are advisory; altering the
7 matters that are required to be included in collective bargaining; requiring that each
8 budget bill contain the appropriations necessary to implement all terms and
9 conditions of employment in certain memoranda of understanding for the next
10 ensuing fiscal year; and generally relating to collective bargaining for State
11 employees.

12 BY repealing and reenacting, with amendments,
13 Article – State Finance and Procurement
14 Section 7–108
15 Annotated Code of Maryland
16 (2021 Replacement Volume and 2024 Supplement)

17 BY repealing and reenacting, with amendments,
18 Article – State Personnel and Pensions
19 Section 3–103, 3–501, 3–502, and 3–603
20 Annotated Code of Maryland
21 (2024 Replacement Volume and 2024 Supplement)

EXPLANATION: CAPITALS INDICATE MATTER ADDED TO EXISTING LAW.

[Brackets] indicate matter deleted from existing law.

Underlining indicates amendments to bill.

~~Strike out~~ indicates matter stricken from the bill by amendment or deleted from the law by amendment.



1 BY adding to
2 Article – State Personnel and Pensions
3 Section 3–503
4 Annotated Code of Maryland
5 (2024 Replacement Volume and 2024 Supplement)

6 BY proposing an amendment to the Maryland Constitution
7 Article III – Legislative Department
8 Section 52

9 SECTION 1. BE IT ENACTED BY THE GENERAL ASSEMBLY OF MARYLAND,
10 That the Laws of Maryland read as follows:

11 **Article – State Finance and Procurement**

12 7–108.

13 (a) In accordance with the Maryland Constitution and other law, the Governor
14 shall include in each budget bill:

15 (1) an appropriation to pay the principal of and interest on the State debt;

16 (2) without revision, the appropriations requested for public schools, as
17 certified by the State Superintendent of Schools;

18 (3) without revision, the appropriations requested for the Legislative
19 Branch of the State government, as certified by the presiding officers of the General
20 Assembly;

21 (4) without revision, the appropriations requested for the Judicial Branch
22 of the State government, as certified by the Chief Justice of the Supreme Court of Maryland;

23 (5) the appropriations requested by the Governor for the Executive Branch
24 of the State government;

25 (6) the appropriations required by law to be included with the
26 appropriations for the Executive Branch;

27 (7) appropriations for the salaries required by law to be paid by the State;
28 and

29 (8) any other appropriations required by the Maryland Constitution or
30 other law to be included in the budget bill.

31 (b) The Governor shall use the current salary plan of the Secretary of Budget and
32 Management as the basis for the appropriations to pay those salaries to which the plan
33 applies.

1 (C) IN ADDITION TO THE APPROPRIATIONS REQUIRED UNDER SUBSECTION
 2 (A) OF THIS SECTION, THE GOVERNOR SHALL INCLUDE IN EACH ANNUAL BUDGET
 3 BILL THE APPROPRIATIONS NECESSARY TO IMPLEMENT AND FUND ALL TERMS
 4 WITHIN EACH MEMORANDUM OF UNDERSTANDING BETWEEN:

5 (1) THE STATE AND EACH EXCLUSIVE REPRESENTATIVE OF ITS
 6 EMPLOYEES; AND

7 ~~(2) STATE INSTITUTIONS OF HIGHER EDUCATION, INCLUDING THE~~
 8 ~~UNIVERSITY SYSTEM OF MARYLAND, AND EACH EXCLUSIVE REPRESENTATIVE OF~~
 9 ~~THEIR EMPLOYEES; AND~~

10 ~~(3)~~ THE MARYLAND ENVIRONMENTAL SERVICE AND EACH
 11 EXCLUSIVE REPRESENTATIVE OF ITS EMPLOYEES.

12 Article – State Personnel and Pensions

13 3–103.

14 This title and any agreement under this title do not limit or otherwise interfere with
 15 the powers of the Governor or the Maryland General Assembly [under] **EXCEPT TO**
 16 **OPERATE IN ACCORDANCE WITH AND HAVE THE EFFECT REQUIRED BY** Article III, §
 17 52 of the Maryland Constitution.

18 3–501.

19 (a) (1) The following individuals or entities shall designate one or more
 20 representatives to participate as a party in collective bargaining on behalf of the State or
 21 the following institutions:

22 (i) on behalf of the State, the Governor;

23 (ii) on behalf of the Maryland Environmental Service, the Board of
 24 Directors of the Service;

25 (iii) on behalf of the University System of Maryland, the Chancellor;
 26 and

27 (iv) on behalf of Morgan State University, St. Mary's College of
 28 Maryland, or Baltimore City Community College, the governing board of the institution.

29 (2) The exclusive representative shall designate one or more
 30 representatives to participate as a party in collective bargaining on behalf of the exclusive
 31 representative.

1 (b) (1) [The] SUBJECT TO PARAGRAPH (2) OF THIS SUBSECTION, THE
 2 parties shall meet at reasonable times [and] BETWEEN JULY 1 AND SEPTEMBER 30 TO
 3 engage in collective bargaining in good faith[, including facilitating the meaningful use of
 4 a fact finder under subsection (c)(3) of this section,] and to conclude a written memorandum
 5 of understanding or other written understanding as defined under § 3-101(d)(1)(i)2 of this
 6 title.

7 (2) (I) THIS PARAGRAPH DOES NOT APPLY TO A BARGAINING UNIT
 8 IN A STATE INSTITUTION OF HIGHER EDUCATION, INCLUDING THE UNIVERSITY
 9 SYSTEM OF MARYLAND.

10 (II) 1. FOR EACH BARGAINING UNIT, WHENEVER A
 11 MEMORANDUM OF UNDERSTANDING IS TO BE NEGOTIATED, REOPENED, OR
 12 AMENDED, EITHER PARTY MAY REQUEST A NEUTRAL ARBITRATOR FOR THE
 13 NEGOTIATIONS ON OR AFTER JULY 1.

14 2. IF NEGOTIATIONS HAVE NOT CONCLUDED BY
 15 SEPTEMBER 1, THE PARTIES SHALL SELECT A NEUTRAL ARBITRATOR ON OR BEFORE
 16 SEPTEMBER 15.

17 ~~(III)~~ (III) THE ARBITRATOR SHALL BE SELECTED FROM A LIST
 18 OF 15 ARBITRATORS PROVIDED BY THE AMERICAN ARBITRATION ASSOCIATION'S
 19 LABOR ARBITRATION PANEL.

20 ~~(IV)~~ (IV) THE LIST SHALL CONSIST OF QUALIFIED,
 21 NATIONWIDE ARBITRATORS WHO ARE MEMBERS OF THE NATIONAL ACADEMY OF
 22 ARBITRATION.

23 ~~(V)~~ (V) THE PARTIES SHALL SELECT THE ARBITRATOR BY
 24 ALTERNATELY STRIKING NAMES FROM THE LIST UNTIL ONE NAME REMAINS.

25 ~~(VI)~~ (VI) THE SELECTED ARBITRATOR MUST BE ABLE AND
 26 AVAILABLE TO PERFORM THE DUTIES AND TO HOLD HEARINGS, BOTH IN PERSON
 27 AND THROUGH REMOTE COMMUNICATION, CONSISTENT WITH THIS TITLE.

28 ~~(VII)~~ (VII) THE ARBITRATOR SHALL HAVE THE POWERS AND
 29 RESPONSIBILITIES UNDER § 3-503 OF THIS SUBTITLE.

30 ~~(VIII)~~ (VIII) THE SELECTED ARBITRATOR SHALL ACCEPT THE
 31 APPOINTMENT BY THE EARLIER OF SEPTEMBER 30 OR 15 DAYS AFTER THE DAY A
 32 PARTY REQUESTS AN ARBITRATOR BE SELECTED, OR THE PARTIES MAY AGREE TO
 33 MAKE AN ALTERNATIVE APPOINTMENT FROM:

1 1. THE LIST ORIGINALLY PROVIDED BY THE AMERICAN
2 ARBITRATION ASSOCIATION; OR

3 2. A LIST OF NATIONWIDE ARBITRATORS PROVIDED BY
4 THE FEDERAL MEDIATION AND CONCILIATION SERVICE.

5 (3) THE PARTIES SHALL MAKE A REASONABLE EFFORT TO BEGIN
6 NEGOTIATIONS ON OR NEAR JULY 1, INCLUDING THE EXCHANGE OF INFORMATION
7 NECESSARY TO RESPONSIBLY CONDUCT AND CONCLUDE NEGOTIATIONS BY
8 SEPTEMBER 30.

9 (c) ~~¶(1) The parties shall make every reasonable effort to conclude negotiations~~
10 ~~in a timely manner for inclusion by the principal unit in its budget request to the Governor.~~

11 ~~(2) (i) The parties shall conclude negotiations before January 1 for any~~
12 ~~item requiring an appropriation of funds for the fiscal year that begins on the following~~
13 ~~July 1.~~

14 ~~(ii) In the budget bill submitted to the General Assembly, the~~
15 ~~Governor shall include any amounts in the budgets of the principal units required to~~
16 ~~accommodate any additional cost resulting from the negotiations, including the actuarial~~
17 ~~impact of any legislative changes to any of the State pension or retirement systems that~~
18 ~~are required, as a result of the negotiations, for the fiscal year beginning the following July~~
19 ~~1 if the legislative changes have been negotiated to become effective in that fiscal year.~~
20 **THIS SUBSECTION APPLIES ONLY WITH RESPECT TO A STATE INSTITUTION OF**
21 **HIGHER EDUCATION, INCLUDING THE UNIVERSITY SYSTEM OF MARYLAND.**

22 ~~(3) (2) (i)~~ If the parties do not conclude negotiations for the next
23 fiscal year before October 25, either party may request that a fact finder be employed to
24 resolve the issues.

25 ~~(ii) (3)~~ The fact finder shall be employed no later than November 1.

26 ~~(iii) (4)~~ A fact finder shall be a neutral party appointed by alternate
27 striking from a list by the parties provided:

28 ~~1. (I)~~ by the Federal Mediation and Conciliation Service; or

29 ~~2. (II)~~ under the Labor Arbitration Rules of the American Arbitration
30 Association.

31 ~~(iv) (5)~~ The fact finder:

32 ~~1. (I)~~ may give notice and hold hearings in accordance with the
33 Administrative Procedure Act;

1 ~~2.~~ **(II)** may administer oaths and take testimony and other evidence;

2 ~~3.~~ **(III)** may issue subpoenas; and

3 ~~4.~~ **(IV)** before November 20, shall make written recommendations
4 regarding wages, hours, and working conditions, and any other terms or conditions of
5 employment that may be in dispute.

6 ~~5.~~ **(6)** The written recommendations of the fact finder shall be delivered
7 to the Governor, the exclusive representative, the President of the Senate, and the Speaker
8 of the House of Delegates by the Secretary on or before December 1.

9 ~~(d)~~ (1) A memorandum of understanding [that incorporates all matters of
10 agreement reached by the parties] **REACHED BY MUTUAL AGREEMENT** shall be executed
11 by the exclusive representative and:

12 (i) for a memorandum of understanding relating to the State, the
13 Governor or the Governor's designee;

14 (ii) for a memorandum of understanding relating to the Maryland
15 Environmental Service, the Board of Directors of the Service;

16 (iii) for a memorandum of understanding relating to a system
17 institution, the Chancellor or the Chancellor's designee; and

18 (iv) for a memorandum of understanding relating to Morgan State
19 University, St. Mary's College of Maryland, or Baltimore City Community College, the
20 governing board of the institution or the governing board's designee.

21 (2) **(I) THIS PARAGRAPH DOES NOT APPLY TO MATTERS**
22 **INVOLVING A STATE INSTITUTION OF HIGHER EDUCATION.**

23 **(II)** To the extent [these] matters **INCORPORATED IN A**
24 **MEMORANDUM OF UNDERSTANDING** require legislative approval or the appropriation of
25 funds, the matters shall be [recommended] **REFERRED** to the General Assembly for
26 approval or for the appropriation of funds **AS REQUIRED UNDER ARTICLE III, § 52 OF**
27 **THE MARYLAND CONSTITUTION.**

28 (3) To the extent matters involving a State institution of higher education
29 require legislative approval, the legislation shall be [recommended] **REFERRED** to the
30 Governor [for submission to] **AND** the General Assembly.

31 ~~(e)~~ ~~(D)~~ (1) Except as provided in paragraph (2) of this subsection,
32 negotiations for a memorandum of understanding shall be considered closed sessions under
33 § 3-305 of the General Provisions Article.

1 (2) An exclusive representative may not be considered a public body under
2 § 3-101 of the General Provisions Article.

3 ~~[(f)]~~ ~~(E)~~ (1) The terms of a memorandum of understanding executed by the
4 Governor or the Governor's designee and an exclusive representative of a bargaining unit
5 for skilled service or professional service employees in the State Personnel Management
6 System are not applicable to employees of a State institution of higher education.

7 (2) The terms of a memorandum of understanding executed by the
8 Chancellor or the governing board of Morgan State University, St. Mary's College of
9 Maryland, or Baltimore City Community College, or their respective designees, and the
10 exclusive representative of a bargaining unit for employees of a State institution of higher
11 education are not applicable to skilled service or professional service employees in the State
12 Personnel Management System.

13 3-502.

14 (a) Collective bargaining shall include all matters relating to:

15 (1) wages, hours, **FRINGE BENEFITS, HEALTH BENEFITS**, and other
16 terms and conditions of employment; and

17 (2) the time and manner of access to a new employee program in
18 accordance with § 22-207 of the State Government Article.

19 (b) Notwithstanding subsection (a) of this section, the representatives of the
20 State, the Maryland Environmental Service, a system institution, Morgan State
21 University, St. Mary's College of Maryland, and Baltimore City Community College:

22 (1) may not be required to negotiate over any matter that is inconsistent
23 with applicable law; and

24 (2) may negotiate and reach agreement with regard to any such matter
25 **THAT IS INCONSISTENT WITH APPLICABLE LAW** only if it is understood that, **WITH**
26 **RESPECT TO THE MATTER**, the agreement [with respect to such matter] **OR**
27 **MEMORANDUM OF UNDERSTANDING** cannot become effective unless the applicable law
28 is amended by the General Assembly.

29 **3-503.**

30 **(A) THIS SECTION DOES NOT APPLY WITH RESPECT TO A STATE**
31 **INSTITUTION OF HIGHER EDUCATION, INCLUDING THE UNIVERSITY SYSTEM OF**
32 **MARYLAND.**

1 ~~(A)~~ (B) (1) A NEUTRAL ARBITRATOR SELECTED UNDER § 3-501(B) OF
2 THIS SUBTITLE:

3 (I) MAY MEDIATE OR AID IN THE RESOLUTION OF ANY DISPUTE
4 BETWEEN THE PARTIES REGARDING THE CONDUCT OF NEGOTIATIONS;

5 (II) MAY RECEIVE FROM THE PARTIES COPIES OF INFORMATION
6 REQUESTS PRESENTED AND RESPONSES RECEIVED, TO MEDIATE OR AID IN THE
7 RESOLUTION OF DISPUTES THAT ARISE BETWEEN THE PARTIES CONSISTENT WITH
8 THIS TITLE; AND

9 (III) MAY DIRECT PRODUCTION OF ESTIMATES OF REVENUES
10 AND EXPENDITURES COMPILED BY THE STATE BOARD OF REVENUE ESTIMATES,
11 THE BUREAU OF REVENUE ESTIMATES, OR THE CONSENSUS REVENUE
12 MONITORING AND FORECASTING GROUP.

13 (2) (I) THE OPINIONS AND GUIDANCE ISSUED BY THE NEUTRAL
14 ARBITRATOR UNDER THIS SUBSECTION SHALL BE ADVISORY ON THE PARTIES AND
15 THE GOVERNOR.

16 (II) THE USE OF A NEUTRAL ARBITRATOR DOES NOT DIMINISH
17 OR LIMIT THE RIGHTS OF ANY PARTY TO FILE AND PURSUE A COMPLAINT OF UNFAIR
18 LABOR PRACTICES BEFORE THE BOARD.

19 ~~(B)~~ (C) (1) IF EITHER PARTY DECLARES AN IMPASSE ON OR AFTER
20 OCTOBER 1, ARBITRATION SHALL PROCEED AS DESCRIBED IN THIS SUBSECTION.

21 (2) (I) ON THE FIFTH BUSINESS DAY AFTER THE IMPASSE IS
22 DECLARED, EACH PARTY SHALL SUBMIT TO THE NEUTRAL ARBITRATOR, IN WRITING
23 AND WITH A COPY TO THE OTHER PARTY, A LAST, BEST, AND FINAL OFFER,
24 INCLUDING:

25 1. ALL PROVISIONS IN THE EXISTING MEMORANDUM OF
26 UNDERSTANDING NOT TO BE MODIFIED;

27 2. ALL NEW, AMENDED, OR MODIFIED MEMORANDUM OF
28 UNDERSTANDING PROVISIONS AGREED TO BY THE PARTIES BEFORE THE IMPASSE
29 WAS DECLARED THAT ARE TO BE INCLUDED THROUGH WRITTEN MUTUAL
30 AGREEMENT; AND

31 3. SUBJECT TO SUBPARAGRAPH (II) OF THIS
32 PARAGRAPH, DETAILED FURTHER PROVISIONS THAT A PARTY IS PROPOSING FOR
33 INCLUSION IN A MEMORANDUM OF UNDERSTANDING.

1 **(II) FURTHER PROVISIONS ARE LIMITED TO SPECIFIC**
2 **PROPOSALS THAT WERE SUBMITTED IN WRITING TO THE OTHER PARTY AND WERE**
3 **THE SUBJECT OF COLLECTIVE BARGAINING BETWEEN THE PARTIES UP TO THE TIME**
4 **OF IMPASSE, INCLUDING PROPOSALS THAT THE PARTIES HAVE DECIDED TO**
5 **INCLUDE IN THE MEMORANDUM OF UNDERSTANDING THROUGH WRITTEN MUTUAL**
6 **AGREEMENT.**

7 **(3) THE NEUTRAL ARBITRATOR ACTING AS A MEDIATOR SHALL**
8 **ATTEMPT TO RESOLVE THE IMPASSE BEFORE A FORMAL HEARING ON THE IMPASSE.**

9 **(4) (I) WITHIN 30 CALENDAR DAYS AFTER A DECLARED IMPASSE,**
10 **THE NEUTRAL ARBITRATOR SHALL HOLD A FORMAL HEARING AT WHICH THE**
11 **PARTIES MAY SUBMIT, IN WRITING OR ORAL TESTIMONY, ALL INFORMATION OR**
12 **DATA SUPPORTING THE FINAL POSITIONS.**

13 **(II) ABSENT MUTUAL AGREEMENT BETWEEN THE PARTIES, OR**
14 **AS OTHERWISE ORDERED BY THE NEUTRAL ARBITRATOR, THE FORMAL HEARING**
15 **SHALL CONCLUDE WITHIN 45 CALENDAR DAYS AFTER THE IMPASSE DATE.**

16 **(5) (I) EXCEPT AS PROVIDED IN SUBPARAGRAPH (II) OF THIS**
17 **PARAGRAPH, THE ARBITRATION SHALL CONCLUDE WITH A WRITTEN AWARD THAT**
18 **SUSTAINS IN ITS ENTIRETY THE LAST, BEST, AND FINAL OFFER OF ONE OF THE**
19 **PARTIES.**

20 **(II) BEFORE A WRITTEN AWARD IS ISSUED, BY WRITTEN**
21 **AGREEMENT SIGNED BY THE REPRESENTATIVES OF THE PARTIES PARTICIPATING IN**
22 **THE ARBITRATION, THE PARTIES MAY DIRECT THE NEUTRAL ARBITRATOR TO RULE**
23 **ON SPECIFICALLY IDENTIFIED TOPICS OF BARGAINING.**

24 **(6) (I) THE NEUTRAL ARBITRATOR SHALL ISSUE A PRELIMINARY**
25 **WRITTEN AWARD ON OR BEFORE DECEMBER 5.**

26 **(II) THE PRELIMINARY WRITTEN AWARD SHALL ADDRESS ALL**
27 **PROVISIONS THAT EACH PARTY PROPOSED IN ITS RESPECTIVE FINAL POSITION FOR**
28 **INCLUSION IN A MEMORANDUM OF UNDERSTANDING.**

29 **(III) WITHIN 5 BUSINESS DAYS AFTER RECEIPT OF THE**
30 **PRELIMINARY WRITTEN AWARD, THE PARTIES SHALL REVIEW THE AWARD AND MAY**
31 **SEVERALLY OR MUTUALLY REQUEST CHANGES OR ADJUSTMENTS IN THE AWARD.**

32 **(IV) ON OR BEFORE DECEMBER 15, THE NEUTRAL ARBITRATOR**
33 **SHALL ISSUE A FINAL WRITTEN AWARD IN WHICH THE ARBITRATOR:**

1 1. SHALL ORDER IMPLEMENTATION OF THE LAST, BEST,
2 AND FINAL OFFER OF EITHER PARTY IN ITS ENTIRETY, INCORPORATING ANY
3 VOLUNTARILY AGREED-TO TERMS BETWEEN THE PARTIES; AND

4 2. SHALL INCLUDE:

5 A. ANY VOLUNTARILY AGREED-TO TERMS BETWEEN THE
6 PARTIES; AND

7 B. ANY PRIOR TERM THAT BY AGREEMENT IS NOT TO BE
8 CHANGED FOR THE NEXT FISCAL YEAR.

9 (V) AFTER DECEMBER 15, IF REQUESTED BY EITHER PARTY,
10 THE NEUTRAL ARBITRATOR SHALL ISSUE BY JANUARY 20 OF THE IMMEDIATELY
11 FOLLOWING YEAR A STATEMENT OF REASONS FOR THE FINAL WRITTEN AWARD.

12 (7) THE NEUTRAL ARBITRATOR SHALL CONSIDER THE FOLLOWING
13 WHEN DEVELOPING A WRITTEN AWARD:

14 (I) THE LAWFUL AUTHORITY OF THE EMPLOYER, INCLUDING
15 THE OBLIGATION OF THE EMPLOYER TO USE SPECIAL FUNDS ONLY FOR
16 AUTHORIZED PURPOSES UNDER LIMITATIONS IMPOSED BY FEDERAL OR STATE LAW;

17 (II) STIPULATIONS OF THE PARTIES;

18 (III) THE INTERESTS AND WELFARE OF THE PUBLIC;

19 (IV) THE FINANCIAL ABILITY OF THE EMPLOYER TO MEET
20 COSTS, WITHOUT THE PREMISE THAT THE EMPLOYER MAY NEED TO INCREASE OR
21 IMPOSE NEW TAXES, FEES, OR CHARGES, OR DEVELOP OTHER SOURCES OF REVENUE
22 OR TRANSFER FUNDS FROM THE REVENUE STABILIZATION ACCOUNT ESTABLISHED
23 UNDER § 7-311 OF THE STATE FINANCE AND PROCUREMENT ARTICLE;

24 (V) THE PRESENT AND FUTURE GENERAL ECONOMIC
25 CONDITION OF THE STATE ~~OR STATE INSTITUTIONS OF HIGHER EDUCATION;~~

26 (VI) COMPARISONS OF WAGES, HOURS, AND CONDITIONS OF
27 EMPLOYMENT OF THE EMPLOYEES INVOLVED WITH ARBITRATION WITH THE WAGES,
28 HOURS, AND CONDITIONS OF EMPLOYMENT OF OTHER EMPLOYEES PERFORMING
29 SIMILAR SERVICES IN PUBLIC EMPLOYMENT IN ADJACENT STATES;

30 (VII) COMPARISONS OF COLLECTIVE BARGAINING PATTERNS IN
31 OTHER STATES AND AMONG COUNTY EMPLOYEES IN THE STATE;

1 (VIII) CONSUMER PRICES FOR GOODS AND SERVICES AS DEFINED
2 BY PUBLIC AND PRIVATE SOURCES;

3 (IX) THE OVERALL COMPENSATION PRESENTLY RECEIVED BY
4 THE EMPLOYEES, INCLUDING DIRECT WAGE COMPENSATION, VACATION, HOLIDAYS,
5 EXCUSED TIME OFF, INSURANCE AND PENSIONS COSTS, MEDICAL AND
6 HOSPITALIZATION BENEFITS, THE CONTINUITY AND STABILITY OF EMPLOYMENT,
7 AND ALL OTHER RECEIVED BENEFITS;

8 (X) CHANGES IN ANY OF THE FOREGOING CIRCUMSTANCES
9 DURING THE PENDENCY OF THE ARBITRATION; AND

10 (XI) OTHER FACTORS THAT ARE NORMALLY OR TRADITIONALLY
11 TAKEN INTO CONSIDERATION IN THE DETERMINATION OF WAGES, HOURS, AND
12 CONDITIONS OF EMPLOYMENT THROUGH VOLUNTARY COLLECTIVE BARGAINING,
13 MEDIATION, ARBITRATION, OR OTHERWISE BETWEEN THE PARTIES IN PUBLIC
14 SERVICE OR PRIVATE EMPLOYMENT.

15 ~~(C)~~ (D) (1) THE SUBJECT TO PARAGRAPH (2) OF THIS SUBSECTION,
16 THE DECISION OF THE NEUTRAL ARBITRATOR SHALL BE FINAL AND BINDING ON THE
17 PARTIES.

18 (2) A DECISION AS TO A MATTER REQUIRING AN APPROPRIATION OF
19 FUNDS IS CONTINGENT ON THE APPROVAL OF THE APPROPRIATION BY THE
20 GENERAL ASSEMBLY IN ACCORDANCE WITH ARTICLE III, § 52 OF THE MARYLAND
21 CONSTITUTION.

22 (3) A DECISION OF AN ARBITRATOR UNDER THIS SUBSECTION
23 RELATED TO WAGES IS SUBJECT TO THE LIMITATIONS OF THE STATE BUDGET.

24 ~~(D)~~ (E) ~~THE STATE, A STATE INSTITUTION OF HIGHER EDUCATION,~~ AND
25 THE MARYLAND ENVIRONMENTAL SERVICE AND THE GOVERNOR SHALL TAKE ALL
26 ACTIONS NECESSARY TO CARRY OUT AND EFFECTUATE THE FINAL WRITTEN AWARD
27 AND PLACE INTO EFFECT THE MEMORANDUM OF UNDERSTANDING.

28 ~~(E)~~ (F) (1) SUBJECT TO PARAGRAPH (2) OF THIS SUBSECTION, THE
29 PARTIES AT ANY TIME MAY AMEND OR MODIFY THE FINAL WRITTEN AWARD AND, BY
30 CONSENT, THE AMENDMENTS OR MODIFICATIONS SHALL BE APPROVED BY THE
31 PARTIES AND PLACED IN A SUPPLEMENTAL WRITTEN AWARD BY THE NEUTRAL
32 ARBITRATOR THAT SHALL BE FINAL AND BINDING.

33 (2) A SUPPLEMENTAL WRITTEN AWARD UNDER PARAGRAPH (1) OF
34 THIS SUBSECTION SHALL TAKE EFFECT ON THE DATE OF THE ORDER OF THE

1 NEUTRAL ARBITRATOR AND MAY NOT REQUIRE RATIFICATION UNDER § 3-601 OF
2 THIS TITLE.

3 ~~(F)~~ (G) A DEADLINE IN THIS SECTION MAY BE MODIFIED, BASED ON GOOD
4 CAUSE, BY MUTUAL AGREEMENT OF THE PARTIES OR BY ORDER OF THE NEUTRAL
5 ARBITRATOR.

6 ~~(G)~~ (H) (1) THE COSTS OF THE SERVICES OF THE NEUTRAL
7 ARBITRATOR SHALL BE SHARED EQUALLY BY THE PARTIES.

8 (2) ALL OTHER COSTS INCURRED BY EITHER PARTY TO COMPLY WITH
9 THIS SECTION SHALL BE THE RESPONSIBILITY OF THE PARTY INCURRING THE
10 COSTS.

11 3-603.

12 (a) A memorandum of understanding [agreed to and ratified under § 3-601 of this
13 subtitle] may not expire until it is succeeded by a memorandum of understanding that is
14 agreed to and ratified **OR ADOPTED BY ARBITRATION** under this title.

15 (b) Notwithstanding § 3-601(b) of this subtitle, all terms of a memorandum of
16 understanding shall continue in force and effect without change until a successor
17 memorandum of understanding is agreed to and ratified.

18 (c) (1) Based on a verified complaint by an exclusive representative, the
19 exclusive representative may file an action in a circuit court against the State, the
20 Maryland Environmental Service, a system institution, Morgan State University, St.
21 Mary's College of Maryland, or Baltimore City Community College to enforce the terms of
22 this section.

23 (2) On receipt of an action submitted by the exclusive representative, the
24 court shall issue a status quo order without a finding of irreparable harm to maintain a
25 memorandum of understanding and the terms in effect pending a final order in the action.

26 SECTION 2. AND BE IT FURTHER ENACTED, (Three-fifths of all the members
27 elected to each of the two Houses concurring), That it be proposed that the Maryland
28 Constitution read as follows:

29 **Article III – Legislative Department**

30 52.

31 (1) The General Assembly shall not appropriate any money out of the Treasury
32 except in accordance with the provisions of this section.

1 (2) Every appropriation bill shall be either a Budget Bill, or a Supplementary
2 Appropriation Bill, as hereinafter provided.

3 (3) On the third Wednesday in January in each year, (except in the case of a newly
4 elected Governor, and then not later than ten days after the convening of the General
5 Assembly), unless such time shall be extended by the General Assembly, the Governor shall
6 submit to the General Assembly a Budget for the next ensuing fiscal year. Each Budget
7 shall contain a complete plan of proposed expenditures and estimated revenues for said
8 fiscal year and shall show the estimated surplus or deficit of revenues at the end of the
9 preceding fiscal year. **EACH BUDGET SHALL ALSO CONTAIN THE APPROPRIATIONS
10 NECESSARY TO IMPLEMENT ALL TERMS AND CONDITIONS OF EMPLOYMENT IN EACH
11 MEMORANDUM OF UNDERSTANDING CONCLUDED WITH THE STATE, WHETHER
12 REACHED THROUGH MUTUAL AGREEMENT OR ARBITRATION THAT IS BINDING ON
13 THE PARTIES, THE GOVERNOR, ~~STATE INSTITUTIONS OF HIGHER EDUCATION,~~ AND
14 THE MARYLAND ENVIRONMENTAL SERVICE, FOR THE NEXT ENSUING FISCAL YEAR
15 FOR STATE EMPLOYEES IN THE VARIOUS BRANCHES AND DEPARTMENTS OF STATE
16 GOVERNMENT, ~~INCLUDING HIGHER EDUCATION.~~ Accompanying each Budget shall be a
17 statement showing: (a) the revenues and expenditures for the preceding fiscal year; (b) the
18 current assets, liabilities, reserves and surplus or deficit of the State; (c) the debts and
19 funds of the State; (d) an estimate of the State's financial condition as of the beginning and
20 end of the preceding fiscal year; (e) **CHANGES IN WAGES, HOURS, FRINGE BENEFITS,
21 HEALTH BENEFITS, AND OTHER TERMS AND CONDITIONS OF EMPLOYMENT FOR
22 STATE EMPLOYEES INCLUDED IN EACH MEMORANDUM OF UNDERSTANDING
23 COVERING STATE EMPLOYEES FOR THE NEXT ENSUING FISCAL YEAR; AND (F)** any
24 explanation the Governor may desire to make as to the important features of the Budget
25 and any suggestions as to methods for reduction or increase of the State's revenue.**

26 (4) Each Budget shall embrace an estimate of all appropriations in such form and
27 detail as the Governor shall determine or as may be prescribed by law, as follows: (a) for
28 the General Assembly as certified to the Governor in the manner hereinafter provided; (b)
29 for the Executive Department; (c) for the Judiciary Department, as provided by law, as
30 certified to the Governor; (d) to pay and discharge the principal and interest of the debt of
31 the State in conformity with Section 34 of Article III of the Constitution, and all laws
32 enacted in pursuance thereof; (e) for the salaries **AND FRINGE BENEFITS** payable by the
33 State and under the Constitution and laws of the State, **INCLUDING THOSE SALARIES
34 AND BENEFITS COMMITTED UNDER EACH MEMORANDUM OF UNDERSTANDING
35 COVERING STATE EMPLOYEES;** (f) for the establishment and maintenance throughout
36 the State of a thorough and efficient system of public schools in conformity with Article 8
37 of the Constitution and with the laws of the State; and (g) for such other purposes as are
38 set forth in the Constitution or laws of the State.

39 (5) The Governor shall deliver to the presiding officer of each House the Budget
40 and a bill for all the proposed appropriations of the Budget classified and in such form and
41 detail as the Governor shall determine or as may be prescribed by law; and the presiding
42 officer of each House shall promptly cause said bill to be introduced therein, and such bill
43 shall be known as the "Budget Bill." The Governor may, with the consent of the General

1 Assembly, before final action thereon by the General Assembly, amend or supplement said
2 Budget to correct an oversight, provide funds contingent on passage of pending legislation
3 or, in case of an emergency, by delivering such an amendment or supplement to the
4 presiding officers of both Houses; and such amendment or supplement shall thereby become
5 a part of said Budget Bill as an addition to the items of said bill or as a modification of or a
6 substitute for any item of said bill such amendment or supplement may affect.

7 (5a) The Budget and the Budget Bill as submitted by the Governor to the General
8 Assembly shall have a figure for the total of all proposed appropriations and a figure for
9 the total of all estimated revenues available to pay the appropriations, and the figure for
10 total proposed appropriations shall not exceed the figure for total estimated revenues.
11 Neither the Governor in submitting an amendment or supplement to the Budget Bill nor
12 the General Assembly in amending the Budget Bill shall thereby cause the figure for total
13 proposed appropriations to exceed the figure for total estimated revenues, including any
14 revisions, and in the Budget Bill as enacted the figure for total estimated revenues always
15 shall be equal to or exceed the figure for total appropriations.

16 (6) The General Assembly shall not amend the Budget Bill so as to affect either
17 the obligations of the State under Section 34 of Article III of the Constitution, or the
18 provisions made by the laws of the State for the establishment and maintenance of a system
19 of public schools or the payment of any salaries required to be paid by the State of Maryland
20 by the Constitution.

21 (6a) In enacting a balanced Budget Bill each fiscal year as required under this
22 Section, the General Assembly may amend the bill by increasing or diminishing the items
23 therein relating to the General Assembly, and by increasing or diminishing the items
24 therein relating to the judiciary, but except as hereinbefore specified, may not alter the bill
25 except to strike out or reduce items therein, provided, however, that the salary or
26 compensation of any public officer may not be decreased during the public officer's term of
27 office. When passed by both Houses, the Budget Bill shall be presented to the Governor for
28 approval or disapproval according to Section 17 of Article II of this Constitution.

29 (6b) In enacting a balanced Budget Bill as required under this Section for fiscal
30 year 2024 and each fiscal year thereafter, the General Assembly may amend the bill by
31 increasing, diminishing, or adding items therein relating to the General Assembly, by
32 increasing, diminishing, or adding items therein relating to the judiciary, and by
33 increasing, diminishing, or adding items therein relating to the Executive Department,
34 provided that the total of the appropriation for the Executive Department approved by the
35 General Assembly does not exceed the total proposed appropriation for the Executive
36 Department submitted by the Governor. The salary or compensation of any public officer
37 may not be decreased during the public officer's term of office. When passed by both Houses,
38 the Budget Bill shall be a law immediately without further action by the Governor.

39 (7) The Governor and such representatives of the executive departments, boards,
40 officers and commissions of the State expending or applying for State's moneys, as have
41 been designated by the Governor for this purpose, shall have the right, and when requested
42 by either House of the General Assembly, it shall be their duty to appear and be heard with

1 respect to any Budget Bill during the consideration thereof, and to answer inquiries relative
2 thereto.

3 (8) Supplementary Appropriation Bill. Either House may consider other
4 appropriations but both Houses shall not finally act upon such appropriations until after
5 the Budget Bill has been finally acted upon by both Houses, and no such other
6 appropriation shall be valid except in accordance with the provisions following: (a) Every
7 such appropriation shall be embodied in a separate bill limited to some single work, object
8 or purpose therein stated and called herein a Supplementary Appropriation Bill; (b) Each
9 Supplementary Appropriation Bill shall provide the revenue necessary to pay the
10 appropriation thereby made by a tax, direct or indirect, to be levied and collected as shall
11 be directed in said bill; (c) No Supplementary Appropriation Bill shall become a law unless
12 it be passed in each House by a vote of a majority of the whole number of the members
13 elected, and the yeas and nays recorded on its final passage; (d) Each Supplementary
14 Appropriation Bill shall be presented to the Governor of the State as provided in Section
15 17 of Article 2 of the Constitution and thereafter all the provisions of said section shall
16 apply.

17 (9) Nothing in this section shall be construed as preventing the General Assembly
18 from passing at any time, in accordance with the provisions of Section 28 of Article 3 of the
19 Constitution and subject to the Governor's power of approval as provided in Section 17 of
20 Article 2 of the Constitution, an appropriation bill to provide for the payment of any
21 obligation of the State within the protection of Section 10 of Article 1 of the Constitution of
22 the United States.

23 (10) If the Budget Bill shall not have been finally acted upon by the Legislature
24 seven days before the expiration of the regular session, the Governor shall issue a
25 proclamation extending the session for some further period as may, in the Governor's
26 judgment, be necessary for the passage of such bill; but no matter other than such bill shall
27 be considered during such extended session except a provision for the cost thereof.

28 (11) For the purpose of making up the Budget, the Governor shall require from the
29 proper State officials (including all executive departments, all executive and administrative
30 offices, bureaus, boards, commissions and agencies that expend or supervise the
31 expenditure of, and all institutions applying, for State moneys and appropriations) such
32 itemized estimates and other information, in such form and at such times as directed by
33 the Governor. An estimate for a program required to be funded by a law which will be in
34 effect during the fiscal year covered by the Budget and which was enacted before July 1 of
35 the fiscal year prior to that date shall provide a level of funding not less than that prescribed
36 in the law. The estimates for the Legislative Department, certified by the presiding officer
37 of each House, of the Judiciary, as provided by law, certified by the Chief Justice of the
38 Supreme Court of Maryland, and for the public schools, as provided by law, shall be
39 transmitted to the Governor, in such form and at such times as directed by the Governor,
40 and shall be included in the Budget without revision.

41 (12) The Governor may provide for public hearings on all estimates and may
42 require the attendance at such hearings of representatives of all agencies, and for all

1 institutions applying for State moneys. After such public hearings the Governor may, in
2 the Governor's discretion, revise all estimates except those for the legislative and judiciary
3 departments, and for the public schools, as provided by law, and except that the Governor
4 may not reduce an estimate for a program below a level of funding prescribed by a law
5 which will be in effect during the fiscal year covered by the Budget, and which was enacted
6 before July 1 of the fiscal year prior thereto.

7 (13) The General Assembly may, from time to time, enact such laws not
8 inconsistent with this section, as may be necessary and proper to carry out its provisions.

9 (14) In the event of any inconsistency between any of the provisions of this Section
10 and any of the other provisions of the Constitution, the provisions of this Section shall
11 prevail. But nothing herein shall in any manner affect the provisions of Section 34 of Article
12 3 of the Constitution or of any laws heretofore or hereafter passed in pursuance thereof, or
13 be construed as preventing the Governor from calling extraordinary sessions of the General
14 Assembly, as provided by Section 16 of Article 2, or as preventing the General Assembly at
15 such extraordinary sessions from considering any emergency appropriation or
16 appropriations.

17 (15) If any item of any appropriation bill passed under the provisions of this
18 Section shall be held invalid upon any ground, such invalidity shall not affect the legality
19 of the bill or of any other item of such bill or bills.

20 SECTION 3. AND BE IT FURTHER ENACTED, That the General Assembly
21 determines that the amendment to the Maryland Constitution proposed by Section 2 of this
22 Act affects multiple jurisdictions and that the provisions of Article XIV, § 1 of the Maryland
23 Constitution concerning local approval of constitutional amendments do not apply.

24 SECTION 4. AND BE IT FURTHER ENACTED, That:

25 (a) The amendment to the Maryland Constitution proposed by Section 2 of this
26 Act shall be submitted to the qualified voters of the State at the next general election to be
27 held in November 2026 for adoption or rejection pursuant to Article XIV of the Maryland
28 Constitution.

29 (b) (1) At that general election, the vote on the proposed amendment to the
30 Constitution shall be by ballot, and on each ballot there shall be printed the words "For the
31 Constitutional Amendment" and "Against the Constitutional Amendment", as now
32 provided by law.

33 (2) At that general election, a question substantially similar to the
34 following shall be submitted to the qualified voters of the State:

35 "Question ___ – Constitutional Amendment

36 Providing that each budget shall include expenditures necessary to implement wages,
37 hours, fringe benefits, health benefits, and other terms and conditions of employment for

1 State employees concluded in each memorandum of understanding covering State
2 employees.”.

3 (c) Immediately after the election, all returns shall be made to the Governor of
4 the vote for and against the proposed amendment, as directed by Article XIV of the
5 Maryland Constitution, and further proceedings had in accordance with Article XIV.

6 ~~SECTION 5. AND BE IT FURTHER ENACTED, That, except as provided in Section~~
7 ~~4 of this Act, this Act shall take effect July 1, 2025.~~

8 SECTION 5. AND BE IT FURTHER ENACTED, That Section 1 of this Act is
9 contingent on the passage of Section 2 of this Act, a constitutional amendment, and its
10 ratification by voters of the State.

11 SECTION 6. AND BE IT FURTHER ENACTED, That, subject to Section 5 of this
12 Act, Section 1 of this Act shall take effect on the proclamation of the Governor that the
13 constitutional amendment, having received a majority of the votes cast at the general
14 election, has been adopted by the people of Maryland.

Approved:

Governor.

Speaker of the House of Delegates.

President of the Senate.