

Department of Legislative Services
Maryland General Assembly
2026 Session

FISCAL AND POLICY NOTE
First Reader

Senate Bill 2101 (The President)
Education, Energy, and the Environment

**Arbitration Reform for State Employees Act of 2026 - Withdraw and Repeal of
Duplicate Proposed Constitutional Amendment**

This emergency bill withdraws and repeals sections 2 through 4 of Chapter 156 of 2026, which proposes a constitutional amendment subject to voter referendum at the next general election relating to collective bargaining for State employees. Although the bill withdraws and repeals these sections, Chapter 155 of 2026 includes identical provisions and is unaffected by the bill. Thus, the proposed constitutional amendment in Chapter 156 being repealed by the bill is still subject to referendum in the November 2026 general election in accordance with Chapter 155. Instead of Chapter 156 being contingent on passage of the proposed constitutional amendment, and its ratification by the voters in the next general election, Chapter 156 is contingent on passage of the proposed constitutional amendment in Chapter 155 and its ratification by voters in the next general election, thus avoiding duplicative language from appearing on the November 2026 general election ballot.

Fiscal Summary

State Effect: None. The change is technical in nature and does not directly affect governmental finances as it merely prevents duplicative language from appearing on the November 2026 general election ballot.

Local Effect: None.

Small Business Effect: None.

Analysis

Current Law: Chapters 155 and 156 of 2026, contingent on the enactment of a proposed constitutional amendment, alter the statutory collective bargaining process for State employees (excluding those in State institutions of higher education) by establishing binding arbitration in the event of an impasse in negotiations. The proposed constitutional amendment included in the Acts, if approved by the voters at the next general election, requires the Governor to include in the annual budget bill the appropriations necessary to implement and fund all terms of memoranda of understanding resulting from collective bargaining involving the State, State institutions of higher education, and the Maryland Environmental Service and the exclusive representatives of their respective employees, whether reached through mutual agreement (including State institutions of higher education) or binding arbitration (excluding State institutions of higher education).

In addition, the Acts require the selection of a neutral arbitrator to oversee all aspects of collective bargaining in specified circumstances; expand the matters subject to negotiation to include health and fringe benefits, not including pension benefits; and make various conforming changes. However, matters requiring a change in law or an appropriation are contingent on either the enactment of legislation making the change or the General Assembly's approval of the appropriation. Further, an arbitrator's decision related to wages is subject to limitations of the State budget.

Section 1 of Chapters 155 and 156 contains statutory provisions that are contingent on passage of the proposed constitutional amendment, and its ratification by the voters, as set forth in sections 2 through 4 of the Acts.

Additional Information

Recent Prior Introductions: Similar legislation has not been introduced within the last three years.

Designated Cross File: HB 2101 (The Speaker) - Government, Labor, and Elections.

Information Source(s): Maryland State Board of Elections; Department of Legislative Services

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