



**Maryland**

DEPARTMENT OF BUDGET  
AND MANAGEMENT

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## **HOUSE BILL 114 Arbitration Reform for State Employees of 2024**

### **STATEMENT OF INFORMATION**

**DATE: January 26, 2024**

**COMMITTEE: House Appropriations**

**SUMMARY OF BILL:** House Bill 114 includes a broad binding arbitration provision that will require binding arbitration to take place whenever there is a dispute between the State and an exclusive bargaining representative regarding the terms and applications of a negotiated agreement. Under current law, if an impasse is reached during negotiations, either party may request a neutral fact finder whose recommendations are advisory.

**EXPLANATION:** Giving a private arbitrator the power to mandate funding in the proposed budget represents a significant policy shift toward granting a private, unelected official the power to prioritize among public policy needs. When deciding on the State's budget each year, the Governor and the General Assembly must balance a wide range of public policy needs within a set of resource constraints. Since employee compensation is a significant portion of the State's non-mandated spending, this bill will allow a private arbitrator to have significant influence over the State's fiscal and policy priorities. The bill provides for no method of appeal or review of the private arbitrator's decision. This legislation also strikes language requiring collective bargaining negotiations to conclude before January 1<sup>st</sup> for any item requiring an appropriation of fund for the next fiscal year, which would be operational problematic.

**For additional information, contact Laura Vykol-Gray at  
(410) 260-6371 or [laura.vykol@maryland.gov](mailto:laura.vykol@maryland.gov)**

45 Calvert Street □ Annapolis, MD 21401-1907

Tel: 410-260-7041 □ Fax: 410-974-2585 □ Toll Free: 1-800-705-3493 □ TTY Users: Call via Maryland Relay

<http://dbm.maryland.gov>