

Department of Legislative Services  
Maryland General Assembly  
2013 Session

FISCAL AND POLICY NOTE

Senate Bill 329  
Finance

(Senator Gladden)

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State Personnel - Hiring Preferences for Graduates of Public Institutions of  
Higher Education

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This bill requires all appointing authorities in the State Personnel Management System (SPMS) to apply a one-point credit on a selection test for applicants who have successfully completed a degree at a public institution of higher education in the State. Appointing authorities in the Legislative Branch and Judiciary, as well as those with independent personnel management systems in the Executive Branch, must provide an equivalent hiring preference.

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Fiscal Summary

**State Effect:** General fund expenditures for the Department of Budget and Management (DBM) increase by approximately \$13,000 on a one-time basis in FY 2014 to reprogram its personnel management system. Additional administrative costs may be incurred by DBM, the Maryland Department of Transportation (MDOT), the University System of Maryland (USM), Morgan State University, and St. Mary's College of Maryland for degree-verification services, at the rate of \$5.50 per verification; potentially tens of thousands of verifications will need to be performed annually. The application of a one-point credit may also diminish the quality of State hires and the work they perform as discussed below. No effect on revenues.

**Local Effect:** None.

**Small Business Effect:** None.

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## Analysis

**Current Law:** A public institution of higher education includes all campuses of USM, Morgan State University, St. Mary's College of Maryland, and community colleges in the State.

SPMS is the principal personnel system in the Executive Branch; the Legislative Branch and the Judiciary each have independent personnel systems. An Executive Branch agency may, if expressly authorized in statute, establish an independent personnel management system. MDOT and USM have the two largest independent personnel management systems in the Executive Branch.

SPMS has four major employment categories designated in statute:

1. executive service, which consists of chief administrators of principal units or comparable positions, including deputy secretaries or assistant secretaries;
2. management service, which consists of positions that involve direct responsibility for the oversight and management of personnel and financial resources and that require the exercise of discretion and independent judgment;
3. professional service, which consists of positions that require advanced knowledge in a field of science or learning and that normally require a professional license, advanced degree, or both; and
4. skilled service, which consists of all other positions.

When a skilled service or professional service position within SPMS is to be filled, a unit must prepare a position selection plan that must include, among other requirements, a plan of development of any selection test to be administered to qualified applicants. Job announcements for these positions must also describe the type of selection test to be administered to applicants who meet the position's minimum requirements. Appointing authorities may use any appropriate selection process to rate qualified applicants, including job relatedness, reliability, and scores on selection tests. Selection tests must be free of charge to an applicant and open to all qualified applicants, except to those who falsify information on an application.

Credits may be applied to the results of selection tests for:

- current State employees (one-quarter point for each year of State service, up to 5 points);
- veterans and spouses of veterans (10 points, plus 2 points for a disabled veteran or former prisoner of war);
- residents of high unemployment counties for specified positions in correctional facilities (5 points); and
- State residents (5 points).

Based on all appropriate standards used, the appointing authority must place all candidates in the following categories: (1) best qualified; (2) better qualified; (3) qualified; (4) unsatisfactory; and (5) three additional categories related to special circumstances. Candidates are to be listed by random order within each category.

**Background:** DBM administers SPMS, which includes most employees in Executive Branch agencies. In fiscal 2012, there were 45,661 full-time equivalent positions in SPMS, 22,161 in USM, and 6,378 in MDOT. The Legislative Branch had 748 regular positions, including 383 positions in the Department of Legislative Services. The Judiciary had 3,581 regular positions.

**State Fiscal Effect:** The assignment of a one-point credit to applicants who have graduated from a public institution of higher education may mean that (1) some candidates who are otherwise deemed to be unqualified may become qualified for a position or (2) qualified applicants may be placed in a higher qualification level than they would otherwise be. This may have a negative effect on the quality of State hires and the work they perform. It is unclear how a hiring preference would work in the Legislative Branch or the Judiciary, but it could have similar effects. The Department of Legislative Services administers screening tests for analyst positions, but it does not employ a point-based rating system for candidates. The Judiciary administers selection tests only for clerical positions that typically do not require college degrees.

Depending on the level of enforcement and verification imposed by appointing authorities, there may be significant administrative costs associated with this proposal. MDOT advises that degree-verification services cost \$5.50 per verification with an exclusive agreement; the cost is greater without an agreement. Alternatively, appointing authorities could verify applicants' degrees from State institutions themselves, but they would likely require additional staff to do so. MDOT alone receives 50,000 applications each year, of which it estimates about 35,000 require a college degree. DBM handles between 150,000 and 200,000 applications each year; all applications undergo a rating of training and experience, and between 30,000 and 40,000 require a sit-down exam.

DBM advises that including an additional credit for graduates of State institutions requires reprogramming its new personnel management system. The expected cost is between \$6,000 and \$20,000. Additional administrative functions beyond degree verification can be carried out by DBM, MDOT, and USM with existing budgeted resources.

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### **Additional Information**

**Prior Introductions:** None.

**Cross File:** None.

**Information Source(s):** Department of Budget and Management, Judiciary (Administrative Office of the Courts), Maryland Department of Transportation, University System of Maryland, Department of Legislative Services

**Fiscal Note History:** First Reader - February 5, 2013  
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