

Department of Legislative Services
 Maryland General Assembly
 2015 Session

FISCAL AND POLICY NOTE
 Revised

Senate Bill 915
 Finance

(Senator Jennings, *et al.*)

Appropriations

State Personnel - Selection Test Credits - Eligible Volunteer Fire, Rescue, or
 Emergency Medical Services Providers

This bill requires all appointing authorities in the State Personnel Management System (SPMS) to apply a credit of between 4 and 10 points on a selection test for an applicant who is an eligible volunteer fire, rescue, or emergency medical services (EMS) provider or the surviving spouse of a deceased eligible volunteer fire, rescue, or EMS provider who died in the line of duty.

Fiscal Summary

State Effect: General fund expenditures for the Department of Budget and Management (DBM) increase by approximately \$45,000 in FY 2016 to reprogram its personnel management system. The application of up to a 10-point credit may also diminish the quality of State hires, as discussed below. No effect on revenues.

(in dollars)	FY 2016	FY 2017	FY 2018	FY 2019	FY 2020
Revenues	\$0	\$0	\$0	\$0	\$0
GF Expenditure	45,000	0	0	0	0
Net Effect	(\$45,000)	\$0	\$0	\$0	\$0

Note:() = decrease; GF = general funds; FF = federal funds; SF = special funds; - = indeterminate effect

Local Effect: None.

Small Business Effect: None.

Analysis

Bill Summary: An “eligible volunteer fire, rescue, or EMS provider” is a State resident who is an active member of a Maryland volunteer fire, rescue, or EMS organization and is qualified to receive the Honorable Louis L. Goldstein Volunteer Police, Fire, Rescue, and Emergency Medical Services Personnel Subtraction Modification on his or her income taxes for the fiscal year immediately preceding the application for State employment.

All appointing authorities in SPMS must apply a four-point credit on a selection test for an applicant who is an eligible volunteer fire, rescue, or EMS provider with at least four years of service, plus one point for each additional year of active service, up to a maximum of 10 points for 10 or more years of service. All appointing authorities in SPMS must apply a 10-point credit on a selection test for an applicant who is a surviving spouse of an eligible volunteer fire, rescue, or EMS provider who died in the line of duty.

Current Law: 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 applicants 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.

Volunteer Fire, Rescue, and EMS Personnel Subtraction Modification

The Honorable Louis L. Goldstein Volunteer Police, Fire, Rescue, and Emergency Medical Services Personnel Subtraction Modification Program allows a subtraction modification of \$3,750 in tax year 2014, phasing up to \$5,000 in tax year 2019, for an individual who serves in a volunteer capacity and qualifies for active-duty service during the tax year. An individual can qualify if he or she serves the organization in a volunteer capacity without compensation, except nominal expenses or meals, and is an active member of (1) a Maryland fire, rescue, or EMS organization; (2) an auxiliary organization of a Maryland fire, rescue, or EMS organization; (3) the Maryland Defense Force; or (4) the U.S. Coast Guard Auxiliary. To be eligible, an individual must be an active member of one of these organizations for at least 36 months during the last 10 calendar years by December 31 of the taxable year.

Background: DBM administers SPMS, which includes most employees in Executive Branch agencies. In fiscal 2014, there were 41,379 full-time equivalent positions in SPMS.

The Maryland State Firemen’s Association reports 12,949 volunteer fire, rescue, and EMS personnel qualified to receive State tax incentives in 2013. Additionally, the association reports three individuals died in the line of duty in the past year.

State Fiscal Effect: The assignment of up to a 10-point credit to applicants who are eligible volunteer fire, rescue, or EMS providers or the surviving spouse of one who died in the line of duty 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 their ability to perform the work. Additionally, DBM advises that including an additional hiring credit could further dilute the value of the testing process and the preference given to those already eligible for a hiring credit.

Verifying an applicant's eligibility for the hiring credit may delay the State's hiring process. DBM received 340,786 applications and hired 4,237 applicants in 2014. Of the applicants hired, 609 applicants received a State employee hiring credit, 191 applicants received a veteran-related hiring credit, and 3,938 applicants received a Maryland residency hiring credit.

DBM advises that including an additional credit for eligible volunteer fire, rescue, or EMS providers, or the surviving spouse of one, requires DBM to reprogram its new personnel management system. The expected one-time cost is \$45,000 to add three questions to the employment application templates, have the system check and confirm responses, and calculate the points.

Additional Information

Prior Introductions: None.

Cross File: None.

Information Source(s): Department of Budget and Management, Comptroller's Office, Maryland State Firemen's Association, Department of Legislative Services

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