

Department of Legislative Services
 Maryland General Assembly
 2019 Session

FISCAL AND POLICY NOTE
First Reader

Senate Bill 730
 Finance

(Senator Guzzone, *et al.*)

State Personnel - Maryland Department of Health - Pay Rates

This bill requires the pay range for employees classified as security attendants at the Clifton T. Perkins Hospital (Perkins) who are required to complete a correctional training course approved by the Correctional Training Commission (CTC) to be equal to the pay range for correctional officers in the Division of Correction who are required to complete a correctional training course approved by CTC. The bill may not be construed to decrease the pay rate of any employee. The pay rate for employees classified in specified positions in the Behavioral Health Administration (BHA) or the Developmental Disabilities Administration (DDA) must be at least two grades higher than the employee’s pay rate effective June 30, 2019, if the employee works at a facility that had a forensic admission rate greater than 75% for the immediately preceding fiscal year. **The bill takes effect July 1, 2019.**

Fiscal Summary

State Effect: General fund expenditures increase by at least \$5.1 million beginning in FY 2020 to increase the salary of specified employees within BHA and DDA. Out-year expenditures reflect salary increases. State revenues are not affected.

(\$ in millions)	FY 2020	FY 2021	FY 2022	FY 2023	FY 2024
Revenues	\$0	\$0	\$0	\$0	\$0
GF Expenditure	5.1	5.2	5.4	5.6	5.8
Net Effect	(\$5.1)	(\$5.2)	(\$5.4)	(\$5.6)	(\$5.8)

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

Local Effect: None.

Small Business Effect: None.

Analysis

Current Law: Within the State Personnel Management System (SPMS), there are two pay plans: the Standard Pay Plan and the Executive Pay Plan. The purpose of the pay plans is to provide employees in positions that involve comparable effort, knowledge, responsibilities, skills, and working conditions with comparable pay according to the relative value of services performed. The Standard Pay Plan includes all positions in SPMS and all other positions for which the Secretary of Budget and Management has authority to administer pay.

Pay rates in the Standard Pay Plan may be set by a series of pay grades and steps within each grade, fixed rates, or minimum and maximum amounts. When setting or amending a pay rate, the Secretary of Budget and Management must consider the prevailing pay rates for comparable services in private and public employment, experience, living costs, benefits, and the financial condition and policies of the State. A pay rate is subject to any limitations included in the State budget.

The Secretary of Budget and Management may increase pay rates for a specific class under the Standard Pay Plan with the approval of the Governor in order to recruit or retain competent personnel or to ensure that pay rates adequately compensate for the effort, knowledge, responsibility, skills, and working conditions of employees in that class. If an amendment to the pay plan affects a position in the Executive Branch that is listed in the budget bill, the amendment is contingent on the approval of the Board of Public Works. An amendment to the Standard Pay Plan may not take effect unless sufficient money is available in the budget to cover the resulting pay rates.

Background: The Maryland Police and Correctional Training commissions, within the Department of Public Safety and Correctional Services, are the primary providers of correctional entrance-level training and mandated police and correctional administrator, supervisor, and instructor training in Maryland. Although they are separate entities, the Police Training Commission and CTC are served by a single executive director and agency staff. The commissions are vested with the statutory authority to set standards of initial selection and training for all governmental law enforcement, correctional, community supervision, and juvenile justice officers in the State and to otherwise upgrade the professionalism of these officers.

In general, CTC prescribes minimum standards for the selection and training of community supervision employees and correctional officers in Maryland. These standards address selection, promotion to supervisory and management positions, entry-level training, and in-service advanced training.

State Expenditures: There are 333 security attendant positions at Perkins. However, the Maryland Department of Health (MDH) advises only 106 of these employees are required to complete the correctional training program and, thus, are eligible for a pay increase under the bill. MDH advises that currently these employees meet or exceed the pay rates for employees in the Division of Correction. However, employees within the Division of Correction will receive a 4% pay increase in addition to the 3% cost-of-living adjustment (COLA) on July 1, 2019, whereas the security attendants at Perkins will only receive a 3% COLA. Increasing security attendants' salaries to account for the 4% pay increase at the Division of Correction increases general fund expenditures by an estimated \$223,751 in fiscal 2020.

Facilities that had a forensic admission rate greater than 75% for the immediately preceding fiscal year include the Secure Evaluation and Therapeutic Treatment Unit in DDA and the following BHA facilities: Perkins, Spring Grove Hospital Center, Springfield Hospital Center, Thomas B. Finan Center, and Eastern Shore Hospital Center. MDH estimates 18 employees within DDA and 882 employees within BHA would be eligible for a pay raise of at least two grades, thus increasing general fund expenditures by at least \$126,991 and \$4.7 million, respectively, in fiscal 2020.

As a result, total general fund expenditures increase by at least \$5.1 million in fiscal 2020 and \$5.8 million in fiscal 2024, as shown in **Exhibit 1**. Future years reflect annual salary increases.

Exhibit 1
Projected Additional Compensation Costs
Fiscal 2020-2024

	<u>FY 2020</u>	<u>FY 2021</u>	<u>FY 2022</u>	<u>FY 2023</u>	<u>FY 2024</u>
Perkins Security Attendants	\$223,751	\$231,358	\$239,225	\$247,358	\$255,768
BHA Employees	4,724,470	4,885,102	5,051,196	5,222,936	5,400,516
DDA Employees	126,991	131,309	135,773	140,389	145,163
Total Increase in Salaries	\$5,075,212	\$5,247,769	\$5,426,193	\$5,610,684	\$5,801,447

BHA: Behavioral Health Administration
DDA: Developmental Disabilities Administration

Note: Numbers may not sum to total due to rounding.

Source: Maryland Department of Health; Department of Legislative Services

Additional Information

Prior Introductions: None.

Cross File: HB 1240 (Delegate Acevero, *et al.*) - Appropriations.

Information Source(s): Department of Budget and Management; Maryland Department of Health; Department of Public Safety and Correctional Services; Department of Legislative Services

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