

**Department of Legislative Services**  
Maryland General Assembly  
2020 Session

**FISCAL AND POLICY NOTE**  
**First Reader**

Senate Bill 1063  
Finance

(Senator Eckardt)

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**State Health Care Facilities - Employees - Alternative Workweeks**

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This bill authorizes the Secretary of Health to authorize an employee of a State health care facility – that is owned or operated by the Maryland Department of Health (MDH) and open 24 hours a day and 7 days a week – to work according to an alternative workweek if the alternative workweek is consistent with any applicable collective bargaining agreement. An “alternative workweek” means a work schedule for an employee of such a State facility under which the employee (1) works hours or shifts that are not typical for State employees and (2) may work less than 40 hours in a week. An employee authorized to work an alternative workweek under the bill is considered a full-time employee of the State and entitled to overtime compensation. In terms of overtime pay, the “time worked” includes only the hours actually worked, not paid leave hours taken by the employee during the workweek. A State health care facility employee who participates in an alternative workweek program receives overtime pay of one and one-half times his or her regular hourly rate of pay for working more than 40 hours in the established work period or working in excess of the established workday.

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**Fiscal Summary**

**State Effect:** General fund expenditures may decrease due to reduced overtime costs for MDH beginning in FY 2021. Revenues are not affected.

**Local Effect:** None.

**Small Business Effect:** None.

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## Analysis

**Current Law:** Generally, a State employee whom the Secretary of Budget and Management has authority to pay who works more than 40 hours in a workweek earns one and one-half times the employee's regular hourly pay rate. All employees subject to overtime pay are entitled to the greater of State overtime benefits or the benefits required by the federal Fair Labor Standards Act (FLSA).

An employee of a hospital or domiciliary care facility for the ill, aged, or disabled earns one and one-half times the employee's regular hourly rate of pay for working more than 80 hours in a two-week work period or working in excess of 8 hours in any workday.

By regulations consistent with the federal FLSA, the Secretary of Budget and Management may provide for employees who otherwise would be entitled to overtime payment to elect to receive compensatory time instead. The Secretary may designate those bona fide administrative, executive, and professional employees who may not receive payment for overtime work but who may be granted compensatory time for overtime work. An employee who is included in the Executive Pay Plan at a pay grade of (ES) 6 or above is not entitled to accrue any compensatory time other than as provided under statute for overtime work.

**Background:** The bill generally codifies the agreement made between the State and the union for State health care employees during collective bargaining negotiations. The signed [memorandum of understanding](#) specifies the criteria for the alternative work schedule of three 12-hour shifts for a 36-hour workweek.

**State Expenditures:** MDH notes that many State health care facility employees currently earn overtime for working in excess of eight hours in a workday. Under the bill, these employees would earn overtime for working in excess of 12 hours in a workday. Thus, general fund expenditures may decrease due to reduced overtime costs for MDH beginning in fiscal 2021. Additionally, the bill enables MDH to be more competitive in the recruitment and retention of nurses.

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## Additional Information

**Prior Introductions:** None.

**Designated Cross File:** HB 1646 (Delegate Valentino-Smith) - Rules and Executive Nominations.

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

**Fiscal Note History:** First Reader - March 12, 2020  
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Analysis by: Heather N. MacDonagh

Direct Inquiries to:  
(410) 946-5510  
(301) 970-5510