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SENATE BILL 693 State Personnel-Maryland Department of Health-Pay Rates and Staffing Requirements (Guzzone, et al.)

POSITION: OPPOSE

DATE: March 6, 2020

COMMITTEE: Senate Finance Committee and Senate Budget & Taxation Committee

SUMMARY OF BILL: SB 693 requires an increase in pay for employees who have direct contact with patients and are covered in bargaining units D, E, F or H. Employees who are not receiving a Forensic Pay Premium must be provided with at least a 2 grade increase effective June 30, 2020. The bill also requires that the pay rate for employees in Behavioral Health Administration or Developmental Disabilities Administration (DDA) be equal to the pay of employees at Clifton T. Perkins Hospital, if the employee works at a facility that had a Forensic Admission Rate greater than 75% for the prior fiscal year. Beginning July 1, 2020, any facility that had a Forensic Admission Rate greater than 75% in the prior year will result in reclassifications for the Building Security positions to Security Attendant positions when the employees successfully complete an approved Correctional Training Course. Additionally, the bill mandates that the ratio for Security Attendant to Patient be not less than 1:3 in maximum security units, and 1:12 in minimum security units.

POSITION EXPLANATION: The fiscal impact of this proposed legislation is estimated to be over \$10.1 million. It is important to note that the FY 21 Budget includes \$139.7 million for statewide general salary increases, recruitment and retention bonuses, and targeted salary adjustments. Of the \$14.6 million in the FY 2021 Annual Salary Review (ASR), which addresses targeted salary adjustments, \$5.3 million was allocated to positions in the Maryland Department of Health (MDH).

The cost associated with the FY 2021 Annual Salary Review (ASR) for the specific positions addressed by the legislation is \$141,682. The FY 2020 ASR also allocated \$4.5 million for various grade increases for DDA and MDH hospitals' employees.

The Department addresses salary levels in every Budget submission. The amount of salary and grade increases and the methodology for establishing salary levels is most appropriately done by the Department's Classification and Salary (CAS) division. A review and evaluation by CAS is not done in

isolation, but analyzes the impact of any changes on other positions within the State employee workforce, and within the context of total State workforce needs.

The proper mechanisms for reclassifying positions or increasing grade levels are accomplished through: (1) an Annual Salary Review (ASR); or (2) a Pay Plan Amendment (PPA).

- ANNUAL SALARY REVIEW: Agency requests for the creation of new classes and salary adjustments to existing classes are submitted as part of an agency proposed fiscal year budget request.
- PAY PLAN AMENDMENT: Agency requests for the creation of new classes with a fiscal impact and salary adjustments to existing classes outside the budget process will only be considered in order to address an immediate business necessity that if not addressed will significantly impede the agency from completing its mission, goals and objectives. PPA new class requests require the approval of the Secretary of DBM. PPA salary adjustment requests require the approval of the Governor based on the recommendation of the Secretary of DBM.
- DBM EVALUATION OF ASR AND PPA REQUESTS: For salary adjustment and new class requests, CAS evaluates the current recruitment and retention conditions; impact to similarly functioning or related classes; cost of request proposal; and if there may be an alternative solution. Recruitment conditions considered include current vacancy rates, length of vacancies, and applicant response. Retention conditions considered include the number of employee resignations per year (vacancies due to retirements, terminations, transfers, promotions and death are not counted as resignations). The impact to other classes is also identified and cost estimates prepared, if applicable. If submitted, salary survey data of relevant job markets is reviewed and compared to the State's current and proposed salary levels. The annual cost of request and alternative proposal is calculated. Based on this information, CAS provides recommendations to the Executive Director and Secretary of DBM concerning the disposition of the request.

The State's Collective Bargaining Law requires negotiations between the State and the exclusive representatives of bargaining unit employees regarding matters involving staffing requirements and employees' salaries. The State has not had the opportunity to bargain over the type of changes proposed by this bill.

Agencies are working hard to increase staffing levels, but in the interim, there may be other alternatives to this legislation, such as those described above. DBM urges the Committee to allow the collective bargaining process to work to explore other options.

For all of these reasons, the Department respectfully requests an unfavorable report.

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