

**Department of Fiscal Services**  
Maryland General Assembly

**FISCAL NOTE**

Senate Bill 289 (Senator Della)  
Finance

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**State Personnel - Layoffs**

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This bill provides that a State classified service employee whose position is abolished due to budget reductions is “laid off”. The bill also provides that an affected employee must be given a 30-day notice of the layoff.

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**Fiscal Summary**

**State Effect:** Future expenditures could increase by an indeterminate amount. Revenues would not be affected.

**Local Effect:** None.

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**Fiscal Analysis**

**State Expenditures:** This bill provides that an employee whose position is eliminated due to budgetary reductions would retain bumping and reinstatement rights consistent with any other employee laid-off by the State. As a result, work force reductions would be slowed consistent with the required 30-day notification and the extension of bumping rights to such employees.

In addition, future salary and fringe benefit expenditures in the out-years could be affected. The State would continue to pay higher salary and fringe benefits to the senior employees who exercised their bumping rights and employees displaced through budgetary reductions would have priority in future hiring decisions. Reinstated employees are entitled to their previous salary grade/steps and accrued annual and sick leave.

The bill could make it necessary for the State to eliminate a greater number of positions in order to meet a targeted reduction in State expenditures. This is because senior employees who exercise their bumping rights retain their salary grade/steps and accrued benefit levels.

However, any increase in expenditures is dependent on future work force reductions due to budgetary reductions and the decisions made by affected employees, neither of which can be reliably estimated.

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**Information Source(s):** Department of Personnel, Department of Fiscal Services

**Fiscal Note History:** First Reader - February 29, 1996

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