

Department of Fiscal Services  
Maryland General Assembly

FISCAL NOTE  
Revised

House Bill 1413 (Appropriations Committee)  
(Departmental - Budget and Management)

Appropriations

Referred to Finance

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**State Personnel - Personnel Reform - Technical Changes**

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This amended bill makes mostly technical changes to the State Personnel and Pensions Article of the Annotated Code to reflect the State Personnel Management System Reform Act of 1996 (Chapter 347, HB 774 of 1996). These changes affect provisions regarding interruptions for military service, the employment status of special appointees, the definition of part-time employment, and the reinstatement period for membership in the Employees' Retirement System, State Police Retirement System, and Correctional Officers' Retirement System after separation from employment. The reinstatement periods are being altered to conform with the three-year reinstatement period for other personnel issues as specified in Chapter 347 of 1996.

The bill also authorizes public institutions of higher education to establish their own employee holiday time for their employees, consistent with their academic calendars. These institutions would not be subject to the policies regarding holiday time set forth in the State Personnel Management System (SPMS). The bill, however, requires these public institutions of higher education to provide the same number of leave days to nonfaculty employees as are provided under the SPMS, but the institutions can alter the distribution of leave to accommodate their academic calendars. The bill is effective July 1, 1997.

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**Fiscal Summary**

**State Effect:** Minimal or no impact on State personnel expenditures, as discussed below.

**Local Effect:** None.

**Small Business Effect:** A small business impact statement was not provided by the Department of Budget and Management in time for inclusion in this fiscal note. A revised

fiscal note will be issued when the department's assessment becomes available. Fiscal Services advises that this bill would not directly affect small businesses.

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## Fiscal Analysis

**State Expenditures:** This bill makes several changes to the State Personnel Article to reflect last year's personnel reform law. These changes, for the most part, would not result in any fiscal effect. The change in the reinstatement period for the three specified retirement systems from two years to three years is estimated to affect less than ten people who leave one of these systems and then return to State service after more than two years but less than three years. For those ten people, there may be a minimal increase in State expenditures as a result of the service credit that the employee would retain but which would have been erased under current law. Other systems, such as the Employees' Pension System, have their own reinstatement provisions that are not affected by the personnel reform legislation.

The Department of Fiscal Services advises that any increase in the net amount of holiday time available to employees of public institutions of higher education as is currently provided by the State Personnel Management System will affect expenditures by the State's public institutions of higher education. The University of Maryland System advises that it does not intend to change the net amount of holiday time available to its employees.

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**Information Source(s):** Department of Budget and Management, State Retirement Agency, University of Maryland, Department of Fiscal Services

**Fiscal Note History:** First Reader - February 25, 1997  
lc Revised - House Third Reader - March 21, 1997

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Analysis by: Matthew D. Riven	Direct Inquiries to:
Reviewed by: John Rixey	John Rixey, Coordinating Analyst
	(410) 841-3710
	(301) 858-3710