

Department of Fiscal Services
Maryland General Assembly

FISCAL NOTE

Senate Bill 383 (Senator Della)
Finance

State Personnel - Skilled Service and Professional Service - Layoffs

This bill extends the layoff process to employees in the skilled and professional services who are separated due to budget reductions. Under current law, skilled and professional service employees are covered by layoff provisions only when their positions will be abolished, discontinued, or vacated because of a change in organization or because of a stoppage or lack of work. The bill also requires that employees be given a 30-day notice of layoff if it is due to a budget reduction. Skilled and professional service employees who are laid off are subject to seniority procedures for order of layoffs, displacement, and reinstatement.

Fiscal Summary

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

Local Effect: None.

Small Business Effect: None. This bill would not directly affect small businesses.

Fiscal Analysis

State Expenditures: This bill provides that an employee whose position is eliminated due to budget 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 budget 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 budget reductions and the decisions made by affected employees, neither of which can be reliably estimated at this time.

Information Source(s): Department of Budget and Management (Office of Human Resources), Department of Fiscal Services

Fiscal Note History: First Reader - March 10, 1997

lc

Analysis by: Matthew D. Riven

Reviewed by: John Rixey

Direct Inquiries to:

John Rixey, Coordinating Analyst

(410) 841-3710

(301) 858-3710