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By: **Delegates C. Davis, C. Mitchell, and Harrison**  
Introduced and read first time: February 4, 1998  
Assigned to: Appropriations

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A BILL ENTITLED

1 AN ACT concerning

2 **State Employees - Compensation - Cost-of-Living Adjustments**

3 FOR the purpose of requiring that pay rates in the Standard Pay Plan and the  
4 Executive Pay Plan be amended each fiscal year to reflect a certain  
5 cost-of-living adjustment; and generally relating to compensation for State  
6 employees.

7 BY repealing and reenacting, with amendments,  
8 Article - State Personnel and Pensions  
9 Section 8-104  
10 Annotated Code of Maryland  
11 (1997 Replacement Volume)

12 SECTION 1. BE IT ENACTED BY THE GENERAL ASSEMBLY OF  
13 MARYLAND, That the Laws of Maryland read as follows:

14 **Article - State Personnel and Pensions**

15 8-104.

16 (a) (1) Pay rates in the Standard Pay Plan may be set by:

17 (i) a series of pay grades and steps within each grade;

18 (ii) fixed rates; or

19 (iii) minimum and maximum amounts.

20 (2) Pay rates in the Executive Pay Plan may be set by:

21 (i) a series of executive pay grades and steps within each grade; or

22 (ii) fixed rates.

23 (b) In setting or amending a pay rate, the Secretary shall consider:

- 1 (1) the prevailing pay rates for comparable services in private and public  
2 employment;
- 3 (2) experience;
- 4 (3) living costs;
- 5 (4) benefits; and
- 6 (5) the financial condition and policies of this State.

7 (C) IN ADDITION TO ANY OTHER INCREASES IN PAY RATES PROVIDED FOR  
8 UNDER THIS SUBTITLE, PAY RATES IN THE STANDARD PAY PLAN AND THE  
9 EXECUTIVE PAY PLAN SHALL BE AMENDED EACH FISCAL YEAR TO REFLECT A 3%  
10 COST-OF-LIVING ADJUSTMENT.

11 [(c)] (D) (1) A pay rate in either pay plan is subject to any limitations  
12 included in the State budget.

13 (2) The starting pay rate for an employee whose position is in the  
14 Executive Pay Plan may not exceed the pay rate set for the second step of the grade  
15 specified for the position, unless:

- 16 (i) exceptional circumstances exist; and
- 17 (ii) the Board of Public Works approves the higher starting pay.

18 (3) The pay rate for a physician in the Department of Health and Mental  
19 Hygiene whose position is in the Executive Pay Plan shall be set in accordance with  
20 the physician-administrator pay schedule.

21 SECTION 2. AND BE IT FURTHER ENACTED, That this Act shall take effect  
22 October 1, 1998.