

Department of Legislative Services
Maryland General Assembly

FISCAL NOTE

House Bill 949 (Delegate Pitkin. *et al.*)

Appropriations

State Employees - Telecommuting - Computer Loan Program

This bill requires the Secretary of the Department of Budget and Management (DBM) to establish a computer loan program that provides below-market fixed rate loans for the purchase or upgrade of computers to State employees, except temporary employees, who are eligible to telecommute and need to purchase or upgrade a computer in order to participate. The Secretary must establish by regulation procedures for applying for a loan, criteria for determining eligibility, and terms and conditions for a loan.

Fiscal Summary

State Effect: Indeterminate increase in expenditures. Revenues would not be affected.

Local Effect: None.

Small Business Effect: Minimal.

Fiscal Analysis

State Expenditures: Assuming the State does not administer the loans itself, the cost to the State would simply be the difference between the cost of providing a below-market interest rate and a market rate for a computer loan. The bill's effect on State expenditures depends on: (1) the number of State employees that would take advantage of such a loan; (2) the amount of a loan; and (3) what "below-market rate" would be used, which is not specified in the bill. As a point of reference, there are about 70,000 State employees, a personal computer costs between \$1,000 and \$2,000, and current rates for a personal loan at the State Employees Credit Union are 13-17.5%.

It is noted that DBM is currently operating a telecommuting pilot program that has 100 State

employees participating from DBM, the Department of Transportation, the Department of Assessments and Taxation, the Department of the Environment, and the Maryland State Police.

Information Source(s): Department of Budget and Management, State Employees Credit Union, Department of Legislative Services

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