

Department of Legislative Services
 Maryland General Assembly
 2000 Session

FISCAL NOTE
 Revised

Senate Bill 382 (Senator Mitchell)

Finance

State Personnel - Appeals of Disciplinary Actions - Management Service Employees

This bill alters the procedures by which employees in the management service of the State Personnel Management System (SPMS) may appeal a disciplinary action. The bill applies retroactively to any management service employee who was terminated on or after April 1, 1998.

Fiscal Summary

State Effect: General fund expenditures will increase by approximately \$39,200 in FY 2001 for an additional Department of Budget and Management (DBM) employee to handle additional disciplinary appeals. Future year expenditures reflect annualization and growth.

(in dollars)	FY 2001	FY 2002	FY 2003	FY 2004	FY 2005
GF Revenues	\$0	\$0	\$0	\$0	\$0
GF Expenditures	39,200	46,800	49,000	51,300	53,700
Net Effect	(\$39,200)	(\$46,800)	(\$49,000)	(\$51,300)	(\$53,700)

Note: () = decrease; GF = general funds; FF = federal funds; SF = special funds; - = indeterminate effect

Local Effect: None.

Small Business Effect: None.

Analysis

Bill Summary: The bill changes the process by which management service employees of the SMPS appeal disciplinary actions and subjects them to the same rules that govern skilled service and professional service employees. Existing rules for disciplinary actions of special appointees would remain the same.

Current Law: The differences in the appeals process for the two groups are discussed

below.

Skilled and Professional Service Employees

An employee or an employee's representative may file with the head of the principal unit a written appeal of a disciplinary action that states, to the extent possible, the issues of fact and law that the employee believes would warrant rescinding the disciplinary action. An appeal under this subtitle must be filed within 15 days after the employee receives notice of the appointing authority's action. The above two provisions do not apply to an employee who is on probation following a promotion or reinstatement. Within 15 days after receiving an appeal, the head of the principal unit must issue to the employee a written decision that addresses each point raised in the appeal. The employee may then pursue the appeal with the Employee Relations Division of DBM and ultimately, the Office of Administrative Hearings.

Management and Executive Service Employees (and Special Appointments)

An employee or an employee's representative may file a written appeal of a disciplinary action with the head of the principal unit. An appeal: (i) must be filed within 15 days after the employee receives notice of the disciplinary action; and (ii) may *only be based on the grounds that the disciplinary action is illegal or unconstitutional*. Within 15 days after receiving an appeal, the head of the principal unit must issue the employee a written decision. The decision of the head of the principal unit is the final administrative decision.

State Expenditures: The new procedures make it easier for management service employees to appeal disciplinary actions, resulting in an increase in the total number of such appeals. In fiscal 1999, the Employee Relations Division of DBM received 920 appeals of disciplinary actions from State employees. In addition, approximately 90 more appeals were resolved at the agency level. The division currently has two professional employees who are responsible for conducting settlement conferences on grievances and disciplinary appeals filed by State employees. While the additional workload for future and retroactive appeals cannot be precisely determined, it is unlikely that the existing staff could handle more than a minimal increase in caseload. An additional Grade 15 employee will therefore be needed to handle the additional appeals.

General fund expenditures could increase by an estimated \$39,217 in fiscal 2001, which accounts for the bill's October 1, 2000, effective date. This estimate reflects the cost of hiring one Grade 15 employee to handle the additional caseload discussed above. It includes salaries, fringe benefits, one-time start-up costs, and ongoing operating expenses. Future year expenditures reflect (1) full salaries with 3.5% annual increases and 3% employee turnover; and (2) 1% annual increases in ongoing operating expenses.

Additional Information

Prior Introductions: None.

Cross File: None.

Information Source(s): Department of Budget and Management, Department of Legislative Services

Fiscal Note History: First Reader - February 22, 2000
drg/jr Revised - Senate Third Reader - March 20, 2000

Analysis by: Matthew D. Riven

Direct Inquiries to:
John Rixey, Coordinating Analyst
(410) 946-5510
(301) 970-5510