

Department of Legislative Services
Maryland General Assembly
2002 Session

FISCAL NOTE
Revised

House Bill 1444
Appropriations

(Chairman, Appropriations Committee)

Finance

State Employees - Leave Provisions

This bill permits the Secretary of Budget and Management to provide, by regulation, up to 15 days of leave with pay for employees on active military duty or military training in a reserve unit or in the organized militia (National Guard).

The bill also permits certain employees called to active duty to receive leave from the State Employees Leave Bank. The Department of Budget and Management (DBM) must report to the Governor and General Assembly by January 15, 2003 on the use of the leave bank by employees called to active military duty.

The bill is effective July 1, 2002 and terminates on December 31, 2003.

Fiscal Summary

State Effect: Minimal increase in State personnel expenditures (all funds). No impact on revenues.

Local Effect: None.

Small Business Effect: None.

Analysis

Bill Summary: The bill permits State employees called to active military duty on or after September 11, 2002 on unpaid leave to receive leave from the leave bank beginning on the date the employee began unpaid leave or January 1, 2002, whichever is later.

Employees called to active military duty after the effective date of the bill, July 1, 2002, must have previously contributed at least eight hours of annual or personal leave to the leave bank. The leave granted to employees on active military duty from the leave bank is from the annual and personal leave forfeited to the bank and not donated leave or forfeited sick leave.

The DBM report must include the impact of the bill's provisions on the leave bank, and the number of employees receiving leave from the leave bank under the bill's provisions.

Current Law: The Secretary of Budget and Management may provide for leave for up to 15 days with pay by regulation for military training in a reserve unit or in the organized militia (National Guard).

Background: Under Maryland Article 65, public employees in the National Guard or a reserve unit of the U.S. Armed Forces are entitled to leave without loss of pay for military training for up to 15 days a year. Only members of the National Guard called to active duty by the Governor under Maryland Article 65, however, are provided a leave of absence without loss of pay during their period of active duty.

According to the Military Department, 137 National Guard personnel (up to 173 during holiday and peak travel periods) were called to active duty under federal Title 32 (National Guard) or federal Title 10 (Armed Forces) to provide airport security. On October 3, 2001, the Governor issued an executive order calling these same personnel to active duty under Maryland Article 65 to supplement airport security. This ensured that any State employees in these National Guard personnel received a leave of absence without loss of pay.

An additional 153 National Guard personnel, however, were called to active duty under federal Title 32 or federal Title 10, but not under Maryland Article 65, to provide security at National Guard installations. Any State employees among these National Guard personnel are not entitled to the unlimited leave of absence without loss of pay, time, or seniority under Maryland Article 65. In addition, State employees called to active duty as members of military reserve units are not entitled to the unlimited leave of absence without loss of pay, time, or seniority.

Employers are not required to pay members of the National Guard or military reserve units when called to active duty. Under Article 65, the leave of absence without loss of pay means that State employees on paid leave are paid at their full rate of pay.

It is the policy of the State to continue health benefits for National Guard called to active duty under federal Title 32, federal Title 10, or Maryland Article 65, and for military reservists called to active duty.

State Fiscal Effect: The State Employee Leave Bank had a balance at the end of calendar 2001 of 1.2 million hours, approximately 800,000 of which were forfeited annual and personal leave (valued at approximately \$15 million at the average State employee salary). During calendar 2001, 400,000 hours of annual and personal leave was forfeited to the leave bank.

The accrued leave in the leave bank is an outstanding liability to the State since the leave will be used at some point. Therefore, the impact is in: (1) the timing of the leave use; and (2) any differences in salary between contributors and users (at both the agency and employee level) of the leave. It is assumed that the primary impact is due to the timing of the leave usage. It is further assumed that the impact is minimal because the additional use of the fund is limited to this single purpose and for a short period of time, and that the paid leave is at the employees full rate, as under Maryland Article 65.

The bill permits State employees who are members of a reserve unit of the U.S. Armed Forces to receive leave with pay during their active duty deployment for 15 days. This is equivalent to what would have been allowed for training under current law and would have no fiscal impact.

Additional Information

Prior Introductions: None.

Cross File: None.

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

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