

Department of Legislative Services
 Maryland General Assembly
 2005 Session

FISCAL AND POLICY NOTE

House Bill 923
 Appropriations

(Delegate F. Turner, *et al.*)

Budget and Taxation

State Personnel - Grievances - Settlement

This bill adds a provision to Step Three of the State Personnel Management System (SPMS) employee grievance proceedings. Upon an appeal of a grievance decision, when the Secretary of Budget and Management attempts to resolve a grievance with a binding settlement between the employee and the employing principal unit, this bill requires the Secretary of Budget and Management or a designee to determine whether the employing principal unit will accept the binding settlement.

Fiscal Summary

State Effect: Potential minimal decrease in general fund expenditures. Revenues would not be affected.

Local Effect: None.

Small Business Effect: None.

Analysis

Current Law: As required by law, there are three steps that an SPMS employee may take in resolving a grievance, with some exceptions. Step One is the initiation proceeding, in which the employee files a written grievance with the appointing authority and provides a copy of the grievance to their supervisor. The grievance must be filed within 20 days after the occurrence of the act that caused the grievance or from the first instance in which the employee should have known about the alleged act that caused the grievance. Within 10 days of receiving the grievance, the employee's appointing authority must hold a conference with the employee to attempt to resolve the grievance.

Within 10 days following the conference, the appointing authority must issue a written decision on the resolution of the grievance.

Step Two is the appeal of the decision of the appointing authority to the head of the principal unit. The employee has 10 days from the date of receiving the decision of the appointing authority to file an appeal with the principal unit head. Within 10 days of receiving the appeal, the head of the principal unit must confer with the grievant and attempt to resolve the grievance. Within 10 days of the conference, the principal unit head must issue a written decision as to the appropriate remedy of the grievance.

Step Three is when the grievant appeals the decision of the head of the principal unit to the Secretary of Budget and Management. The grievant has 10 days from the date of receiving the principal unit head's decision to appeal the decision to the Secretary. The Secretary has 30 days to review the grievance and take appropriate action. If the Secretary or designee does not agree with the decision of the head of the principal unit, he or she will attempt to resolve the grievance with a binding settlement. If neither party accepts the settlement, then the Secretary must refer the grievance to the Office of Administrative Hearings (OAH) for a final administrative decision.

State Expenditures: In fiscal 2004, approximately 188 grievances were forwarded to OAH for resolution at a cost of approximately \$526,000. For each grievance case forwarded, the Department of Budget and Management (DBM) advises that the State normally pays OAH \$2,800 in charges. If DBM is able to settle the grievance through a binding settlement, it would potentially save the State \$2,800 for each case that would have otherwise been forwarded to OAH. The precise amount that State expenditures would decrease depends upon the number of cases settled by DBM through a binding settlement rather than forwarded to OAH for a final administrative decision.

Additional Information

Prior Introductions: None.

Cross File: None.

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

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