

Department of Legislative Services
Maryland General Assembly
2006 Session

FISCAL AND POLICY NOTE

House Bill 1002
Appropriations

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

Finance

State Personnel - Disciplinary Actions - Settlement

This bill requires the Secretary of Budget and Management or the designee to determine whether the employing principal unit of an employee appealing a disciplinary action will accept a mediated settlement within 30 days after receiving the appeal.

Fiscal Summary

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

Local Effect: None.

Small Business Effect: None.

Analysis

Current Law: An employee in the skilled or professional services, or the employee's representative, may file with the head of the principal unit a written appeal of a disciplinary action, within a specified time frame. Within 10 days after receiving a decision of a disciplinary action appeal to the principal unit, the employee or his/her representative may appeal the decision in writing to the Secretary of Budget and Management. Within 30 days after receiving an appeal, the Secretary or designee must (1) mediate a settlement between the employee and the unit or refer the appeal to the Office of Administrative Hearings (OAH); and (2) advise the employee in writing of the Secretary's action.

Background: Chapter 584 of 2005 requires that, 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, the Secretary or designee must determine whether the employing principal unit will accept the binding settlement.

In its *Annual Personnel Report*, the Department of Budget and Management (DBM) states that, of the 401 disciplinary action appeals made in fiscal 2005, 214 were resolved at DBM and 187 were forwarded to OAH.

State Fiscal Effect: In fiscal 2005, 187 disciplinary action appeals were forwarded to OAH, at \$2,465 each, totaling \$460,955. It is estimated that, for fiscal 2006, each case forwarded to OAH would cost \$1,730. If DBM is able to settle the grievance through a mediated settlement, it would potentially save the State approximately \$1,730 per case, based on the fiscal 2006 per case expenditure. The actual decrease depends upon the number of cases settled by DBM through a mediated settlement rather than forwarded to OAH for final administrative decision, and the number of times the Secretary or designee decides that the principal unit will accept the settlement.

Additional Information

Prior Introductions: None.

Cross File: None.

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

Fiscal Note History: First Reader - February 28, 2006
ncs/ljm

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