Department of Legislative Services

Maryland General Assembly
2006 Session

FISCAL AND POLICY NOTE

Senate Bill 252 (Senator Della)
Finance

State Personnel - Separation from State Service - Employee Rights

This bill extends specific provisions of State law regarding seniority and displacement rights for employees who are laid off to employees who are separated who are in the skilled and professional services of the State Personnel Management System (SPMS). The Secretary of Budget and Management must adopt regulations that provide uniform procedures among the principal units.

Fiscal Summary

State Effect: Potential reduction in budget savings associated with eliminating filled positions from extending seniority and displacement rights to separated employees. Revenues would not be affected.

Local Effect: None.

Small Business Effect: None.

Analysis

Current Law: Generally, seniority and displacement rights for skilled and professional service employees do not apply to employees who are terminated or separated. Separated employees have the same reinstatement rights as laid-off employees. An employee separation occurs when the appropriation of the position is (1) omitted by the Governor in the budget; (2) struck from the budget by the General Assembly; or (3) reduced by the Governor with the approval of the Board of Public Works. An employee layoff occurs if the employee fills a position that will be abolished, discontinued, or vacated because of an organizational change or because of a stoppage or lack of work.

Generally, employees in a class are to be laid off according to seniority points, so that employees with less seniority points are laid off before those with more seniority points. Furthermore, an employee being laid off may displace another employee who has the least seniority points in the same class or job series as the employee being laid off, or in any other class in which the laid-off employee has previously held satisfactory, nonprobationary status within the last 36 months.

An employee with the most seniority points must be the first employee reinstated in the class from which the employee was laid off or separated. Additionally, reinstatement to a comparable class must be made from among the five laid-off or separated certified employees with the most seniority points.

Seniority points are calculated for SPMS employees who are laid off by combining the following: (1) one point for each month of State employment; (2) one point for each month of employment in the principal unit in which the layoff will occur; and (3) one point for each month of employment in the job series in which the layoff will occur.

State Fiscal Effect: Any savings from potential filled position reductions through separations could be reduced as a result of allowing seniority displacement for separated employees. The precise amount by which savings would be reduced cannot be reliably quantified at this time, as it would depend on the number of separations and the level of seniority of separated employees, as well as the degree to which they are able to displace less senior employees. If a separated employee with more seniority makes a higher salary than the less senior employee who is displaced, the savings associated with reducing positions could be reduced by the difference between the salaries of the individuals. In any event, given that the displacing employee must be in the same class or job series as the displaced employee, any salary differential is likely to be minimal.

The Department of Budget and Management advises that while actual costs in terms of staff time required and the operational impact associated with assisting agencies in the calculation of seniority points are not quantifiable, it anticipates that the operational impact would be minimal overall.

Additional Information

Prior Introductions: This bill was introduced as SB 290 during the 2003 session. The bill was not reported out of the Finance Committee.

Cross File: None.

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

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