

**Department of Legislative Services**  
 Maryland General Assembly  
 2006 Session

**FISCAL AND POLICY NOTE**

Senate Bill 413 (Senator Grosfeld)  
 Education, Health, and Environmental Affairs

**State Boards and Other Similar Bodies - Open Positions - Appointments**

This bill requires the Governor’s Appointment Office to make a public announcement regarding each “open position” on a State board, commission, task force, advisory council, advisory committee, or other similar body. The announcement must be made by (1) posting a position vacancy or job announcement on the Maryland.gov web site; (2) posting a position vacancy or job announcement on the Office of the Governor’s web site; (3) printing advertisements in at least two newspapers that each have a daily total average paid circulation of 200,000 or more; and (4) using any other method that is reasonably calculated to ensure a sufficient pool of applicants, including printing advertisements in journals, paper and electronic bulletin board postings, and special notices.

**Fiscal Summary**

**State Effect:** General fund expenditures could increase by \$6.9 million in FY 2007 and by about \$8.9 million annually beginning in FY 2008 for increased personnel, advertising, and information technology expenditures. Revenues would not be affected.

(\$ in millions)	FY 2007	FY 2008	FY 2009	FY 2010	FY 2011
Revenues	\$0	\$0	\$0	\$0	\$0
GF Expenditure	6.9	8.9	8.9	8.9	8.9
Net Effect	(\$6.9)	(\$8.9)	(\$8.9)	(\$8.9)	(\$8.9)

*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 only applies to open positions that do not receive a salary or compensation (except for reimbursement for expenses). If an open position requires specific qualifications, the Governor's Appointments Office must only appoint an individual who meets the specific qualifications.

The Governor's Appointments Office must make an appointment within 60 days from the effective date of legislation creating the new position, or 60 days from the date of the resignation, termination, or death of a member resulting in an open position. If the appointment is not made within the specified time frame, the President of the Senate and the Speaker of the House of Delegates have the authority to jointly appoint an individual to fill the open position within 60 days.

**Current Law:** A number of provisions in statute provide that the Governor make appointments to fill positions on State boards, commissions, task forces, advisory committees, and other such bodies. In some instances, the appointment requires the advice and consent of the Senate. Generally, there is no provision that an appointment to one of these bodies must be advertised or must occur within a specified time frame.

**Background:** The Governor's Office estimates that the bill would apply to approximately 6,000 appointed positions.

**State Expenditures:** The bill's provisions could increase State expenditures by \$6.9 million in fiscal 2007 and by about \$8.9 million annually beginning in fiscal 2008, as shown in **Exhibit 1**.

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### Exhibit 1 Increased State Expenditures Associated with SB 413 Fiscal 2007 - 2011

<b><u>Expenditure</u></b>	<b><u>FY 2007</u></b>	<b><u>FY 2008</u></b>	<b><u>FY 2009</u></b>	<b><u>FY 2010</u></b>	<b><u>FY 2011</u></b>
Advertising	\$6,525,000	\$8,700,000	\$8,700,000	\$8,700,000	\$8,700,000
Personnel	122,792	159,846	169,391	179,624	190,605
Information Technology	238,600	51,318	51,318	51,318	51,318
<b>Total</b>	<b>\$6,886,392</b>	<b>\$8,911,164</b>	<b>\$8,920,709</b>	<b>\$8,930,942</b>	<b>\$8,941,923</b>

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### *Advertising Expenditures*

Of the approximately 6,000 appointed positions that would be affected by the bill, the Governor's Office estimates that approximately 1,300 to 1,500 need to be filled annually. Assuming that the maximum number of estimated positions (1,500) would need to be filled annually, advertising expenditures could increase by \$6.5 million in fiscal 2007, reflecting the bill's October 1, 2006 effective date. Annualized expenditures would be \$8.7 million beginning in fiscal 2008. This estimate assumes that each position announcement placed in a newspaper with a daily total average paid circulation of at least 200,000 would be \$2,900 as advised by the Governor's Office and the Department of Budget and Management. To the extent that advertising costs or the number of open positions deviate from the estimated amount, advertising expenditures would adjust accordingly. The bill requires that these announcements appear in two such newspapers. The Governor's Office advises that it currently advertises very few of the open positions.

The Governor's Office further advises that it may also need to advertise for open positions in newspapers located outside the metropolitan areas as well as in journals, paper and electronic bulletin board postings, and special notices as required in the bill. As such, there may be additional unquantifiable advertising expenditures that are not reflected in the estimate given above.

### *Personnel Expenditures*

The Governor's Office advises, that as a result of an increased workload for the Governor's Appointments Office, it would need to hire three Special Assistant IIs at grade 14. One of these positions would be needed to research, compile, and prepare the job announcements as well as place them with the publications and process payments for the announcements. The Governor's Office assumes that increased advertising would result in an increase in the number of applicants for open positions and consequently in the applicant screening workload. At a projected increase of 10 applicants per open position, the total number of applicants could increase by 15,000 annually. The bill also limits the time frame in which an appointment must be made by the Governor's Appointment Office to 60 days. As such, the two other Special Assistant II positions would be used to screen the applications. The Governor's Office advises that the screening process generally involves information review and verification; background research; and completion of a "job-matching" process where the applicant's background is assessed against the position's statutory requirements and evaluated in the context of the geographic, gender, and ethnic diversity on the board of interest.

General fund expenditures could increase by an estimated \$122,792 in fiscal 2007, which accounts for the bill's October 1, 2006, effective date. This estimate reflects the cost of hiring three Special Assistant IIs to handle posting job announcements and screening

applications. It includes salaries, fringe benefits, one-time start-up costs, and ongoing operating expenses.

Positions	3
Salaries and Fringe Benefits	\$115,682
Equipment (Fiscal 2007 Only)	6,120
Operating Expenses	<u>990</u>
<b>Total FY 2007 State Expenditures</b>	<b>\$122,792</b>

Future year expenditures reflect (1) full salaries with 4.6% annual increases and 3% employee turnover; and (2) 1% annual increases in ongoing operating expenses.

#### *Information Technology Expenditures*

The Governor's Office advises that its current applicant processing system would not be able accommodate the anticipated increased level of interest in the open positions. As such, it would be required to design a new database, at an implementation cost of \$238,600 in fiscal 2007 and annual recurring costs of \$51,318 beginning in fiscal 2008. The one-time expenditures include \$100,000 for new Applicant Tracking System software, \$50,000 in upgrades and customization for the existing Appointment System, and \$25,000 for integration between the two. Additionally, the fiscal 2007 expenditure includes hardware expenditures, vulnerability assessment and remediation expenditures, and server intrusion prevention software. Recurring costs include software licenses and telecommunications expenditures, such as increased bandwidth.

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### **Additional Information**

**Prior Introductions:** None.

**Cross File:** None.

**Information Source(s):** Governor's Office, Department of Budget and Management, Department of Legislative Services

**Fiscal Note History:** First Reader - March 1, 2006  
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