

Department of Legislative Services
 Maryland General Assembly
 2007 Session

FISCAL AND POLICY NOTE

House Bill 820 (Delegates Boteler and Kach)
 Appropriations

Health Occupation Boards - Determination of Job Classifications and Grades for Staff

This bill prohibits the Secretary of Health and Mental Hygiene from determining job classifications and grades for certain health occupations boards' employees. The bill provides for the classification of new board staff and the reclassification of existing board employees. An independent salary survey has to be conducted of staff members' salaries and other issues, the cost of which must be divided equally among the boards.

Provisions relating to determining staff classification and pay grades take effect October 1, 2008. Other provisions take effect October 1, 2007.

Fiscal Summary

State Effect: Expenditures could increase by \$50,000 (\$2,900 general funds and \$47,100 special funds) to pay for an independent salary survey. Potential increase in personnel expenditures for board employees beginning in fiscal 2009. Revenues would not be affected.

(in dollars)	FY 2008	FY 2009	FY 2010	FY 2011	FY 2012
Revenues	\$0	\$0	\$0	\$0	\$0
GF Expenditure	2,900	-	-	-	-
SF Expenditure	47,100	-	-	-	-
Net Effect	(\$50,000)	\$0	\$0	\$0	\$0

Note: () = decrease; GF = general funds; FF = federal funds; SF = special funds; - = indeterminate effect

Local Effect: None.

Small Business Effect: None.

Analysis

Bill Summary: Health occupations boards' employees hired after September 30, 2008 have to be in the executive or management services, or classified as special appointments in the State Personnel Management System (SPMS). Each health occupations board is required to determine appropriate job classifications and pay grades for its employees.

The bill applies to each regulatory board authorized to license or certify under the Health Occupations Article, except for the State Board of Physicians. **Appendix 1** lists the regulatory boards and commission and indicates which ones are affected by the bill.

Current Law: As part of SPMS, the regular employees of the health occupations boards fall into one of four categories: executive service, management service, professional service, or skilled service. In addition, board employees may be designated as special appointments consistent with statute. The SPMS employee classification system is described below.

Background:

State Health Professions Regulatory System

Eighteen boards and one commission share responsibility for regulating the various health professions in Maryland; the bill affects all but the State Board of Physicians and the Kidney Disease Commission. The boards and commissions are responsible for the examination, licensure, regulation, and discipline of over 330,000 health care providers. The boards also set standards of practice and continuing education requirements.

SPMS Employee Classifications

Most State employees are in the skilled service designation; this class includes several types of positions, such as clerical and maintenance employees. Professional service employees have advanced knowledge in a field of science or learning acquired through special courses and study, often requiring a professional license or advanced degree. An employee is in the management service if the position involves direct oversight over personnel and financial resources and is not in the executive service. Executive service employees are generally political appointments at the highest levels of State government.

There is also within each of the classes of regular employees (skilled, professional, management, or executive service) a category of "special appointment employees." Special appointments must meet any one of several specific criteria. For example, State law allows a position to be designated by the Secretary of Budget and Management as a special appointment if that position performs a significant policy role or directly supports

members of the executive service. Most positions classified as special appointments, however, are specifically designated as such in the Annotated Code.

At-will Employees

Except for special appointments, employees in the skilled and professional services are competitively selected and subject to termination for cause. Employees in the management and executive services and employees serving under a special appointment serve at the pleasure of their appointing authority and may be terminated from employment for any reason, solely in the discretion of the appointing authority. Statute provides, however, that personnel actions concerning a management service employee or an applicant for such a position must be made without regard to the employee's political affiliation, belief, or opinion.

State Board of Physicians

This bill's provisions are similar to statute regarding staff of the State Board of Physicians. Board staff hired after September 30, 1992, are in the executive service, management service, or are special appointments in SPMS. However, the Secretary of Health and Mental Hygiene has the authority to determine the appropriate job classifications and grades for all State Board of Physicians staff.

Special Committee on State Employee Rights and Protections

During the 2005 interim, the Legislative Policy Committee appointed a Special Committee on State Employee Rights and Protections to examine numerous matters regarding SPMS and terminations and separations of at-will employees. In the fall of 2006, the committee concluded its proceedings and issued a final report including recommendations for changes to the State's personnel systems. One such recommendation was to consider a legislative study of the number of at-will management service employees and the rationale for having entire departments or substantial parts of them designated at-will.

State Fiscal Effect: The health occupations boards estimate that an outside consultant to conduct the salary survey required by the bill would cost approximately \$50,000 in fiscal 2008 only. A basis for this estimate was not provided. Assuming that the survey actually costs \$50,000, the expenditures of each of the 17 health occupations boards covered by the bill would increase by almost \$2,950 as the bill requires the cost to be divided equally rather than proportionate to the size of each board's staff. All boards affected by the bill are funded through special funds, except for the State Board of Nursing Home Administrators, which is funded through general funds. To the extent that the cost of the survey deviates from this assumption, the estimate would adjust accordingly.

Requiring newly hired employees of the various health occupations boards to be placed into certain job classifications would not directly affect State finances; however, requiring each board to determine appropriate job classifications and grades for its employees could indirectly increase State expenditures.

There could be increased personnel expenditures for employees of the health occupations boards if a pay grade deemed appropriate by a board for an employee would be higher than what he/she would earn under the current classification system. Any such salary increase cannot be reliably quantified at this time, as it would depend on how an individual would be reclassified by a board and how many employees would be reclassified. While reclassifying board employees should not significantly impact individual boards, the cumulative effect of the salary increases for all boards could be substantial. In any event, the effect would not begin until fiscal 2009.

Combined, these boards employ approximately 150 regular staff; more than one-third are employed by the State Board of Nursing. Central coordinating staff, who would not be affected by this bill, provide administrative support to most of the boards; these boards share the salaries and associated costs of the central staff.

Additional Information

Prior Introductions: None.

Cross File: None.

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

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Appendix 1
Health Occupations Regulatory Boards and Commission

Acupuncture	Optometry
Audiologists, Hearing Aid Dispensers, and Speech Language Pathologists	Pharmacy
Chiropractic Examiners	Physical Therapy Examiners
Dental Examiners	Physicians (and ancillary profs)*
Dietetic Practice	Podiatric Medical Examiners
Kidney Disease*	Professional Counselors and Therapists
Morticians	Psychologists
Nursing (and ancillary profs)	Residential Child Care Administrators
Nursing Home Administrators	Social Work Examiners
Occupational Therapy	

* Not covered under the bill.

Source: Department of Health and Mental Hygiene
