HB 864

Department of Legislative Services

Maryland General Assembly
2007 Session

FISCAL AND POLICY NOTE

House Bill 864 (Delegate Benson, *et al.*)
Appropriations

Equal Employment Opportunity Office - Independent Unit

This bill makes a number of changes to the administration of the Executive Branch's equal employment opportunity (EEO) policies, as described below.

Fiscal Summary

State Effect: General fund expenditures would increase by $221,200 in FY 2008 for new staff and other operating expenditures for an independent EEO Office. Future year expenditures reflect annualization and inflation. 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	221,200	273,600	287,100	301,300	316,300
Net Effect	($221,200)	($273,600)	($287,100)	($301,300)	($316,300)

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:

- establishes the EEO Office as an independent agency and transfers the administration of the office from the Secretary of Budget and Management to the EEO Coordinator;

- creates an Equal Opportunity Advisory Board, comprising the Executive Branch's fair practices officers, to provide consistency to the efficiency and efficacy of statewide civil rights programs. The bill mandates that the board meet quarterly and report its findings and recommendations to the Governor and the General Assembly;

- requires the Legislative Joint Committee on Fair Practices to be appointed, organized, and begin deliberations by July 1 following each gubernatorial election. The committee has to identify areas of concern regarding certain EEO and procurement practices, and recommend corrective measures to the Governor and the General Assembly. The committee is also required to study how to eliminate grade and salary disparity among certain positions in specified agency-wide programs, such as the Minority Business Enterprise Program; and

- specifies that the head of each department must authorize its office of fair practices to submit a yearly budget and the Governor's Office has to provide training, assistance, and advice for all Executive Branch EEO and fair practices officers.

Current Law / Background:

Equal Employment Opportunity Program Administration

The State's EEO Program is currently under the authority of the Secretary of Budget and Management but is administered and enforced by an EEO Coordinator. The coordinator is appointed by the Governor with the advice of the Joint Committee on Fair Practices. The purpose of the EEO Program is to ensure a system that provides equal opportunity in employment on the basis of merit and fitness. It covers all employees in any Executive Branch agency (including those with an independent personnel system) and applicants for a position in the skilled, professional, and management services (or comparable positions) in those agencies.

The office ● reviews appealed discrimination complaints; ● investigates whistleblower complaints; ● monitors agencies' fair practices and EEO programs and policies; ● provides training and technical assistance to managers and supervisors; ● ensures compliance with federal, State, and local laws prohibiting discrimination; ● evaluates State agencies' EEO efforts; and ● reports annually to the Governor. It also manages the Employee Assistance Program, which provides confidential and professional referral and assessment services to State employees who are experiencing personal difficulties that are adversely affecting their work performance.

Fair Practices and EEO Officers

The head of each department is required to appoint a fair practices officer and an appropriate number of EEO officers – if necessary, the fair practices officer can be the department's EEO officer. The fair practices officer implements the State's EEO Program, investigates and resolves complaints, and coordinates EEO officer activities. An EEO officer monitors all personnel actions, attests that EEO procedures were followed in personnel actions, and performs other assigned duties.

Legislative Joint Committee on Fair Practices

The State Personnel Management System Reform Act of 1996 (Chapter 347 of 1996), created the Joint Committee on Fair Practices. The committee comprises six members of the General Assembly (three from each house) and oversees EEO policies and practices and procurement practices made under Executive Order. It is required to ● review reports; ● evaluate the effectiveness of programs, polices, and practices; ● identify areas of concern; and ● recommend corrective measures to the Governor and the General Assembly as appropriate.

State Fiscal Effect:

Effect of Establishing the EEO Office as an Independent Agency

The Department of Budget and Management (DBM) advises that the EEO Program Office currently has three staff members: ● one Program Manager Senior I (the EEO Program Coordinator); ● one Administrative Officer II (the individual responsible for EEO reporting); and ● one EEO officer. The office currently uses DBM administrative and support staff, such as budget, finance, personnel, legal, clerical, and information technology staff. Since these employees would still be needed for the administration of DBM, they would not be able to transfer to the new agency.

DBM advises that one office secretary and one office manager would be necessary to carry out the administrative and clerical functions of the new agency. One assistant Attorney General would also be required to assist the coordinator in administering the State's EEO policies. DBM advises that the office would need two new EEO officers to perform the additional duties required by the bill. The Department of Legislative Services (DLS) disagrees and advises that the bill does not significantly increase the office's duties but mainly transfers the responsibility from DBM to the independent agency. Thus, it is estimated that the new agency would need only one additional EEO officer to assist with the Equal Opportunity Advisory Board and other functions. DBM further advises that its own fair practices office would not be affected by making the EEO

Program Office an independent agency, thus DBM would not need any additional personnel.

Based on these assumptions, establishing the EEO Office as an independent agency would increase general fund expenditures by an estimated $221,155 in fiscal 2008, which accounts for the bill's October 1, 2007 effective date. This estimate reflects the cost of hiring ● one assistant Attorney General; ● one EEO officer; ● one office manager; and ● one office secretary. It includes salaries, fringe benefits, one-time start-up costs, and ongoing operating expenses. The information and assumptions used in calculating the estimate are stated below:

Positions	4
New Employee Salaries and Fringe Benefits	$183,140
One-time Expenditures (new equipment, moving, etc.)	19,985
Ongoing Expenditures (IT contractual services, office rental, etc.)	18,030
Total FY 2008 State Expenditures	**$221,155**

Future year expenditures reflect: full salaries with 4.5% annual increases and 3% employee turnover; and 1% annual increases in ongoing operating expenses.

EEO Program Office General Fund Transfer

Establishing the EEO Program Office as an independent unit of State government would effectively transfer this office's budget out of DBM, but would not have significant fiscal implications. Accounting for the bill's October 1, 2007 effective date, around $204,200 would be transferred out of DBM's general fund budget and into the new agency's budget in fiscal 2008.

Effect of Other Provisions

Requiring the Joint Committee on Fair Practices to conduct a study of grade and salary disparity would have a minimal operational impact on DLS, the committee's staffing agency. It is assumed that any such impact could be absorbed within existing resources.

Giving departmental fair practices offices more autonomy in the budgetary process could result in increased budgetary requests. It is assumed that any such impact would be minimal.

Additional Information

Prior Introductions: None.

Cross File: None.

Information Source(s): Governor's Office; Maryland Department of Transportation; Department of Labor, Licensing, and Regulation; Department of Budget and Management; Department of Legislative Services

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