

**Department of Legislative Services**  
 Maryland General Assembly  
 2007 Session

**FISCAL AND POLICY NOTE**

Senate Bill 955  
 Finance

(Senator Edwards)

**State Personnel - Appointments in Skilled and Professional Services - Veterans**

This bill requires the Department of Budget and Management (DBM) to adopt a uniform numerical point rating system for determining if a candidate for a skilled or professional service position in the State Personnel Management System (SPMS) meets position minimum qualifications and any selective qualifications. All appointing authorities have to use the new system to rate qualified applicants. The bill grants an additional two points on the examination or rating score of an eligible veteran who received a Purple Heart. In evaluating relevant work experience for an applicant, the appointing authority must consider an eligible veteran’s service in the armed forces as • an extension of the work performed immediately prior to the service; • experience based on the actual duties performed in the service; or • a combination of both. The bill also gives certain eligible veterans “bumping” rights in layoffs.

**Fiscal Summary**

**State Effect:** General fund expenditures increase \$72,800 in FY 2008 and \$97,300 in FY 2009 for additional personnel. Future year expenditures reflect elimination of a contractual position and inflation. The operational impact associated with upgrading DBM’s mainframe system is not reflected in this estimate. No effect on revenues.

(in dollars)	FY 2008	FY 2009	FY 2010	FY 2011	FY 2012
Revenues	\$0	\$0	\$0	\$0	\$0
GF Expenditure	72,800	97,300	63,000	66,400	70,000
Net Effect	(\$72,800)	(\$97,300)	(\$63,000)	(\$66,400)	(\$70,000)

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

**Local Effect:** None.

**Small Business Effect:** None.

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## **Analysis**

**Current Law:** Appointing authorities can use any appropriate selection process to rate qualified applicants. Nevertheless, except for current State employees and eligible veterans who were convicted of a crime after completing their military service, the following individuals receive a 10-point credit on a selection test:

- an honorably discharged veteran (including members of the National Guard and military reserves);
- the spouse of an eligible veteran with a service-connected disability; or
- the surviving spouse of a deceased eligible veteran.

The following individuals receive an additional 2-point credit, for a total of 12 points:

- an eligible veteran with a service-connected disability; or
- a former prisoner of war.

Generally, an employee with seniority has “bumping” (or displacement) rights over other employees in the same class or job series in a layoff situation.

### **Background:**

#### *Federal Employment Preferences*

For employment in the federal government, a “preference eligible” who receives a passing grade in an examination for entrance into the competitive service is entitled to additional points above his/her rating. An eligible disabled veteran, the unmarried widow or widower of an eligible veteran, the spouse of a disabled eligible veteran, or the mother of an individual who lost his/her life under honorable conditions or whose child has a service-connected and permanent disability (within certain parameters) receives 10 additional points. Other eligible veterans receive five additional points on their earned rating.

In certain examinations for competitive service positions, preference eligibles are entitled to credit for service in the armed forces (if duties are similar to a position which was interrupted by the service) and for all experience germane to the position, including experience gained in religious, civic, welfare, service, and organizational activities.

### *The Purple Heart*

Generally, the Purple Heart is awarded to a member of the armed forces or any civilian national of the United States who, while serving under the authority of one of the United States armed services, has been wounded or killed in the line of duty as a result of enemy action, including an international terrorist attack. Examples of qualifying wounds include injury caused by an enemy bullet, shrapnel, mine, trap, or explosive. Examples of nonqualifying wounds include frostbite, heat stroke, battle fatigue, and post-traumatic stress disorder. U.S. Department of the Army civilians can be awarded the Purple Heart during wartime or for wounds suffered during international terrorist attacks.

### *State Employment*

DBM advises that as of March 6, 2007, there were 899 eligible veterans or spouses of eligible veterans on eligibility lists receiving veteran's preference points. Of these, 44 were disabled veterans and 2 were eligible spouses of veterans.

DBM currently does not assign a numerical score to qualifications of job applicants; rather it determines if applicants have the minimum qualifications required or not. If an applicant has the minimum qualifications, then the applicant's qualifications are evaluated through a selection test, where DBM assigns a score to the test. All qualified applicants for positions in the skilled and professional services must complete a selection test; however, what constitutes a selection can vary. DBM advises that it may encompass

- a written examination or work sample;
- a computerized examination; or
- an unassembled rating of training and experience (a "T & E Exam").

**State Fiscal Effect:** Assuming that the bill's provisions apply only prospectively and would not apply to those individuals on eligibility lists before the October 1, 2007 effective date of the bill, DBM advises it would require two additional personnel analysts at grade 16, step 8. These analysts would be necessary to

- develop a uniform numerical rating system for each classification and recruitment;
- develop a training program for agency personnel officers;
- perform an additional initial screening process to award, track, and add additional points for qualified veterans; and
- coordinate and review the additional detail on the requisite documentation.

The Department of Legislative Services (DLS) disagrees with this assessment and advises that developing a uniform numerical rating system for each classification and recruitment and developing a training program for agency personnel officers would not be an ongoing process. Therefore, DBM would likely need one regular full-time position at grade 16, base step, beginning in fiscal 2008 to develop a uniform numerical rating system and a training program for agency personnel officers and to perform the ongoing

screening and reviewing functions. To assist the new personnel analyst in setting up the system and training program, DBM would need a contractual position for two years at an annual salary of \$35,000.

General fund expenditures could increase by an estimated \$72,816 in fiscal 2008, which accounts for the bill's October 1, 2007 effective date. This estimate reflects the cost of one full-time personnel analyst and one contractual position. It includes salaries, fringe benefits, one-time start-up costs, and ongoing operating expenses.

Regular Positions	1
Salaries and Fringe Benefits – Personnel Analyst	\$43,785
One Contractual Position	28,715
Operating Expenses	<u>316</u>
<b>Total FY 2008 State Expenditures</b>	<b>\$72,816</b>

Future year expenditures reflect a full salary for the one personnel analyst with 4.5% annual increases and 3% employee turnover; the annualized salary for the one contractual employee (fiscal 2009 only) with a 4.5% increase and 6.8% employee turnover, and 1% annual increases in ongoing operating expenses.

According to DBM, there would be a minimal operational impact on data processing – the mainframe system would have to be recoded to accommodate the bill's changes. The operational impact, however, cannot be reliably quantified at this time, as it would depend on the structure of the uniform numerical point rating system. DBM further advises that the bill would add time and complexity to both the recruitment and hiring process.

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### **Additional Information**

**Prior Introductions:** SB 732 of 2006, as introduced, contained provisions similar to those in this bill. However, the similar provisions were struck from SB 732 and the amended version passed as Chapter 267.

**Cross File:** HB 1250 (Delegate Boteler, *et al.*) – Appropriations.

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

**Fiscal Note History:** First Reader - March 18, 2007  
ncs/ljm

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