

Department of Legislative Services
Maryland General Assembly
2007 Session

FISCAL AND POLICY NOTE

House Bill 736
Appropriations

(Delegate Elliott)

State Board of Pharmacy - Job Classifications and Grades for Staff

This bill specifies that State Board of Pharmacy employees hired after September 30, 2007 must be in the executive service, management service, or are special appointments in the State Personnel Management System (SPMS). The board, in consultation with the Secretary of Health and Mental Hygiene, has the authority to determine the appropriate job classifications and salary grades for all board employees.

Fiscal Summary

State Effect: While the bill would not directly impact State finances, it could minimally increase special fund salary expenditures for State Board of Pharmacy employees. Revenues would not be affected.

Local Effect: None.

Small Business Effect: None.

Analysis

Current Law: The State Board of Pharmacy is authorized to employ staff consistent with its budget. The board may designate one of its employees as an executive director.

As part of SPMS, the board's regular employees 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 Board of Pharmacy

Created by Chapter 179 of 1902, the State Board of Pharmacy licenses pharmacists through examination and reciprocity. In addition, it issues permits for the operation of retail pharmacies and for the manufacturing of drugs, medicines, toilet articles, dentifrices, and cosmetics in the State. The board's fiscal 2008 proposed budget is \$1.9 million with an allowance for 18 positions. As of January 3, 2007, the board had 14 of 18 authorized positions filled: 11 nontemporary employees (9 skilled service employees, 1 management service employee, and 1 special appointee) and 3 temporary employees. The other four positions had been vacant for 13 months or less.

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 employees of the State Board of Physicians. Board employees hired after September 30, 1992, are in the executive service, management service, or are special appointments in SPMS. In addition, the Secretary of Health and Mental Hygiene has the authority to determine the appropriate job classifications and grades for all State Board of Physicians employees.

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: Requiring newly hired State Board of Pharmacy employees to be placed into certain job classifications would not directly affect State finances; however, requiring the board to determine appropriate job classifications and grades for all board employees could indirectly increase State expenditures. Given the staff size of the board, it is assumed that any costs directly attributable to the reclassification process could be handled within existing resources.

There could be increased personnel expenditures for pharmacy board employees if a pay grade deemed appropriate by the 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 classified by the board. The State Board of Pharmacy advises that it anticipates requesting reclassifications for four current management staff and new classifications for four pharmacy technician inspectors it plans to request in fiscal 2009. The board further advises that allowing it to determine job classifications and salary grades would improve its ability to recruit and retain qualified staff.

Additional Information

Prior Introductions: None.

Cross File: SB 1013 (Senator Conway) – Finance.

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

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