

**Department of Legislative Services**  
Maryland General Assembly  
2008 Session

**FISCAL AND POLICY NOTE**

Senate Bill 177 (Chair, Finance Committee) (By Request – Departmental – Budget and Management)

Finance

Appropriations

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**State Personnel - Accrual and Carryover of Annual Leave**

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This departmental bill authorizes an employee in the State Personnel Management System to carry over up to 75 days or 600 hours of unused annual leave from one year to the next, with any leave in excess of that amount forfeited at the beginning of the first full pay period of the next calendar year.

The bill maintains at 50 days or 400 hours the amount of annual leave that may be reimbursed at the termination of State employment.

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**Fiscal Summary**

**State Effect:** The bill's changes to State personnel policies would not materially affect State finances.

**Local Effect:** None.

**Small Business Effect:** The Department of Budget and Management has determined that this bill has minimal or no impact on small business (attached). Legislative Services concurs with this assessment.

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**Analysis**

**Current Law:** An eligible State employee may accumulate unused annual leave and may carry over from one year to the next up to 50 days or 400 hours of unused annual

leave. Any unused annual leave in excess of 50 days or 400 hours must be forfeited at the beginning of the first full pay period of the next calendar year.

An employee is eligible for compensation for any unused annual leave upon separation from State service. This compensation is included in an employee's final payroll transaction from the Central Payroll Bureau, the Maryland Department of Transportation payroll system, or the University System of Maryland payroll system. The amount of compensation is determined by multiplying one-tenth of the employee's bi-weekly salary by the employee's unused annual leave balance at the end of the previous calendar year, limited to 50 days or 400 hours, as well as any unused current year annual leave. Employees terminated for moral turpitude or those terminated within six months of appointment are not eligible for payment of unused annual leave.

**Background:** DBM advises that the bill reflects the terms of a recent collective bargaining agreement to increase the maximum amount of allowed carryover leave. Measures to reduce the size of the State workforce have placed more demands on remaining employees, who share additional responsibility for coverage and workload. In some instances, the added responsibility has made it more difficult for employees to use their leave; this bill is intended to provide more flexibility in using earned annual leave.

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### **Additional Information**

**Prior Introductions:** None.

**Cross File:** None.

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

**Fiscal Note History:** First Reader - February 5, 2008  
ncs/ljm

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Analysis by: Suzanne O. Potts

Direct Inquiries to:  
(410) 946-5510  
(301) 970-5510