

Department of Legislative Services
Maryland General Assembly
2009 Session

FISCAL AND POLICY NOTE

House Bill 1293
Appropriations

(Delegates Ali and Gutierrez)

State Employees Teleworking Act

This bill establishes a Teleworking Implementation Program for Executive Branch employees to allow eligible employees to work at a location other than a State office through the use of telecommunications technology.

The bill takes effect July 1, 2009.

Fiscal Summary

State Effect: Any increase in expenditures as a result of the bill is expected to be minimal and can be handled with existing resources. No effect on revenues.

Local Effect: None.

Small Business Effect: None.

Analysis

Bill Summary: The Secretary of Budget and Management must establish a telework policy applicable to Executive Branch agencies. The percentage of eligible employees of an agency that must be offered the opportunity to telework is 5% by July 1, 2010 and 10% by July 1, 2011. Each agency must submit a telework plan to the Department of Budget and Management (DBM) on or before October 1 of each year that:

- identifies positions within the agency that are appropriate for teleworking;

- calculates the appropriate number of teleworking days per month for each position that the agency has identified as appropriate for teleworking;
- establishes teleworking eligibility criteria for employees in positions identified as appropriate for teleworking;
- provides the number of teleworking days in an agency during the previous fiscal year; and
- includes the total cost or savings to the agency as a result of the program.

Each Executive Branch agency must adopt regulations and guidelines necessary to carry out the program. The Secretary of Budget and Management must submit a report by October 1 each year to the budget committees on each agency's progress in meeting the bill's telework goals.

Current Law: Chapter 466 of 1999 required the Secretary of Budget and Management to adopt a telework policy and guidelines to implement a pilot program (effective until September 30, 2001) for all participating State agencies. Chapter 466 directed DBM to hire a telework consultant to provide technical assistance, including training for employees and managers, and development of a proposal for the program. It also directed each Executive Branch agency to establish a goal of 10% employee participation in the program and required the Secretary to submit a report about the program's effectiveness.

The State telework policy, which became effective in July 1999 and was revised in May 2007, establishes guidelines for agencies to follow when coordinating a teleworking schedule with an employee. The policy dictates that supervisors determine which employees are eligible and how many days an eligible employee may telework.

The State telework policy requires an employee to have a telephone and designated work space. However, the employee does not have to supply equipment or software. Agencies may provide the employee with a computer, printer, modem, fax machine, scanner, cables, and/or software. The policy does not require the State to compensate or reimburse an employee for Internet service at the employee's home office.

Background: According to DBM, a job with tasks that are portable and can be performed away from the main worksite may be suitable for teleworking. Additionally, jobs which have set starting and stopping times that are easy to define, where face-to-face contact can be planned and scheduled are generally suitable. The current State policy for the Telework Program encourages agencies to meet a goal of having 10% of eligible employees teleworking at least four days per month. According to the most recent data available from DBM, approximately 6,166 State Personnel Management System (SPMS) employees are eligible for teleworking, or about 15% of employees in SPMS. Further, in

its 2004 *Report on Teleworking*, the most recent study available, DBM reported that 16 State agencies had either met or exceeded the 10% goal for teleworkers that telecommute at least four days per month, and approximately 493 employees teleworked on an occasional basis. DBM advises that while some State agencies may provide telecommunications equipment and services for teleworkers, generally teleworkers provide their own equipment and Internet service.

The Maryland Department of Transportation (MDOT) advises that it has identified approximately 1,050 employees who are eligible to telework, all of whom have been offered the opportunity to do so. As of June 2003, the most recent available data, 264 or 25% of those eligible were either active or occasional teleworkers. MDOT does not currently provide or reimburse employees for any incurred costs associated with teleworking, such as Internet service.

The State helps to operate several federally funded telework centers statewide that are housed in National Guard armories. Each center has computer work stations, office equipment, and phone lines. Use of National Guard telework centers is free to State employees. The U.S. General Services Administration manages telework centers in Bowie, Frederick, Hagerstown, Laurel, Prince Frederick, and Waldorf. The monthly fee for use of these facilities is approximately \$100 per weekday worked, with a maximum monthly fee of approximately \$500.

State Fiscal Effect: The impact of this bill on State expenditures depends on the number of State employees eligible to telework, the number who would participate, the method by which they would telework, and whether the agency would pay for telecommunications equipment and services.

The bill does not require agencies to pay for telecommunications equipment and services for employees who telework. Although agencies must provide the opportunity to telework to a certain percentage of eligible employees, determining eligibility is at the discretion of each agency. Therefore, it is assumed that cost increases experienced by an agency may be a criterion for the eligibility of its employees. To the extent that teleworking improves employee productivity, some agencies may experience cost savings.

Additional Information

Prior Introductions: Similar bills, SB 30 and HB 1025, were introduced in 2006. SB 30 received an unfavorable report from the Senate Budget and Taxation Committee and HB 1025 was withdrawn before receiving a hearing in the House Appropriations

Committee. Similar bills, introduced in 2005 (SB 117 and HB 60) and 2004 (HB 1118) also received unfavorable reports, while SB 484 of 2004 was withdrawn after its hearing.

Cross File: None.

Information Source(s): Department of Business and Economic Development; Department of Budget and Management; Department of Human Resources; Department of Natural Resources; Maryland Department of Planning; Maryland State Department of Education; Maryland Department of the Environment; Maryland Higher Education Commission; Department of Disabilities; Department of Health and Mental Hygiene; Department of Juvenile Services; Department of Labor, Licensing, and Regulation; Department of State Police; Morgan State University; Department of Aging; Public School Construction Program; Maryland Department of Transportation; University System of Maryland; Department of Veterans Affairs; Department of Legislative Services

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