

Department of Legislative Services  
Maryland General Assembly  
2010 Session

FISCAL AND POLICY NOTE

House Bill 260

(Chair, Appropriations Committee)(By Request -  
Departmental - Budget and Management)

Appropriations

Finance

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State Personnel - Classification of Positions in the State Personnel Management System

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This departmental bill changes the position classification process in the State Personnel Management System (SPMS) by establishing that classification of skilled, professional, management, and executive service positions in SPMS is the responsibility of the Secretary of Budget and Management.

The bill takes effect July 1, 2010.

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Fiscal Summary

**State Effect:** None. The bill codifies existing practice; savings have already been achieved in the FY 2010 budget.

**Local Effect:** None. The bill only affects State government operations.

**Small Business Effect:** The Department of Budget and Management (DBM) 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

**Bill Summary:** The head of a principal unit may classify positions in the unit, in accordance with the Secretary's established standards and procedures, if the Secretary chooses to delegate the classification authority. If the Secretary delegates the classification authority to the head of a principal unit, that person must prepare a position

classification plan for the Secretary's approval and classify all positions in accordance with the approved plan. As classification authority rests with DBM, unless delegated, the bill eliminates the requirement to provide agency training and modifies audit responsibilities. The Secretary must conduct a position classification audit at least once every three years, but only if the classification activity was delegated to the head of a principal unit. The Secretary may conduct operational audits of classification practices and records in principal units once every three years.

**Current Law:** In general, the Secretary establishes classes (*i.e.*, categories of one or more similar positions) and assigns pay rates to each class. Each class must have a title and description. The Secretary may create additional classes and abolish, combine, or modify existing classes. The Secretary must also designate special appointment positions in SPMS that may – and those that may not – be filled with regard to political affiliation or belief.

The Secretary must establish the standards and procedures used to classify positions in the skilled, professional, management, and executive services and provide training and guidance on their use. Nevertheless, under current law, the head of a principal unit is responsible for classifying positions into the various service categories, in accordance with a classification plan approved by the Secretary.

The Secretary must, at least once every three years, conduct a position classification audit and an operational audit of classification records and practices in the principal units.

These provisions do not apply to units of State government with an independent personnel system.

**Background:** In the fiscal 2010 budget, the position classification functions previously spread among Executive Branch agencies were consolidated into DBM's Classification and Salary Division (within the Office of Personnel Services and Benefits). According to DBM, the consolidation resulted in a decrease in general fund expenditures of \$396,328 in fiscal 2010.

DBM advises that the most meaningful proposed change is the reduction of classification responsibilities at the agency level. Instead, DBM assumes the responsibility of performing these functions on behalf of the agencies – unless the Secretary delegates the authority. The bill makes statutory changes to carry out the classification functions in the consolidated structure.

There are four designations of regular positions in SPMS – executive service, management service, professional service, and skilled service. Most SPMS employees are in the skilled service designation which 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.

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### **Additional Information**

**Prior Introductions:** None.

**Cross File:** None.

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

**Fiscal Note History:** First Reader - February 5, 2010  
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## ANALYSIS OF ECONOMIC IMPACT ON SMALL BUSINESSES

TITLE OF BILL: State Personnel – Classification of Positions in the State Personnel Management Systems

BILL NUMBER: HB 260

PREPARED BY: Department of Budget and Management

### PART A. ECONOMIC IMPACT RATING

This agency estimates that the proposed bill:

WILL HAVE MINIMAL OR NO ECONOMIC IMPACT ON MARYLAND SMALL BUSINESS

OR

WILL HAVE MEANINGFUL ECONOMIC IMPACT ON MARYLAND SMALL BUSINESSES

### PART B. ECONOMIC IMPACT ANALYSIS

The proposed legislation will have no impact on small business in Maryland.