

Department of Legislative Services  
Maryland General Assembly  
2012 Session

FISCAL AND POLICY NOTE  
Revised

House Bill 952  
Appropriations

(Delegate A. Miller, *et al.*)

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State Personnel - Teleworking - Eligibility

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This bill sets a statewide goal of having at least 25% of State employees in the Executive Branch participating in a teleworking program. If an Executive Branch employee asks to telework, the employee's supervisor must approve the request unless the supervisor determines that the employee's position is not suitable for teleworking. A supervisor's denial of a teleworking request must be in writing and describe the factors contributing to the denial.

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Fiscal Summary

**State Effect:** Potential reduction in general and special fund expenditures on utilities to the extent that an increase in the number of teleworkers reduces the use of electricity and water in State facilities. Potential increase in State expenditures (all funds) for supplies and equipment for the larger number of teleworkers. Potential disruption in State services to the extent that supervisors approve teleworking requests for positions that are not suited to it or do not establish sufficient oversight of teleworking arrangements.

**Local Effect:** None.

**Small Business Effect:** None.

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Analysis

**Current Law:** State regulations authorize the use of teleworking, but each independent personnel management system is responsible for establishing the conditions and requirements for teleworking.

**Background:** The Department of Budget and Management administers the State Personnel Management System (SPMS), which includes most employees in Executive Branch agencies; the Judicial and Legislative branches each have independent personnel systems. An Executive Branch agency may, if expressly authorized in statute, establish an independent personnel management system. The Maryland Department of Transportation (MDOT) and the University System of Maryland (USM) have the two largest independent personnel management systems in the Executive Branch. As of June 30, 2011, there were 42,239 full-time equivalent positions in SPMS, 22,483 in USM, and 5,991 in MDOT.

SPMS, USM, and MDOT all have teleworking policies. The SPMS policy, for example, requires employees seeking to telework to agree to specified conditions addressing working time, work space, child care, liability for injuries, and personal business during work hours before being approved. Requests for teleworking can be denied if the employee does not agree to abide by all the conditions, and teleworking arrangements can be revoked for operational or staffing reasons, employee performance or misconduct, or any other management reason that does not constitute discrimination.

Under the current policy, 5,890 positions within SPMS are eligible for teleworking, of which 915 actually telework. This represents 15% of eligible positions, but about 2.1% of total positions in SPMS. USM and MDOT each reported incomplete figures, which show 263 and 228 teleworkers, respectively. Both agencies advise that they believe the actual figures are somewhat higher, but that their personnel systems do not closely monitor the use of teleworking.

**State Fiscal Effect:** Increasing the percentage of State employees who telework may reduce State energy and water consumption as fewer employees occupy State office buildings on any given day. These effects cannot be quantified, but, given the current low level of teleworking activity, to the extent that the State moves closer to the bill's 25% goal, the savings may be meaningful.

At the same time, the bill may disrupt the State's ability to provide services. The bill leaves it to the discretion of an employee's supervisor whether a *position* is suitable for teleworking, and it does not give supervisors any authority to deny teleworking privileges for other reasons, including an employee's poor job performance. To the extent that supervisors approve teleworking arrangements for positions that are not suitable for such arrangements, or do not establish appropriate conditions for the approval, State services may be disrupted. MDOT advises that a substantial number of positions are not suited for teleworking, such as bus drivers, highway maintenance workers, etc.

The current teleworking policy under SPMS does not require that teleworkers provide their own equipment, software, and supplies. To the extent that this remains the policy of

the State and a substantial number of employees requesting to telework do not currently have employer-provided laptop computers, there may be a significant upfront expenditure to procure laptops and other supplies and equipment for the larger number of teleworkers. Legislative Services cannot reliably estimate the magnitude of any such cost.

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### **Additional Information**

**Prior Introductions:** None.

**Cross File:** None.

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

**Fiscal Note History:** First Reader - February 26, 2012  
ncs/ljm Revised - Clarification - February 27, 2012

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