

Chapter 690

(Senate Bill 464)

AN ACT concerning

**State Personnel – Employees in the Same Classification – ~~Pay Rates~~ Report**

FOR the purpose of ~~providing that when an appointing authority of a unit in the State Personnel Management System appoints an employee to a position in the skilled service or the professional service, the Secretary of Budget and Management shall require that a certain adjustment be made in the pay rate of certain incumbent employees in the unit; providing that the Secretary is not required to make a certain adjustment of certain pay rates for certain incumbent employees under certain circumstances; requiring the Secretary of Transportation to prepare and recommend a standard pay plan for the human resources management system that conforms with certain provisions of this Act; making stylistic changes requiring the Department of Budget and Management, in consultation with the Maryland Department of Transportation, to submit to certain committees of the General Assembly on or before a certain date a report outlining a certain plan and identifying certain information;~~ and generally relating to pay rates of State employees in the same classification.

~~BY repealing and reenacting, without amendments,  
Article – State Personnel and Pensions  
Section 8 – 106(a)  
Annotated Code of Maryland  
(2015 Replacement Volume and 2017 Supplement)~~

~~BY adding to  
Article – State Personnel and Pensions  
Section 8 – 106(e)  
Annotated Code of Maryland  
(2015 Replacement Volume and 2017 Supplement)~~

~~BY repealing and reenacting, with amendments,  
Article – Transportation  
Section 2 – 103.4(g)  
Annotated Code of Maryland  
(2015 Replacement Volume and 2017 Supplement)~~

~~SECTION 1. BE IT ENACTED BY THE GENERAL ASSEMBLY OF MARYLAND,  
That the Laws of Maryland read as follows:~~

~~**Article – State Personnel and Pensions**~~

~~§ 106.~~

(a) ~~This section applies only to the Standard Pay Plan.~~

~~(c) (1) EXCEPT AS PROVIDED IN PARAGRAPH (2) OF THIS SUBSECTION AND SUBJECT TO § 8-107 OF THIS SUBTITLE, WHEN AN APPOINTING AUTHORITY OF A UNIT IN THE STATE PERSONNEL MANAGEMENT SYSTEM APPOINTS AN EMPLOYEE TO A POSITION IN THE SKILLED SERVICE OR THE PROFESSIONAL SERVICE, THE SECRETARY SHALL REQUIRE THAT THE PAY RATE OF EACH INCUMBENT EMPLOYEE IN THE UNIT WHO IS IN THE SAME CLASSIFICATION AS, AND HAS A PAY RATE LOWER THAN, THE NEWLY APPOINTED EMPLOYEE BE ADJUSTED TO EQUAL THE PAY RATE OF THE NEWLY APPOINTED EMPLOYEE.~~

~~(2) THE SECRETARY IS NOT REQUIRED TO ADJUST THE PAY RATES OF INCUMBENT EMPLOYEES IN A UNIT IN THE SAME CLASSIFICATION UNDER PARAGRAPH (1) OF THIS SUBSECTION IF THE HIGHER PAY RATE OF THE EMPLOYEE NEWLY APPOINTED TO A POSITION IN THE SKILLED OR PROFESSIONAL SERVICE BY AN APPOINTING AUTHORITY IS BASED SOLELY ON A HIGHER LEVEL OF QUALIFICATION OR EXPERIENCE RELEVANT TO THE POSITION.~~

#### ~~Article — Transportation~~

~~2-103.4.~~

~~(g) (1) In establishing a pay plan for the Department's human resources management system, the Secretary shall use the standard salary schedule adopted by the Secretary of Budget and Management pursuant to the budget.~~

~~(2) The Secretary shall prepare and recommend a standard pay plan for all classes of positions in the human resources management system that conforms to the provisions of §§ 8-101, 8-102, 8-104, 8-105, 8-106(c), and 8-109 of the State Personnel and Pensions Article that govern the standard pay plan of the State.~~

~~(3) The Secretary shall have the same authority to implement a standard pay plan as is delegated to the Secretary of Budget and Management.~~

~~(4) Employees in the Department may not be paid salaries in excess of those paid to employees in substantially the same classifications in other State agencies.~~

SECTION 1. BE IT ENACTED BY THE GENERAL ASSEMBLY OF MARYLAND, That, on or before January 1, 2020, the Department of Budget and Management, in consultation with the Maryland Department of Transportation, shall submit to the Senate Budget and Taxation Committee and the House Appropriations Committee, in accordance with § 2-1246 of the State Government Article, a report that:

(1) outlines a plan to:

(i) phase out the practice of hiring a newly appointed employee at a higher pay rate than an incumbent employee who is in the same unit and in the same classification, unless the higher pay rate of the new employee is based solely on:

position; or

1. a higher level of qualification or experience relevant to the

2. an employee transfer; and

(ii) adjust the pay rate of each incumbent employee in a unit who is in the same classification as, and has a pay rate lower than, a newly appointed employee to be equal to the pay rate of the newly appointed employee, unless the higher pay rate of the new employee is based solely on:

position; or

1. a higher level of qualification or experience relevant to the

2. an employee transfer; and

(2) identifies:

(i) the units and number of incumbent employees affected by the  
plan;

(ii) a timeline for implementing the plan; and

(iii) the estimated cost associated with implementing the plan.

SECTION 2. AND BE IT FURTHER ENACTED, That this Act shall take effect July 1, 2018.

**Approved by the Governor, May 15, 2018.**