

Department of Legislative Services  
Maryland General Assembly  
2021 Session

FISCAL AND POLICY NOTE  
Third Reader

Senate Bill 651  
Finance

(Senator Klausmeier)

Economic Matters

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**Baltimore County - Workers' Compensation - Permanent Partial Disability -  
Detention and Correctional Officers**

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This bill alters the definition of “public safety employee” as it applies to workers’ compensation benefits to include Baltimore County correctional officers and detention officers. Altering the definition in this way makes these correctional officers and detention officers eligible for enhanced workers’ compensation benefits for claims arising on or after October 1, 2021.

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**Fiscal Summary**

**State Effect:** The bill does not directly affect State operations or finances.

**Chesapeake Employer’s Insurance Company (Chesapeake) Effect:** The bill does not affect Chesapeake operations or finances.

**Local Effect:** Baltimore County expenditures increase, as discussed below, beginning in FY 2022. Revenues are not affected. **This bill imposes a mandate on a unit of local government.**

**Small Business Effect:** None.

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**Analysis**

**Current Law:** Normally, an employee who is awarded compensation for a permanent partial disability for a period less than 75 weeks is eligible to receive weekly benefits of one-third of his or her average weekly wage, but that amount may not exceed 16.7% of the State average weekly wage. However, a public safety employee is eligible for enhanced

workers' compensation benefits if awarded compensation for less than 75 weeks. In such a case, the employer or its insurer must pay the public safety employee at a compensation rate set for an award period of greater than 75 weeks but less than 250 weeks. Thus, a public safety employee is eligible to receive approximately double the weekly benefits – two-thirds of his or her average weekly wage, but that amount may not exceed one-third of the State average weekly wage. The State average weekly wage for 2021 is \$1,050.

Deputy sheriffs from the following jurisdictions are considered public safety employees for this purpose: Baltimore City and Allegany, Anne Arundel, Baltimore (under specified circumstances only), Harford, Howard, Montgomery, and Prince George's counties.

State correctional officers and correctional officers or detention officers from the following jurisdictions are considered public safety employees for this purpose: Anne Arundel, Harford, Montgomery, and Prince George's counties.

**Local Expenditures:** Baltimore County advises that it currently employs 267 correctional and detention officers. Baltimore County is self-insured for workers' compensation, meaning that all compensation claims are paid directly by the county instead of through an insurer.

Baltimore County correctional officers and detention officers are entitled to enhanced workers' compensation benefits under the bill's provisions, due to their designation as public safety employees; this benefit is for any claim. While the number of claims made subject to enhancement in any given year cannot be reliably estimated, any expenditure increase due to this designation may be significant, beginning in fiscal 2022.

Permanent partial disability awards for less than 75 weeks (awards that receive the enhanced benefits) are among the most common types of compensation awards. A public safety employee who receives such an award in calendar 2021 would be entitled to a maximum weekly benefit of \$350 (for a maximum of 74 weeks, for a total of \$25,900); whereas any other employee would be entitled to a maximum weekly benefit of \$175 (for a maximum of 74 weeks, for a total of \$12,950) under the same circumstances. Thus, for each correctional officer or detention officer who sustains this type of injury, Baltimore County may pay up to \$12,950 more in wage replacement benefits under this provision of the bill; this amount increases each calendar year based on growth in the State average weekly wage.

*For illustrative purposes only*, if Baltimore County were to receive 13 such claims per year (reflecting 5% of the affected staff), Baltimore County expenditures could increase by up to \$168,350 annually. This illustrative amount does not account for change in the State average weekly wage in future years.

## **Additional Information**

**Prior Introductions:** As introduced, HB 685 of 2020 included these provisions; it was enacted as Chapter 303 without them.

**Designated Cross File:** HB 85 (Delegate Bhandari) - Economic Matters.

**Information Source(s):** Baltimore County; Chesapeake Employers' Insurance Company; Subsequent Injury Fund; Uninsured Employers' Fund; Department of Legislative Services

**Fiscal Note History:** First Reader - February 11, 2021  
an/ljm Third Reader - March 22, 2021

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