

Department of Legislative Services  
Maryland General Assembly  
2022 Session

FISCAL AND POLICY NOTE  
First Reader

House Bill 964  
Appropriations

(Delegate Solomon)

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State Operating Budget – Step Increases for State Employees – Reporting

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This bill requires the Governor, if he or she does not include in the annual budget bill an appropriation sufficient to provide step increases for State employees in accordance with the applicable pay plan, to report to the General Assembly the reasons why an appropriation for the step increases was not included. The Governor must submit the report on the date on which the annual budget bill is submitted to the General Assembly. **The bill takes effect July 1, 2021.**

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Fiscal Summary

**State Effect:** The bill’s requirements can be handled with existing budgeted resources. Revenues are not affected.

**Local Effect:** None.

**Small Business Effect:** None.

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Analysis

**Current Law:**

*Pay Plans*

The Standard Pay Plan and Executive Pay Plan are established by the Secretary of Budget and Management with the approval of the Governor. The purpose of the pay plans is to provide employees in positions that involve comparable effort, knowledge, responsibilities,

skills, and working conditions with comparable pay according to the relative value of services performed. A pay plan is effective for a fiscal year only to the extent that sufficient money is available in the State budget for that purpose.

Regulations adopted by the Secretary of Budget and Management must provide for automatic increases, from minimum to maximum steps in a pay grade, of the pay rates set by the Standard Pay Plan for an employee whose overall performance is rated satisfactory or above on the employee's annual performance appraisal. The Standard Pay Plan includes all positions in the State Personnel Management System and all other positions for which the Secretary has authority to administer pay.

An increase in pay rate under the Executive Pay Plan is based on the employee's performance. For or during a fiscal year, the head of a unit may recommend an increase in an employee's pay rate above the rate for the previous fiscal year in the same grade in accordance with guidelines promulgated by the Secretary of Budget and Management, provided that funds are available.

A pay rate in either the Standard Pay Plan or the Executive Pay Plan is subject to any limitations included in the State budget.

#### *Supporting Materials for Annual Budget Bill*

On submission of the annual budget bill to the Presiding Officers of the General Assembly, the Governor must provide specified supporting material in the State budget books and on the Department of Budget and Management's website. Among other things, the website must provide specified personnel detail by unit of State government, including the amount for salaries of each job classification spent during the last full fiscal year, authorized in the State budget for the current fiscal year, and requested for the next fiscal year.

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### **Additional Information**

**Prior Introductions:** None.

**Designated Cross File:** SB 970 (Senator Rosapepe) - Rules.

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

**Fiscal Note History:** First Reader - March 8, 2022  
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