

Department of Legislative Services
Maryland General Assembly
2023 Session

FISCAL AND POLICY NOTE
Third Reader - Revised

House Bill 701
Appropriations

(Delegate Kipke)

Budget and Taxation

Maryland Community Health Resources Commission and Offices of the
Comptroller, Treasurer, and Attorney General - Compensation and Pay Scales of
Employees

This bill authorizes the Maryland Community Health Resources Commission (MCHRC), in consultation with the Secretary of Health, the Comptroller, in consultation with the Secretary of Budget and Management, the Treasurer, in consultation with the Secretary of Budget and Management, and the Attorney General, in consultation with the Secretary of Budget and Management, to each set the compensation or pay scale of specified employees. The Secretary of Budget and Management must consult with MCHRC and each agency to determine which positions the bill affects. **The bill takes effect July 1, 2023.**

Fiscal Summary

State Effect: Special fund expenditures for MCHRC increase as early as FY 2024 based on the determinations made by the Secretary of Budget and Management, Secretary of Health, and MCHRC, as discussed below. General fund expenditures for the Comptroller’s Office, Treasurer’s Office, and Office of the Attorney General (OAG) increase as early as FY 2024 based on the determinations made by the Secretary of Budget and Management and the head of each affected agency, as discussed below. Revenues are not affected.

Local Effect: None.

Small Business Effect: None.

Analysis

Bill Summary: MCHRC may set the compensation of an employee in a position that (1) is unique to the commission; (2) requires specific skills or experience to perform the duties

of the position; and (3) does not require the employee to perform functions that are comparable to functions performed in other units of the Executive Branch of State government.

The Comptroller, Treasurer, and Attorney General may set the pay scale of an employee in a position that (1) is unique to the agency and (2) requires specific skills or experience to perform the duties of the position.

Current Law: Except for units of State government with independent personnel systems, the Secretary of Budget and Management must establish position classes, assign a rate of pay to each class, and ensure that positions in each class are generally similar in their duties, responsibilities, and qualifications. The State Personnel Management System managed by the Department of Budget and Management applies to most employees in the Executive Branch, but some agencies have independent personnel systems, most notably the Maryland Department of Transportation and the University System of Maryland.

MCHRC is an independent commission that operates within the Maryland Department of Health (MDH). The commission is composed of 11 members appointed by the Governor with the advice and consent of the Senate, and its purpose is to increase access to health care through community health resources.

Additionally, Chapter 36 of 2021, The Blueprint for Maryland's Future established the Maryland Consortium on Coordinated Community Supports within MCHRC. The consortium must complete certain tasks related to the development of coordinated community supports partnerships to meet student behavioral health needs and other related challenges, including developing a statewide framework for the creation of coordinated community supports partnerships, implementing a related grant program, evaluating a payment reimbursement program for providers, and developing a program for uninsured students.

The other two independent commissions within MDH, the Maryland Health Care Commission and the Health Services Cost Review Commission, each currently have the same salary-setting authority granted to MCHRC under the bill.

State Expenditures: The bill authorizes additional compensation to be paid to the MCHRC, Comptroller, Treasurer, and Attorney General employees determined by the Secretary of Budget and Management (in consultation with MCHRC and each affected agency) and in the amounts determined by MCHRC and each affected agency (in consultation with the Secretary of Health or Secretary of Budget and Management). Special fund expenditures for MCHRC and general fund expenditures for the Comptroller, Treasurer, and Attorney General increase to provide those employees with additional compensation; however, any such increase depends on the determinations made by

MCHRC, the three agencies, and the two secretaries, and a reliable estimate cannot be developed at this time.

Since MCHRC only has nine budgeted staff in fiscal 2023 (with a tenth position authorized in the fiscal 2024 budget as introduced), the total special fund impact is unlikely to be significant. However, the general fund increase could be more pronounced since the Comptroller's Office has more than 1,100 employees, the Treasurer's Office has 60 employees, and OAG has 294 employees (with an additional 57 positions authorized in the fiscal 2024 budget as introduced).

Additional Information

Prior Introductions: Similar legislation has not been introduced within the last three years.

Designated Cross File: SB 556 (Senator Guzzone) - Budget and Taxation.

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

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