

Department of Legislative Services
Maryland General Assembly
2024 Session

FISCAL AND POLICY NOTE
Third Reader - Revised

House Bill 983
Appropriations

(Delegate Guzzone, *et al.*)

Budget and Taxation

State Personnel - Maryland Department of Health - Pay Rates

This bill includes employees in bargaining unit G who are classified as teachers or librarians in the requirements under current law that the pay rate for specified employees at the Clifton T. Perkins Hospital (Perkins) – who are not receiving a forensic pay premium – be at least two grades higher than their pay rate effective June 30, 2020. In addition, the bill establishes that the pay rate for specified employees in the Behavioral Health Administration (BHA) or the Developmental Disabilities Administration (DDA) must be equal to a pay rate two grades higher or calculated at the equivalent of two grades higher than the pay rate effective July 1, 2020, for similarly trained, qualified, or licensed employees at Perkins if the employees work at specified locations. These locations include (1) under current law, at a facility that had a forensic admission rate greater than 75% for the immediately preceding fiscal year or (2) additionally, under the bill, at the Regional Institutes for Children and Adolescents – Baltimore and Rockville. These pay requirements may not be construed to decrease the pay rate of any employee. **The bill takes effect July 1, 2024.**

Fiscal Summary

State Effect: General fund expenditures increase by *at least* \$22.9 million beginning in FY 2025 to increase the salary of specified employees within the Maryland Department of Health (MDH). Out-year expenditures reflect salary increases. Revenues are not affected.

(\$ in millions)	FY 2025	FY 2026	FY 2027	FY 2028	FY 2029
Revenues	\$0	\$0	\$0	\$0	\$0
GF Expenditure	22.9	23.9	25.0	26.1	27.2
Net Effect	(\$22.9)	(\$23.9)	(\$25.0)	(\$26.1)	(\$27.2)

Note:() = decrease; GF = general funds; FF = federal funds; SF = special funds; - = indeterminate increase; (-) = indeterminate decrease

Local Effect: The bill does not directly affect local jurisdictions.

Small Business Effect: None.

Analysis

Current Law: Chapter 576 of 2020 required the pay rate for specified employees at Perkins who were not receiving a forensic pay premium to be at least two grades higher than their pay rate effective June 30, 2020. The pay rate for specified employees in BHA or DDA were required to be equal to the pay rate effective July 1, 2020, for similarly trained, qualified, or licensed employees at Perkins if the employees worked at a facility that had a forensic admission rate greater than 75% for the immediately preceding fiscal year. The Act was not to be construed to decrease the pay rate of any employee.

State Expenditures: The bill requires the pay rate for BHA and DDA employees to be two grades higher than the pay rate of similarly trained, qualified, or licensed Perkins employees under specified conditions, and expands coverage of existing pay rate requirements for specified Perkins employees to include teachers and librarians who are in bargaining unit G. MDH advises that the bill increases salaries for 1,688 employees by approximately 12%. Thus, general fund expenditures increase by approximately \$22.9 million in fiscal 2025 to provide pay increases to 1,688 employees. Future years reflect annual salary increases. General fund expenditures may increase further to combat wage compression. To the extent that a few employees are funded through reimbursable funds, reimbursable expenditures minimally increase, and the increase in general fund expenditures is minimally offset by an equivalent amount.

This estimate includes employees in the affected facilities that meet the bill's criteria, plus similarly trained, qualified, or licensed Perkins employees because MDH advises that it is untenable to implement the bill without their inclusion. Excluding Perkins employees would result in catastrophic recruitment and retention issues, according to MDH.

Additional Comments: The bill requires pay rate increases for specified employees based on pay rates effective June 30, 2020, and for others the pay rates effective July 1, 2020. This analysis assumes that the bill is not construed to apply retroactively, but to the extent that it is, general fund and reimbursable fund expenditures may increase further.

Additional Information

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

Designated Cross File: SB 1080 (Senator McCray, *et al.*) - Budget and Taxation.

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

Fiscal Note History:

km/mcr

First Reader - February 27, 2024

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Revised - Amendment(s) - March 28, 2024

Revised - Clarification - March 28, 2024

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