

Department of Legislative Services
Maryland General Assembly
2025 Session

FISCAL AND POLICY NOTE
Third Reader - Revised

Senate Bill 1040

(Senator Hester, *et al.*)

Budget and Taxation

Rules and Executive Nominations

Department of Budget and Management - Expedited Hiring Program
(FEDERAL Jobs Act of 2025)

This emergency bill establishes the Expedited Hiring Program in the Department of Budget and Management (DBM) for the purpose of hiring eligible applicants for vacant skilled and professional service positions in the State Personnel Management System (SPMS). The Secretary of Budget and Management may contract with another entity to assist with the implementation of the program, subject to available funding. An appointing authority may recruit for a vacant skilled and professional service position in accordance with the bill and must aim to complete the recruitment for the position within 40 days. An eligible applicant is an individual applying for a vacant position in State government who (1) self-certifies (and provides documentation on request) having served in the federal government, as specified, and left federal service after January 15, 2025, and (2) has relevant federal expertise or experience to meet the requirements, based on the position description, for the vacant State position. **The bill terminates April 30, 2026.**

Fiscal Summary

State Effect: Special fund expenditures increase by as much as \$2.0 million in FY 2025 and 2026 combined, primarily for contractual staffing. The FY 2026 budget as introduced, as amended by Supplemental Budget No. 1, appropriates \$2.0 million to the Dedicated Purpose Account (DPA) in FY 2025 for the expedited hiring of former federal employees. Revenues are not directly affected.

(\$ in millions)	FY 2025	FY 2026	FY 2027	FY 2028	FY 2029
Revenues	\$0	\$0	\$0	\$0	\$0
SF Expenditure	0.5	1.5	0	0	0
Net Effect	(\$0.5)	(\$1.5)	\$0.0	\$0.0	\$0.0

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

Local Effect: No direct local fiscal impact, but county governments may benefit from the program exploring opportunities to support hiring by interested county governments.

Small Business Effect: None.

Analysis

Bill Summary: The Expedited Hiring Program must:

- develop guidance for appointing authorities on aligning job titles and position descriptions with the federal equivalent positions without requiring substantive changes to the descriptions or classifications of the positions;
- conduct marketing and recruitment activities to recruit eligible applicants for vacant positions;
- rate the qualifications of each applicant while a vacant position is open;
- communicate with applicants throughout the hiring process to maintain the applicants' interest in the position;
- develop a process to refer applicants to other vacant positions in State government; and
- explore opportunities to expand the program to support hiring by interested county governments.

The Secretary of Budget and Management must implement the program in phases, as specified, and establish reasonable timelines for each phase of implementation. The Secretary of Budget and Management must adopt regulations to implement the program and revise the eligibility conditions to include reviewing applications from former federal contractors.

Current Law:

State Employees within the State Personnel Management System

SPMS has four major employment categories designated in statute:

- executive service, which consists of chief administrators of principal units or comparable positions, including deputy secretaries or assistant secretaries;
- management service, which consists of positions that involve direct responsibility for the oversight and management of personnel and financial resources and that require the exercise of discretion and independent judgment;
- professional service, which consists of positions that require advanced knowledge in a field of science or learning and that normally require a professional license, advanced degree, or both; and
- skilled service, which consists of all other positions.

Skilled and Professional Service Positions within the State Personnel Management System

DBM must review and audit recruitment and hiring practices of all appointing authorities at least once every three years. When a skilled service or professional service position is to be filled, the appointing authority must complete a position selection plan that includes specified information. Each unit within SPMS must fill vacant skilled service and professional service positions in accordance with a position selection plan. DBM must assist units in developing application forms, position selection plans, selection tests, and announcement forms.

If current employees or contractual employees may be eligible for a vacant position, then a job announcement must be posted for at least two weeks before the deadline for submitting applications. The position vacancy must be advertised for at least two weeks before the application deadline by making available a job announcement to all appropriate State agencies and using any other method to ensure a sufficient pool of applicants, including printed advertisements in newspapers and journals, paper and electronic bulletin board postings, and special notices.

The appointing authority must review the applications received to determine the qualified applicants, prepare a register of qualified applicants in random order, and send a notice to unqualified applicants that they failed to meet the minimum qualifications for the position. After the close of a position announcement, the appointing authority must also send notice of a competitive examination at least 10 days before the test administration date if such an examination is required. If at least 2 but fewer than 10 applicants meet the minimum requirements for a position, the appointing authority may readvertise the position vacancy or make a selection from the register without the need for further selection testing.

An appointing authority may forego the SPMS position selection plan and recruit for a skilled or professional service position if the appointing authority decides to recruit for the position, the position is difficult to fill, the recruitment must occur in a timely manner, and DBM is notified.

State Expenditures: DBM notes that the current average time to hire from posting a job opening is approximately 100 days for most skilled and professional service positions. Thus, it will face challenges to meet the bill's 40-day goal for completing the recruitment process with existing resources. Therefore, DBM needs additional contractual employees and/or vendor support throughout calendar 2025 to assist with this goal, among other responsibilities, including improving candidate identification and evaluation and back-end processing capacity. It is unknown how many contractual employees are needed at this time.

The fiscal 2026 budget as introduced, as amended by Supplemental Budget No. 1, appropriates \$2.0 million to DPA in fiscal 2025, specifically for the expedited hiring of former federal employees. DBM intends to use those monies to hire the contractual employees and/or obtain the vendor services necessary to implement the bill. Thus, special fund expenditures from DPA increase by as much as \$2.0 million in total – drawn down over two fiscal years. This analysis assumes \$500,000 is expended in fiscal 2025 and the remainder – \$1.5 million – is expended in fiscal 2026 (although more spending could occur in fiscal 2025, if needed, with less spending in fiscal 2026). The bill terminates April 30, 2026, so ongoing contractual support is not needed in the out-years.

Additional Information

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

Designated Cross File: None.

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

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