

Department of Legislative Services
 Maryland General Assembly
 2026 Session

FISCAL AND POLICY NOTE
First Reader

Senate Bill 880 (Senator Kramer)
 Finance

Part-Time State Employment Pilot Program - Established (Maryland Workforce Retention, Recruitment, and Reentry Act)

This bill establishes a Part-Time State Employment Pilot Program in the Department of Budget and Management (DBM) to promote and support the inclusivity of State employment by increasing the availability of part-time positions with benefits in State government. DBM must select five agencies in the Executive Branch to participate in the program, and each selected agency must evaluate full-time position vacancies to determine whether those positions can be converted to two part-time positions with benefits. If so, the agency must convert the full-time position to two part-time positions and advertise and recruit for the vacancy as two part-time positions. DBM must report biannually on the program to the Governor and the General Assembly beginning December 1, 2026, as specified. **The bill takes effect July 1, 2026, and terminates on June 30, 2029.**

Fiscal Summary

State Effect: General fund expenditures increase by \$128,800 in FY 2027 for contractual staff, with ongoing costs through FY 2029. State expenditures (all funds) increase, potentially significantly, beginning in FY 2027 for personnel costs. Revenues are not affected.

(in dollars)	FY 2027	FY 2028	FY 2029	FY 2030	FY 2031
Revenues	\$0	\$0	\$0	\$0	\$0
GF Expenditure	128,800	144,700	150,800	0	0
GF/SF/FF Exp.	-	-	-	-	-
Net Effect	(-)	(-)	(-)	(-)	(-)

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

Local Effect: None. The bill does not apply to local governments as employers.

Small Business Effect: None.

Analysis

Bill Summary: A “part-time employee” is defined as an employee who works less than 100% of full-time employment and whose position duties do not stem from a parent or originating position identification number and are not meant to be shared with another employee.

If a participating agency determines a vacant position cannot be converted into two part-time positions with benefits, the agency must document the reasons for the determination.

A participating agency may evaluate other (nonvacant) full-time positions for potential suitability for conversion to two part-time positions. A supervisor who normally supervises an individual in a full-time position that is converted to two part-time positions under the program may not have their supervisory duties increased by more than one individual as a result of the conversion of full-time positions.

Current Law: A part-time employee is defined as an employee who works an average of 50% or more but less than 100% of the regular workweek. An individual who is a full-time employee in the State Personnel Management System (except a temporary employee) who is qualified for or desires to be a full-time employee may not be required to accept part-time employment as a condition of continued or new State employment. Conversely, an individual who is a part-time employee who is qualified for or desires to be a part-time employee may not be required to accept full-time employment as a condition of continued or new employment. In accordance with regulations, a part-time employee is entitled to receive all employment rights, privileges, and benefits that are normally available to a full-time employee in a similar position with a similar grade and length of service, except benefits must be prorated in proportion to the number of hours employed.

The 2025 Joint Chairman’s Report requested that DBM establish a comprehensive feasibility study of job-sharing arrangements in State government, examining technical, administrative, financial, and operational aspects of job-sharing. DBM’s report can be found [here](#).

State Expenditures:

Department of Budget and Management

DBM has determined that four regular full-time human resource analyst positions are needed to implement this bill. However, the Department of Legislative Services (DLS) advises that the added responsibilities incurred by this legislation are not permanent and can likely be performed by two contractual human resource analysts.

Thus, general fund expenditures increase by \$128,787 in fiscal 2027, which accounts for a 90-day start-up delay from the bill’s July 1, 2026 effective date. This estimate reflects the cost of hiring two contractual human resource analysts to support the development of the pilot program. It includes salaries, fringe benefits, one-time start-up costs, and ongoing operating expenses.

Contractual Positions	2
Salaries and Fringe Benefits	\$110,505
Operating Expenses	<u>18,282</u>
Total FY 2027 State Expenditures	\$128,787

Future year expenditures reflect (1) full salaries with annual increases and employee turnover; (2) annual increases in ongoing operating expenses; and (3) the termination of the contractual positions concurrent with the termination of the bill on June 30, 2029.

This estimate does not include any health insurance costs that could be incurred for specified contractual employees under the State’s implementation of the federal Patient Protection and Affordable Care Act.

To the extent that State agencies participating in the pilot program need additional support, DBM may need additional human resource analysts, and to the extent that positions created under the pilot program result in additional workload for DBM after the pilot program terminates, the contractual positions may need to convert into permanent positions.

State Agencies

For the five departments of the Executive Branch selected to participate in the program, State personnel expenditures (potentially all funds) increase beginning in fiscal 2027 to the extent that more part-time State employees are employed by the State. DLS estimates that State expenditures increase on average by \$1,585 for a laptop and software configuration and by \$5,473 if office furniture is needed for each additional State employee in the initial year of hiring. Additionally, State expenditures increase by more than \$14,500 on an annual basis for health care costs to provide health coverage to two people instead of one. If vacant positions that are being converted to part-time positions under the bill require background investigations, expenditures may increase for each additional background investigation performed, which may include paying for fingerprints and performing a polygraph.

The actual fiscal impact depends on (1) which five agencies are selected by DBM to participate in the program; (2) the number of vacant positions in the participating agencies; (3) the extent to which those vacant positions can be filled by two part-time employees instead of one full-time employee as determined by the participating agency; (4) when

those positions are filled; and (5) any costs that are particular to an agency (such as expenses for background investigations).

For illustrative purposes only, if 20 vacant positions are filled by 40 part-time employees half-way through fiscal 2027 (accounting for a six-month delay from the bill's July 1, 2026 effective date to select agencies and for agencies to review, recruit, and fill positions), State expenditures increase by approximately \$289,400 in fiscal 2027 for operating expenses and health care costs and by more than \$319,000 annually thereafter (reflecting annualization and ongoing costs). If part-time employees do not require additional office furniture, then the increase in State expenditures is mitigated by approximately \$5,500 for each additional employee not needing office equipment.

Additionally, the bill increases the workload of human resources departments within the five agencies selected to participate in the program. Vacant positions must be analyzed to determine whether part-time employees can fill that position and agencies must document their justification if those positions cannot be filled with part-time employees. Recruitment for additional positions may become more labor intensive. While some participating departments may be able to meet these additional responsibilities with existing resources, others may need to hire additional human resources employees. Thus, State expenditures may increase further beginning in fiscal 2027.

To the extent that more part-time employees are employed, the workload of supervisors increases from having to manage more employees, though the bill limits the number of additional employees a supervisor may supervise.

This analysis assumes that part-time employees hired under the pilot program continue to be employed with benefits after the program terminates on June 30, 2029.

Additional Information

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

Designated Cross File: HB 1248 (Delegate Wolek) - Appropriations.

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

Fiscal Note History: First Reader - March 1, 2026
js/mcr

Analysis by: Heather N. MacDonagh

Direct Inquiries to:
(410) 946-5510
(301) 970-5510