

SB79_AFSCME3_FAV.pdf

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Patrick Moran - President

SB 79 - State Personnel - Education and Transportation - Grievance Procedures
POSITION: FAVORABLE

AFSCME Council 3 supports SB 79. This legislation permits state employees who work at our public higher education institutions and in the Maryland Department of Transportation (MDOT) to file grievances for damages when there are errors with their paychecks. The Maryland General Assembly authorized this for state employees in the executive branch under the State Personnel Management System (SPMS) in 2017 with the passage of HB1144/CH0783, and then again in 2019 with HB531/CH0664, a repeal of the sunset provision of the original law. This legislation simply authorizes our state employees in Higher Education and MDOT to have the same rights as state employees in the SPMS to grieve wage disputes and recover damages for missed earnings because of an error on their paycheck.

Damages begin accruing after the employee has filed the grievance and increase by 30% each pay period after that up to 3 times the amount in wages that were withheld. The employers have two pay periods or roughly 30 days to correct the pay error, before damages start accruing. This process has worked well in state government. Since 2017, state employees in the SPMS have been able to resolve paycheck disputes much faster, and often before damages begin accruing.

SB 79 is necessary because our members in Higher Education and Transportation can also suffer from long delays in getting paycheck issues resolved. There are a range of issues that can result in inaccurate paychecks. On occasion, overtime pay may be miscalculated. Other times, a person may not receive their promotional pay in a timely fashion, or there can be programming errors that credit the employee for only 8 hours worked in a pay period instead of 80. This can cause late bill payments, delays in paying rents and mortgages, and so on.

This legislation is important. It helps to ensure that employees are treated fairly and ultimately receive the compensation that they worked to earn. We urge you to provide a favorable report on SB 79.

Every AFSCME Maryland State and University contract guarantees a right to union representation.
An employee has the right to a union representative if requested by the employee.
800.492.1996

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SB 79 - State Personnel - Education and Transporta

Uploaded by: Donna Edwards

Position: FAV



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**SB 79 - State Personnel - Education and Transportation - Grievance Procedures
Senate Finance Committee
February 2, 2023**

SUPPORT

Donna S. Edwards

President

Maryland State and DC AFL-CIO

Madame Chair and members of the Committee, thank you for the opportunity to submit testimony in support of SB 79. My name is Donna S. Edwards, and I am the President of the Maryland State and District of Columbia AFL-CIO. On behalf of Maryland's 300,000 union members, I offer the following comments.

SB 79 adds state Higher Education and Department of Transportation workers to the list of public workers that have the right to file grievances over payroll issues. Workers deserve to be paid the correct amount and on time. Incorrect or late payments can be the difference between financial stability and missed mortgage or car payments. Workers should not be financially penalized for errors made by their employer. SB 79 grants the same rights to grieve over payroll issues for employees of these departments that are provided to thousands of state employees.

Unfortunately, the state departments often make payroll mistakes and workers are forced to take on debt in order to cover their living expenses while waiting weeks and months to be paid wages they earned. These payroll errors create compounding issues that ruin workers credit and lead to far greater problems.

Grievances are an essential part of enforcing collective bargaining agreements. When employers violate the contract, workers have a right to file a grievance within certain time limits that can resolve the issue. Grievances also aim to make workers whole, so that employers are not incentivized to ignore or violate contracts whenever they want. The damages allowed in the bill are an important part of forcing employers to take payroll issues seriously and resolve them as fast as possible.

We urge the committee to issue a favorable report to SB 79.

SB 79_Solomon_FAV.pdf

Uploaded by: Jared Solomon

Position: FAV

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Joint Audit and Evaluation
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THE MARYLAND HOUSE OF DELEGATES
ANNAPOLIS, MARYLAND 21401

SB 79 - State Personnel - Education and Transportation - Grievance Procedures
Senate Finance Committee
February 2, 2023

Good afternoon Chair Griffith, Vice Chair Klausmeier, and esteemed members,

Thank you for the opportunity to present today on my legislation – SB 79. The bill removes archaic language from the higher education grievance procedure that prevents employees from filing grievances when they have been paid incorrectly. It also extends to higher education and transportation employees the provision that allows state employees to grieve for damages when there are errors in their checks.

Damages begin accruing after the employee has filed the grievance and increase by 30% each pay period after that up to 3 times the amount in wages that were withheld.

Since HB1144/CH0783 passed in 2017, state employees in the State Personnel Management System (SPMS) have been able to get paycheck issues resolved much faster.

SB 79 is necessary because higher education and transportation employees also experience delays at times with getting their paycheck issues resolved. This can cause late bill payments, delays in paying rents and mortgages, and so on.

It's only fair that our state employees who work in MDOT and in Higher Education have the same right to grieve for damages when paycheck errors occur that our state employees in the executive branch have.

I have worked closely with AFSCME members in crafting this legislation. I urge a favorable report and thank you for your consideration.

SB79_USM_FWA.pdf

Uploaded by: Sherri Roxas

Position: FWA



SENATE FINANCE COMMITTEE
Senate Bill 79
State Personnel – Education and Transportation – Grievance Procedures
February 2, 2023
Favorable with Amendment

Chair Griffith, Vice Chair Klausmeier and members of the committee, thank you for the opportunity to offer testimony on Senate Bill 79.

Senate Bill 79, as written, would have a substantial negative impact on the University System of Maryland (USM) and its constituent institutions. The USM’s long-standing grievance procedure is codified under Title 13, subtitle 2 of the Education Article and referenced in USM [BOR Policy VII – 8.00](#), approved by the USM Board of Regents. The USM grievance procedure provides an opportunity for certain employee issues to be appropriately addressed and resolved, including disputes over the failure of an institution to pay wages that are due to a regular employee.

The USM is concerned that Senate Bill 79 alters the established definition of a grievance in a way that is not only unnecessary but improper. The language of Senate Bill 79 seems to suggest that an employee in the USM may be permitted to file a grievance on practically anything and everything, including the “general level of wages” and “other broad areas of financial management”- the breadth and scope of which cannot be understated. If interpreted in this way, an employee could challenge an institution’s financial management or staffing decisions through the grievance procedure, including but not limited to challenges to:

- the amount of a COLA or merit increase,
- the fringe benefit rates,
- the allocation of funds to specific priorities,
- operational decisions such as when to declare a snow emergency,
- the implementation of furloughs, or
- the pay structure.

Such matters under this bill would ultimately be decided by a hearing officer or other third-party decision-maker. Someone with little to no understanding of an institution’s budget and no accountability to the faculty, staff, and students of that institution would be given the authority to decide on wages or other broad areas of financial management by which the institution would be bound. Not only will Senate Bill 79 lead to inconsistent decisions at substantial and immeasurable cost to the USM and its constituent institutions, but it is arguably inconsistent with public policy.

Institutions will experience higher costs associated with processing and defending against grievances under Senate Bill 79, and additional human resources staff will likely be necessary to manage the increased volume.

In addition, Senate Bill 79 mandates the award of damages against an institution if a wage dispute is not corrected within one pay period of the violation. Damages will be assessed in the amount of 30% per pay period until the issue is corrected up to a maximum of three times (3x) the amount of wages due. These damages would extend to the institution regardless of whether the institution has any actual control over the matter (e.g. the USM and its constituent institutions have no direct control over the issuance of paychecks to USM employees, the State's Central Payroll Bureau controls the issuance of paychecks. The USM and its constituent institutions generally have no control over fringe benefit rates for USM employees; the State Department of Budget and Management sets fringe benefit rates).

An attempt to alter the grievance procedure in such a fundamental way through amendments to the State Personnel and Pensions Article (SPP) - an Article that is, with some exception, primarily applicable to employees of the State Personnel Management System (SPMS) and NOT to USM employees who fall under an independent personnel system - is problematic and would create legal inconsistencies. The Education Article vests in each institution President the authority over financial decisions as the Chief Executive Officer, the deliberation over which may include information sensitive or confidential in nature. Additionally, SPP § 3-302 provides each of the USM institutions with the sole right to determine the methods, processes, and means by which its operations are to be conducted and to manage its operations effectively and efficiently. Senate Bill 79 would be in contravention of both.

We believe that this bill does more than was perhaps intended. If the intent behind this bill is to permit an employee to grieve an institution's failure to accurately and timely pay wages due to that employee, **the USM would support amendments to the USM grievance statute under the Education Article to clarify that such payroll disputes would be subject to the established grievance procedure.** Otherwise, the USM would respectfully ask for an unfavorable report on Senate Bill 79.

Thank you for allowing the USM to share our position on Senate Bill 79.



About the University System of Maryland

The University System of Maryland (USM)—one system made up of twelve institutions, three regional centers, and a central office—awards eight out of every ten bachelor's degrees in the State of Maryland. The USM is governed by a Board of Regents, comprised of twenty-one members from diverse professional and personal backgrounds. The chancellor, Dr. Jay Perman, oversees and manages the operations of USM. However, each constituent institution is run by its own president who has authority over that university. Each of USM's 12 institutions has a distinct and unique approach to the mission of educating students and promoting the economic, intellectual, and cultural growth of its surrounding community. These institutions are located throughout the state, from western Maryland to the Eastern Shore, with the flagship campus in the Washington suburbs. The USM includes Historically Black Colleges and Universities, comprehensive institutions, research universities, and the country's largest public online institution.

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