

Department of Legislative Services
 Maryland General Assembly
 2017 Session

FISCAL AND POLICY NOTE
Third Reader - Revised

Senate Bill 772
 Finance

(Senator Madaleno, *et al.*)

Health and Government Operations

Department of Health and Mental Hygiene - Employees - Job Titles, Position Descriptions, and Compensation Levels

This bill requires the Director of the Behavioral Health Administration to compensate employees at the Clifton T. Perkins Hospital Center (Perkins) who are required to attend a correctional training school approved by the Correctional Training Commission (CTC) at a pay rate equivalent to similar employees in the Division of Correction. The director may adopt a plan to do so on an incremental basis, provided the full pay rate increase is implemented by July 1, 2020. The Secretary of Health and Mental Hygiene must conduct a review of all State employee positions, including Perkins employees, who are required to work with individuals ordered by the court to receive treatment services from the Department of Health and Mental Hygiene (DHMH). The review must include a determination of an employee’s job title, position description, and level of compensation, and findings must be reported to the General Assembly by December 1, 2017.

The bill takes effect July 1, 2017.

Fiscal Summary

State Effect: General fund expenditures increase by as much as \$362,100 beginning in FY 2018 to increase the salary of specified employees at Perkins; expenditure increases in FY 2018 through 2020 may be less if the increase is phased in. Out-year expenditures reflect salary increases; by FY 2021, general fund expenditures increase by \$400,300, regardless of whether the increase is phased in. DHMH can complete the review of specified State employee positions with existing resources. State revenues are not affected.

(in dollars)	FY 2018	FY 2019	FY 2020	FY 2021	FY 2022
Revenues	\$0	\$0	\$0	\$0	\$0
GF Expenditure	362,100	374,400	387,200	400,300	413,900
Net Effect	(\$362,100)	(\$374,400)	(\$387,200)	(\$400,300)	(\$413,900)

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

Local Effect: None.

Small Business Effect: None.

Analysis

Current Law: Within the State Personnel Management System (SPMS), there are two pay plans: the Standard Pay Plan and the Executive Pay Plan. The purpose of the pay plans is to provide employees in positions that involve comparable effort, knowledge, responsibilities, skills, and working conditions with comparable pay according to the relative value of services performed. The Standard Pay Plan includes all positions in SPMS and all other positions for which the Secretary of Budget and Management has authority to administer pay.

Pay rates in the Standard Pay Plan may be set by a series of pay grades and steps within each grade, fixed rates, or minimum and maximum amounts. When setting or amending a pay rate, the Secretary of Budget and Management must consider the prevailing pay rates for comparable services in private and public employment, experience, living costs, benefits, and the financial condition and policies of the State. A pay rate is subject to any limitations included in the State budget.

The Secretary of Budget and Management may increase pay rates for a specific class under the Standard Pay Plan, with the approval of the Governor, in order to recruit or retain competent personnel or to ensure that pay rates adequately compensate for the effort, knowledge, responsibility, skills, and working conditions of employees in that class. If an amendment to the Standard Pay Plan affects a position in the Executive Branch that is listed in the budget bill, the amendment is contingent on the approval of the Board of Public Works. An amendment to the Standard Pay Plan may not take effect unless sufficient money is available in the budget to cover the resulting pay rates.

Background: The Maryland Police and Correctional Training commissions, within the Department of Public Safety and Correctional Services, are the primary providers of correctional entrance-level training and mandated police and correctional administrator, supervisor, and instructor training in Maryland. Although they are separate entities, the Police Training Commission and CTC are served by a single executive director and agency staff. The commissions are vested with the statutory authority to set standards of initial selection and training for all governmental law enforcement, correctional, community supervision, and juvenile justice officers in the State and to otherwise upgrade the professionalism of these officers.

In general, CTC prescribes minimum standards for the selection and training of community supervision employees and correctional officers in Maryland. These standards address selection, promotion to supervisory and management positions, entry-level training, and in-service advanced training.

State Expenditures: There are 289 filled security attendant positions at Perkins. However, DHMH advises only approximately 95 of these employees are required to complete the correctional training program and, thus, are eligible for a pay increase under the bill. Of these 95 employees, 82 employees receive an average salary for grade 12, step 9 and the other 13 employees receive an average salary for grade 16, step 9. DHMH advises that these employees need one grade increase to receive a pay rate equivalent to similar employees in the Division of Correction. Increasing these employees' salaries to grade 13, step 9 and grade 17, step 9, respectively, increases general fund expenditures by \$362,111 in fiscal 2018 and \$413,927 in fiscal 2022, as shown in **Exhibit 1**. To the extent that the Director of the Behavioral Health Administration adopts a plan to incrementally increase the pay rate of employees so that the full pay rate increase is implemented by July 1, 2020, the increase in general fund expenditures will be less in fiscal 2018 through 2020, depending on the adopted plan.

Exhibit 1
Projected Compensation Costs for Employees at Perkins
Fiscal 2018-2022

	<u>FY 2018</u>	<u>FY 2019</u>	<u>FY 2020</u>	<u>FY 2021</u>	<u>FY 2022</u>
Under the Bill	\$7,544,375	\$7,928,469	\$8,284,316	\$8,659,338	\$9,054,766
Under Current Law	7,182,264	7,554,047	7,897,164	8,259,023	8,640,839
Additional Costs	\$362,111	\$374,422	\$387,152	\$400,315	\$413,927

Source: Department of Legislative Services

Additional Information

Prior Introductions: None.

Cross File: None.

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

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