

Department of Legislative Services
Maryland General Assembly
2019 Session

FISCAL AND POLICY NOTE
Third Reader

House Bill 370

(Chair, Appropriations Committee)(By Request -
Departmental - Labor, Licensing and Regulation)

Appropriations

Judicial Proceedings

Department of Labor, Licensing, and Regulation - Police Force - Repeal

This departmental bill transfers the functions, powers, and duties of the Department of Labor, Licensing, and Regulation (DLLR) Police Force to the Maryland Capital Police (MCP) of the Department of General Services (DGS). All employees who are transferred to MCP as a result of the bill must be transferred on July 1, 2019, without any diminution of their rights, including collective bargaining rights, benefits, and employment or retirement status. In addition, the bill repeals statutory references to the DLLR Police Force and alters the authority of MCP. **The bill takes effect July 1, 2019.**

Fiscal Summary

State Effect: Federal fund expenditures increase minimally beginning in FY 2020 for additional contractual support needed as a result of the transfer. Otherwise, current funding for the positions shifted from DLLR to DGS continues. Revenues are not affected.

Local Effect: None.

Small Business Effect: DLLR has determined that this bill has minimal or no impact on small business (attached). The Department of Legislative Services concurs with this assessment.

Analysis

Bill Summary: The bill removes the DLLR Police Force from (1) the definition of “police officer” in connection with provisions of law relating to the authority to make arrests and (2) the definition of “law enforcement officer” in connection with provisions of law relating to the Maryland Police Training and Standards Commission (MPTSC) and the Law

Enforcement Officers' Bill of Rights. In addition, the membership of the Law Enforcement Officers' Pension System is altered to remove a member of the DLLR Police Force.

The bill expands the jurisdiction for DGS to include buildings and grounds that, on June 30, 2019, were administered by DLLR and extending to the surrounding area that encompasses 1,000 feet in any direction from the boundary of those buildings. Further, the bill expands the authority of the Secretary of General Services to establish a police and security force to protect people and property on or about improvements, grounds, and multiservice centers under the jurisdiction of the department, and in the surrounding areas of the buildings and grounds in the State (expanded from only Annapolis and Baltimore City).

Current Law: DLLR's mission is to support the economic stability of the State by providing businesses, the workforce, and the consuming public with high-quality customer-focused regulatory, employment, and training services. Chapter 268 of 2000 added members of the DLLR Police Force to the definition of police officer under provisions relating to MPTSC. However, the jurisdiction for the DLLR Police Force is not in statute.

MCP, which is one of the oldest capitol police agencies in the nation, is a full-service police department that provides law enforcement and security services for more than 40 State buildings, 10 parking garages, and 16 surface parking lots throughout the Annapolis and Baltimore areas.

Specifically, under provisions of the State Finance and Procurement Article, MCP has jurisdiction over, and full police authority for, the enforcement of the criminal laws and the parking and motor vehicle laws as to the operation, maintenance, and protection of:

- buildings and grounds that, on June 30, 1984, were administered by the Office of Annapolis Public Buildings and Grounds and extending to the surrounding area that encompasses 1,000 feet in any direction from the boundary of those buildings and grounds;
- buildings and grounds that, on June 30, 1984, were administered by the Office of Baltimore Public Buildings and Grounds and extending to the surrounding area that encompasses 1,000 feet in any direction from the boundary of those buildings and grounds;
- multiservice centers designated by law or by the Board of Public Works (BPW) and extending to the surrounding areas that encompasses 1,000 feet in any direction from the boundary of those multiservice centers; and
- other public improvements or grounds designated by law or by BPW.

Background: Both DLLR and DGS advise that a cooperative partnership was formulated between the two agencies and that a Memorandum of Understanding (MOU) transferring the DLLR Police Force to DGS was executed on October 24, 2018. The MOU states that the two agencies will finalize the consolidation of police forces under MCP through legislation. DLLR advises that transferring the oversight and operation of the DLLR Police Force to DGS is intended to better align supervision, training, equipment, and services. Members of the DLLR Police Force are currently reporting to management within MCP.

State Expenditures: The transfer of the DLLR Police Force to DGS results in an increase in federal fund expenditures of an estimated \$81,279 in fiscal 2020, which reflects costs for DGS to hire additional staff necessary. Future year expenditures reflect ongoing costs. These costs are described in more detail below.

The DLLR Police Force consists of 12 sworn officers and 19 building security guards (18 of which are contractual positions); these personnel are transferred from DLLR to DGS under the bill. The DLLR Police Force is funded through a combination of general funds, special funds, and federal funds. Based on information provided by DLLR, in fiscal 2020, approximately \$2.2 million in costs associated with the police force (including approximately \$1.5 million in federal funds, \$400,000 in special funds, and \$360,000 in general funds) shift to DGS under the bill. DLLR and DGS both advise that DLLR intends to reimburse DGS for these costs.

In addition to the reimbursement of costs that it otherwise would have incurred, DLLR advises that it also intends to provide DGS with *additional* federal funds to cover the cost of additional staff needed by DGS as a result of the bill. Accordingly, federal fund expenditures increase by \$81,279 in fiscal 2020 for DLLR to reimburse DGS for these additional costs. This estimate, which accounts for the bill's July 1, 2019 effective date, reflects the cost for DGS to hire 1.5 additional administrative officers to handle personnel, payroll, and timekeeping functions associated with the transfer of the police force. It includes salaries, fringe benefits, one-time start-up costs, and ongoing operating expenses. DLLR advises that sufficient federal funds are available to support these costs.

Contractual Positions	1.5
Contractual Salaries and Fringe Benefits	\$70,561
Other Operating Expenses	<u>10,718</u>
Total FY 2020 State Expenditures	\$81,279

Future year expenditures (which range from \$67,178 in fiscal 2021 to \$74,167 in 2024) reflect salaries with annual increases and employee turnover and ongoing operating expenses. Moving expenses are not included, as DGS advises that the sworn officers and security guards will continue to work in their current locations. This estimate also 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.

This analysis assumes that any future year expenditures that otherwise would have been incurred by DLLR for its police force are instead incurred by DGS and reimbursed by DLLR. In addition, this analysis also assumes that in future years, special and federal fund revenues available to DLLR for these purposes continue.

All employees are transferred without any diminution of rights, including collective bargaining rights, benefits, and employment or retirement status; therefore, it is assumed that the State Retirement Agency (SRA) continues to receive member contributions from DGS on behalf of the transferred officers and that the bill does not impact SRA.

Additional Information

Prior Introductions: None.

Cross File: None.

Information Source(s): Department of General Services; Department of Labor, Licensing, and Regulation; Department of Public Safety and Correctional Services; State Retirement Agency; Department of Legislative Services

Fiscal Note History: First Reader - February 12, 2019
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ANALYSIS OF ECONOMIC IMPACT ON SMALL BUSINESSES

TITLE OF BILL: Department of Labor, Licensing, and Regulation – Police Force - Repeal

BILL NUMBER: HB370

PREPARED BY: Liz Williams, Director, Office of Administration

PART A. ECONOMIC IMPACT RATING

This agency estimates that the proposed bill:

WILL HAVE MINIMAL OR NO ECONOMIC IMPACT ON MARYLAND SMALL BUSINESS

OR

WILL HAVE MEANINGFUL ECONOMIC IMPACT ON MARYLAND SMALL BUSINESSES

PART B. ECONOMIC IMPACT ANALYSIS

There is no anticipated economic impact on Maryland small businesses.