

Department of Legislative Services  
Maryland General Assembly  
2019 Session

FISCAL AND POLICY NOTE  
First Reader

Senate Bill 487  
Finance

(Senator Jennings, *et al.*)

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State Personnel - Military Administrative Leave

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This bill authorizes State employees to take military administrative leave if the employee is serving orders for military duty on or after October 1, 2019. Eligible employees must elect to use either military administrative leave or fully paid military leave (up to 15 days).

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Fiscal Summary

**State Effect:** State expenditures (all funds) increase significantly beginning in FY 2020 as a result of the expanded scope of military administrative leave for State employees. Revenues are not affected.

**Local Effect:** None.

**Small Business Effect:** None.

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Analysis

**Current Law:** An employee who is a member of a reserve unit of the armed forces or in the organized militia is entitled to up to 15 days of paid leave for military training or active military duty. That benefit is not affected by the bill.

All State employees, except temporary workers, in any branch of State government who serve in the military may receive military administrative leave while on active duty, during which the State pays the difference between a member's federal active duty base salary and State base salary or direct wages, up to an employee's State salary. An employee must elect to use either military administrative leave or the paid military leave noted above. The Department of Budget and Management (DBM) must keep a record of the use of military

administrative leave. DBM has interpreted the statute as authorizing military administrative leave for a State employee who, as a Reservist or National Guard member, is activated in support of a national emergency declared by the President and placed on Mobilization/Activation orders. Military administrative leave is not available for active duty *training*.

The State permits State employees on active military duty to elect to continue their medical, dental, and prescription benefits at the same coverage level in effect just prior to the start of their military duty. The State pays the full cost of both the employee and State share of premiums for up to five years. If on an approved leave of absence for military training, a State employee may continue the employee's current health benefit plans (except the health care or dependent day care flexible spending accounts) or the employee may reduce coverage while on leave for the first 30 days of approved unpaid military training duty. The State pays the State share of premiums for the first 30 days. If unpaid military training extends beyond 30 days, the employee will receive a COBRA eligibility notice and can enroll as a COBRA member for up to 18 months.

**Background:** According to the Defense Manpower Data Center, 18,804 personnel located in Maryland are members of the National Guard or the Reserves, as shown in **Exhibit 1**. It is unknown how many of these individuals are State employees. However, DBM reports there were 837 instances of State employees within the State Personnel Management System taking paid military leave in 2018, totaling 59,468 hours. There were 35 instances of State employees taking military administrative leave, totaling 11,057 hours. Additionally, there were 42 instances of State employees taking 26,305 of unpaid leave for the armed services; the majority of that leave was for 30 days or less.

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**Exhibit 1**  
**National Guard or Reserves in Maryland**  
**As of December 2018**

Army National Guard	4,548
Army Reserve	5,943
Navy Reserve	3,798
Marine Corps Reserve	590
Air National Guard	1,928
Air Force Reserve	1,831
Coast Guard Reserve	166
<b>Total</b>	<b>18,804</b>

Source: Defense Manpower Data Center

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**State Expenditures:** The Military Department (MIL) advises that a National Guard or Reserve member can be placed on many different types of orders but only a small number of orders qualifies as active duty for military administrative leave under current law. The potential length of the additional types of orders ranges from 24 hours to multiple years. DBM notes that service members can volunteer for additional training. Thus, the Department of Legislative Services expects the amount of military administrative leave taken to significantly increase under the bill. As a result, State expenditures (all funds) increase significantly beginning in fiscal 2020 due to paying an allowance equating to the difference between a service member's federal active duty military pay and the service member's State salary while a State employee is on military administrative leave that is not active duty.

The impact of this bill would vary considerably by agency. For example, MIL estimates that 25% of its employees are members of the National Guard or Reserve components. During 2018, five MIL employees received military administrative leave, and there were over 700 instances of MIL employees taking military leave. The cost of the bill for agencies with a relatively high number of civilian employees who are Reservists or members of the National Guard could be considerable. Additionally, agencies unable to absorb the loss of staffing may need to hire temporary replacement staff or have employees work overtime.

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### **Additional Information**

**Prior Introductions:** None.

**Cross File:** None.

**Information Source(s):** University System of Maryland; Morgan State University; Department of Budget and Management; Maryland Department of Transportation; Military Department; Defense Manpower Data Center; Department of Legislative Services

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