

Department of Legislative Services
 Maryland General Assembly
 2020 Session

FISCAL AND POLICY NOTE
 Third Reader - Revised

House Bill 1474

(Delegate Acevero, *et al.*)

Appropriations

Budget and Taxation

State Personnel - Maryland Department of Health - Pay Rates and Staffing Requirements

This bill requires the pay rate for specified employees at the Clifton T. Perkins Hospital (Perkins) who are not receiving a forensic pay premium to be at least two grades higher than their pay rate effective June 30, 2020. The pay rate for specified employees in the Behavioral Health Administration (BHA) or the Developmental Disabilities Administration (DDA) must be equal to the pay rate effective July 1, 2020, for similarly trained, qualified, or licensed employees at Perkins if the employees work at a facility that had a forensic admission rate greater than 75% for the immediately preceding fiscal year. The bill specifies staffing requirements for a facility that had a forensic admission rate greater than 75% for the immediately preceding fiscal year. The bill may not be construed to decrease the pay rate of any employee. **The bill takes effect July 1, 2020.**

Fiscal Summary

State Effect: General fund expenditures increase by at least \$10.1 million beginning in FY 2021 to increase the salary of specified employees within the Maryland Department of Health (MDH) and increase further in FY 2022 to hire security attendants. Out-year expenditures reflect salary increases. Revenues are not affected.

(\$ in millions)	FY 2021	FY 2022	FY 2023	FY 2024	FY 2025
Revenues	\$0	\$0	\$0	\$0	\$0
GF Expenditure	10.1	25.8	26.5	27.4	28.3
Net Effect	(\$10.1)	(\$25.8)	(\$26.5)	(\$27.4)	(\$28.3)

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

Local Effect: None.

Small Business Effect: None.

Analysis

Bill Summary: The bill applies to employees in MDH who have direct contact with patients and are in a position classified in specified bargaining units.

Beginning July 1, 2020, for any facility that had a forensic admission rate greater than 75% for the immediately preceding fiscal year, the facility must ensure that any new employees hired for a security personnel position are employed in a security attendant position. The facility must reclassify any employee in a building security officer position into a security attendant position if the employee successfully completed a specified correctional training course. Beginning July 1, 2021, the facility must ensure that the security attendant employee-to-patient ratio is no less than one security attendant employee for every 3 patients in maximum security units and one attendant for every 12 patients in minimum security units.

The bill may not be construed to eliminate the position, or decrease the pay, of any building security officer who chooses not to participate in, or fails, a correctional training course.

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 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.

State Expenditures: In total, general fund expenditures for MDH increase by at least \$10.1 million in fiscal 2021, as shown in **Exhibit 1**. Each of the costs is discussed in greater detail below. Future years reflect annual salary increases.

Exhibit 1
Projected Additional Compensation Costs
Fiscal 2021-2025
(\$ in Millions)

	<u>FY</u> <u>2021</u>	<u>FY 2022</u>	<u>FY 2023</u>	<u>FY 2024</u>	<u>FY 2025</u>
Perkins Employees	\$1.3	\$1.3	\$1.3	\$1.4	\$1.4
BHA and DDA Employees	7.8	7.8	8.1	8.3	8.6
Security Attendant Reclassifications	1.1	1.1	1.1	1.2	1.2
Security Attendant Ratios	0	15.6	16.0	16.5	17.1
Total	\$10.1	\$25.8	\$26.5	\$27.4	\$28.3

BHA: Behavioral Health Administration
 DDA: Developmental Disabilities Administration

Note: Numbers may not sum to total due to rounding.

Source: Maryland Department of Health; Department of Legislative Services

The bill requires a Perkins employee who is not receiving a forensic pay premium to receive a pay increase of at least two grades higher than the employee’s current pay rate beginning in fiscal 2021. Thus, general fund expenditures increase by \$1.3 million in fiscal 2021 to provide pay increases to alcohol and drug counselors, occupational therapists, physicians, psychiatrists, and therapeutic recreators, along with supervisory and managerial positions who, though not explicitly covered by bargaining units, would likely be affected by pay increases.

Requiring the pay rate for BHA and DDA employees to be equal to the pay rate of similarly trained, qualified, or licensed Perkins employees under specified conditions increases general fund expenditures by \$7.8 million in fiscal 2021. Having employees in security personnel positions be classified as security attendant positions under specified conditions increases general fund expenditures by \$1.1 million in fiscal 2021.

Additionally, the bill creates security attendant employee-to-patient ratios for a facility that had a forensic admission rate greater than 75% for the immediately preceding fiscal year. Generally, minimum security facilities currently meet the 12:1 staffing ratio, so that

provision has no fiscal effect. However, Perkins, the only maximum security facility, does not currently meet the 3:1 staffing ratio required by the bill. Thus, general fund expenditures increase by at least \$15.6 million in fiscal 2022 to hire additional security attendants. There are two different classifications of security attendants: a security attendant nursing position that requires a certified nursing assistant license; and another that is focused on security-based duties. This analysis assumes the staffing ratio only applies to security attendants focused on security-based duties and that security attendant nurses do not count toward meeting the ratio.

Additional Information

Prior Introductions: None.

Designated Cross File: SB 693 (Senator Guzzone, *et al.*) - Finance and Budget and Taxation.

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

Fiscal Note History: First Reader - March 4, 2020
rh/mcr Third Reader - April 3, 2020
Revised - Amendment(s) - April 3, 2020

Analysis by: Heather N. MacDonagh

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