

# **INNOVATIVE STATE HUMAN RESOURCE MANAGEMENT PROGRAM**

## **MARYLAND DEPARTMENT OF BUDGET AND MANAGEMENT DIVISION OF CLASSIFICATION & SALARY – OFFICE OF PERSONNEL SERVICES & BENEFITS**

### **CLASSIFICATION CONSOLIDATION PROGRAM SUMMARY**

The primary role of the Classification and Salary Division (CAS) within the Office of Personnel Services and Benefits (OPSB), Maryland Department of Budget and Management (DBM) is to develop and maintain uniform and competitive classification and compensation systems for the State Personnel Management System. Services include, but are not limited to: maintenance of the salary plan; publication of new and revised classification specifications; development of classification standards and guidelines; recommendations for changes to the salary schedules; development of new salary schedules to reflect cost-of-living adjustments and other changes; and development of salary guidelines and procedures. Additionally, CAS evaluates and renders decisions or provides recommendations to the OPSB Executive Director and the Secretary of DBM concerning a wide variety of agency requests, including: reclassification; acting capacity pay; contractual employment; development of new classification specifications or revision of existing specifications; Fair Labor Standards Act overtime exemption requests; and pay plan amendments.

Prior to July 2009, most classification actions were decentralized to user agencies. In fiscal year 2009, approximately 3,000 classification actions were handled by agencies, while CAS completed about 200 classification actions. As a cost savings measure, effective July 1, 2009 the majority of this work was centralized, to be performed by CAS. This resulted in the movement to CAS of approximately half of the existing staff who was assigned to agency classification units. Facing abolition of their positions, most other personnel found other positions, resigned, or retired.

In order to accommodate and track the anticipated additional work, CAS developed a comprehensive database, revised forms and developed streamlined processes. The original CAS staff and the new staff coalesced into an effective team with the goal of providing efficient service to all State agencies while preserving the integrity of the classification system.

In the first six months of consolidation, CAS completed seventy-five percent of classification requests within thirty days, revised almost 500 classification specifications impacting 28,000 positions, and by exercising a conservative approach to reclassification and salary-related requests, realized a significant savings in excess of \$500,000. In addition to the immediate savings generated by the consolidation, the integrity and consistency of classification actions within the State Personnel Management System is assured.

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### **CLASSIFICATION CONSOLIDATION PROGRAM – NARRATIVE**

1. Please provide a brief description of this program.

The classification consolidation returned final authority for classification determinations to the Classification and Salary Division (CAS) within the Office of Personnel Services and Benefits (OPSB), which enhanced the State's ability to ensure consistency in classification decisions. This consolidation also permitted the Department of Budget and Management to more closely control actions having a budgetary impact and provide consistency in decisions.

During the period July 1, 2009 through December 31, 2009, CAS has made almost 800 classification determinations, reviewed 600 personnel services contracts, 100 acting capacity requests, and performed 350 job class specification revision updates, while also developing and implementing multiple temporary salary reduction schedules impacting 40,000 employees.

2. How long has this program been operational?

This program has been in effect since July 1, 2009.

3. Why was this program created?

The consolidation occurred to realize cost savings (in the abolition of thirteen positions) and to address inconsistencies in classification actions taken by other State agencies under delegated authority.

4. Why is this program a new and creative method?

The downturn in the national economy severely decreased Maryland's revenues. As a result, Maryland State government began to look at ways to increase efficiencies and cut costs. While the

idea of having a control agency responsible for classification actions in Maryland is not new in and of itself, it did represent an opportunity to create a better program that had existed many years prior to the consolidation.

Pre-consolidation, the classification functions had been decentralized Statewide for approximately twenty years. Before that time, the former Department of Personnel maintained control over this function.

In order to prepare for the consolidation, enhance efficiency and maintain continuity in Statewide operations, CAS reviewed current practices and developed more effective and user-friendly processes. The consolidation was implemented using existing technology to create a comprehensive database, and instituting the use of performance metrics and two new innovative methods to streamline operations. These new methods are the “vacancy downgrade within same class series,” which allows agencies the flexibility to meet critical needs to quickly fill vacancies and the “benchmark” classification process, which provides quick turnaround time for high volume classes unique to an agency by permitting agencies to submit a position description to CAS that describes the core duties assigned to all agency positions in that classification. The agency may then process reclassifications into such positions without the need for a CAS study.

Additionally, in order to provide enhanced service, many of the forms used to complete classification and salary-related functions were redesigned and the transaction processing system was upgraded to permit additional functionality, eliminate steps in the approval process, and speed up response times. Key to the program’s success was the implementation of improved communication between CAS and the agencies, so CAS also redesigned its website to make it more comprehensive and user-friendly.

5. What was the program's start up costs?

Start up costs associated with the consolidation involved the purchase of thirteen new computers, phone lines and related equipment.

6. What are program's operational costs?

The overall cost to operate the State's classification system decreased with the consolidation of personnel to CAS from other State agencies. Thirteen employees were transferred and staff costs for these positions transferred from agency budgets to the DBM budget, and thirteen positions were abolished in the agencies.

7. How is this program funded?

General funds.

8. Did this program originate in your state?

We are unaware of a similar program elsewhere.

9. Are you aware of similar programs in other states?

No.

10. How do you measure the success of this program?

The success of the program is measured by the timeliness of classification decisions. Seventy-five percent of agency classification requests are completed within 30 calendar days. Additionally, internally, the consistent application of standards Statewide is one of the most important accomplishments of this program.

11. How has the program grown and/or changed since its inception?

The database continues to evolve as CAS assesses the need for more information and improved ways of tracking operations and measuring outcomes. Procedures and forms are updated continually. In the initial stages of development is a secure website where agencies may upload their requests and associated documents and, in return, CAS can upload results and authorization documents; thus decreasing the dependence on paper and mail delivery. As the program continues to develop, CAS expects to find better ways to service agencies and ensure the integrity of the State Personnel Management System.