



# MB&TPI FACT SHEET

## THE BUDGET AND STATE EMPLOYEES

JANUARY 30, 2009

- **\$260 million in budget cuts to state compensation and abolished jobs**

The Budget does not include funding for cost-of-living adjustment (COLA), step (or merit) increases, or a deferred compensation match. Since the state hiring freeze in October 2001, state pay scales have lagged 9 percentage points behind inflation.

In an effort to reduce overtime costs, the Governor's budget also includes a contingent \$8 million saving based on moving correctional officers to 12-hour shifts. This proposal is contingent on collective bargaining negotiations.

- **Budget eliminates 2100 state jobs.**

435 specific jobs are eliminated, PLUS 1000 vacant positions (to be determined in each agency), PLUS up to 700 more jobs (which might or might not be lay-offs). The budget adds 270 positions, mostly in higher education and the courts. The NET reduction is 1,875 jobs. (The specific jobs include 242 positions at the Rosewood Center in Baltimore County. Rosewood Center is slated for closure).

Since the initiation of the statewide hiring freeze in October 2001, the state workforce has been reduced by 4600 jobs (excluding colleges and universities).

- **State contribution to employee health insurance up \$153 million.**

The employer's contribution to employee and current retiree's health insurance is up \$153 million (total funds) to nearly \$900 million. The budget includes no changes to the employee health insurance premium employer share, co-pay, or plan designs.

The budget includes NO contribution towards the state's future liability for retiree's health coverage.

- **Maryland could receive over \$4 billion in federal stimulus payments.**

While much of this funding is dedicated to construction and other specific programs, some could be used to restore proposed budget cuts.

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## **Sources**

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### **About the Maryland Budget & Tax Policy Institute**

The Maryland Budget and Tax Policy Institute is a nonpartisan research organization that provides timely, accurate and accessible analysis of state budget and tax issues. In addition to general budget and tax research and analysis, the Institute examines issues affecting low-income Marylanders and other vulnerable populations and the important community programs that serve them. For additional information, to be added to our e-mail list, or to make a tax-deductible contribution, please visit our website at [www.marylandpolicy.org](http://www.marylandpolicy.org).

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