

Economic Impact Statement

Montgomery County, Maryland

Expedited Bill 29-23

Administration – Non-merit Positions – Department of Environmental Protection – Department of Transportation

SUMMARY

The Office of Legislative Oversight (OLO) anticipates that enacting Expedited Bill 29-23 would have an insignificant impact on economic conditions in the County in terms of the Council’s priority indicators.

BACKGROUND AND PURPOSE OF EXPEDITED BILL 29-23

Merit system positions in the County are governed by detailed regulations that prescribe a range of factors– from recruitment and compensation, to leave benefits and termination.¹ Merit system employees also have access to the Merit System Protection Board to appeal adverse personnel decisions, including suspension, demotion, and termination.² Non-merit system positions on the other hand are more flexible in that they are subject to less regulations and have less protections than merit system positions. Non-merit positions in the Executive Branch are appointed by the County Executive and confirmed by the Council.³

The purpose of Bill 29-23 is to redesignate two positions in the Executive Branch – the Deputy Director in the Department of Environmental Protection and the General Manager of Transit Services in the Department of Transportation Services – from merit to non-merit.⁴ According to the County Executive, “[d]esignating these positions as non-merit will improve the effectiveness of County government and ensure full accountability to the County Executive, the County Council and the taxpayers of Montgomery County” and allow for “regular innovation at the senior management level in these mission critical departments.”⁵

The Office of Management and Budget estimates Bill 29-23 would cost \$118,294 over six years given the potential increase in salary and benefits for the Deputy Director and General Manager positions.⁶ The Bill was also introduced with accompanying resolutions to adopt Executive Regulations 5-23 and 6-23, the job descriptions for each position.⁷

Expedited Bill 29-23, Administration – Non-merit Positions – Department of Environmental Protection – Department of Transportation, was introduced by the Council at the request of the County Executive on June 20, 2023.⁸

¹ [Personnel Regulations](#), Montgomery County Office of Human Resources.

² [Appeals Process](#), Merit System Protection Board.

³ Montgomery County Code § 1A-102.

⁴ Memorandum from County Executive to County Council, [Introduction Staff Report for Expedited Bill 29-23](#), April 13, 2023.

⁵ Ibid.

⁶ Fiscal Impact Statement, Introduction Staff Report for Expedited Bill 29-23

⁷ Introduction Staff Report for Expedited Bill 29-23

⁸ Ibid

INFORMATION SOURCES, METHODOLOGIES, AND ASSUMPTIONS

Per Section 2-81B of the Montgomery County Code, the purpose of this Economic Impact Statement is to assess the impacts of Expedited Bill 29-23 on County-based private organizations and residents in terms of the Council's priority economic indicators and whether the Bill would likely result in a net positive or negative impact on overall economic conditions in the County.⁹ Reclassifying the two positions as non-merit would have insignificant impacts on private organizations, residents, and overall economic conditions in the County in terms of the indicators prioritized by the Council.

VARIABLES

Not applicable

IMPACTS

WORKFORCE ▪ TAXATION POLICY ▪ PROPERTY VALUES ▪ INCOMES ▪ OPERATING COSTS ▪ PRIVATE SECTOR CAPITAL INVESTMENT ▪ ECONOMIC DEVELOPMENT ▪ COMPETITIVENESS

Not applicable

DISCUSSION ITEMS

Not applicable

WORKS CITED

[Appeals Process](#). Merit System Protection Board.

Montgomery County Code. [Sec. 2-81B, Economic Impact Statements](#).

Montgomery County Council. [Introductory Staff Report for Expedited Bill 29-23](#). Introduced on June 20, 2023.

[Personnel Regulations](#). Montgomery County Office of Human Resources.

⁹ Montgomery County Code, [Sec. 2-81B](#).

CAVEATS

Two caveats to the economic analysis performed here should be noted. First, predicting the economic impacts of legislation is a challenging analytical endeavor due to data limitations, the multitude of causes of economic outcomes, economic shocks, uncertainty, and other factors. Second, the analysis performed here is intended to *inform* the legislative process, not determine whether the Council should enact legislation. Thus, any conclusion made in this statement does not represent OLO's endorsement of, or objection to, the Bill under consideration.

CONTRIBUTIONS

Stephen Roblin (OLO) prepared this report.