



DEPARTMENT OF
BUDGET & MANAGEMENT

MARTIN O'MALLEY
Governor

ANTHONY BROWN
Lieutenant Governor

T. ELOISE FOSTER
Secretary

DAVID C. ROMANS
Deputy Secretary

MEMORANDUM

TO: Cabinet Secretaries and Agency Heads

FROM: T. Eloise Foster
Secretary

A handwritten signature in cursive script that reads 'Eloise'.

DATE: August 31, 2010

RE: Agency Reorganization Requests

Maryland continues to cope with the effects of a national recession in a way that balances the need to reduce spending while maintaining the level of service that our citizens deserve. We must continue to assess and modify our way of doing business to maintain that balance. As part of our ongoing efforts to contain costs, effective immediately, agency reorganizations that impact the salary level of a position or positions will require the approval of the Office of Budget Analysis (OBA) within the Department of Budget and Management (DBM). Such approval must be obtained prior to a review of the appropriateness of the requested salary level(s).

An agency reorganization is defined as a change in the organizational structure of an existing unit, section, program or division within an agency or department or State principal service operation, which creates new supervisory, managerial or executive positions or results in the realignment of existing supervisory, managerial or executive positions. Typically, these reorganizations create new reporting relationships for supervisors, managers or executives and prompt a request to upgrade existing positions or the creation of new and higher-level classifications.

Prior to implementation of agency reorganization, the proposal should be forwarded to the OBA budget analyst for review of funding and organizational design. The proposal should include at a minimum the following components:

1. The existing organization chart for the unit, division, program, or section affected.
2. The proposed new organization chart for the unit, division, program, or section affected.

~Effective Resource Management~

45 Calvert Street • Annapolis, MD 21401-1907

Tel: (410) 260-7041 • Fax: (410) 974-2585 • Toll Free: 1 (800) 705-3493 • TTY Users: call via Maryland Relay

<http://www.dbm.maryland.gov>

3. A justification for the proposal to include:
 - a. How the proposed change of organization or reporting relationships will benefit the agency; and
 - b. How the proposed change of organization or reporting relationships will promote efficient operations for the agency.
4. Estimates of the additional costs (or savings) of the proposed change of organization or reporting relationships for both:
 - a. The balance of the current fiscal year; and
 - b. The next fiscal year.
5. Designation of where the funds for any additional costs will come from by fiscal year.

Once approved, the agency may submit any reclassification requests associated with the reorganization to the Classification and Salary Division (CAS) within DBM's Office of Personnel Services and Benefits (OPSB). Reclassification requests associated with reorganization that are submitted to CAS without the required OBA approval will be returned to the agency.

Rarely, an agency may need to reorganize quickly in response to an emergency or critical situation affecting health and public safety. In such cases, an agency or department may temporarily reorganize staff operations pending OBA approval for a period not to exceed three months. Employees impacted by this temporary reorganization may be considered for acting capacity pay for up to three months.

If you have questions regarding this new requirement, please do not hesitate to contact me or Cynthia A. Kollner, OPSB Executive Director, at 410-767-4716 or Penni Miller, CAS Director, at 410-767-4767. Thank you.

cc: Cynthia A. Kollner, Executive Director, OPSB, DBM
David A. Treasure, Executive Director, OBA, DBM
Penni Miller, Director, CAS, OPSB, DBM
DBM OBA Analysts
Agency Human Resources Directors
Agency Finance Directors and Budget Directors