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Governor

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Secretary

**J00A01 MDOT The Secretary's Office
FY 2023 Operating Budget
Response to the Department of Legislative Services Budget Analysis**

Senate Budget and Taxation Committee
Public Safety, Transportation, and Environment Subcommittee
Chairman Cory McCray
February 18, 2022

House Appropriations Committee
Transportation and the Environment Subcommittee
Chairman Marc Korman
February 21, 2022

**J00A01 MDOT THE SECRETARY'S OFFICE
MDOT RESPONSE TO DLS ANALYSIS
FY 2023 BUDGET**

DLS Budget Analysis

1. Productivity and Quality – Recruit and Retain Quality Employees (Page 6)

MDOT should brief the committees on the factors contributing to the increase in vacancies, including broader factors impacting all the units within the department and those that are unique to a unit or limited to a few units. MDOT should also identify, by unit, position classifications for which recruitment and retention is currently particularly difficult.

MDOT Response:

The men and women of the Maryland Department of Transportation and the Maryland Transportation Authority are critical to maintaining and operating the State's transportation network 24 hours a day, 7 days a week, and 365 days a year. The last two years have been especially challenging in the face of the COVID-19 pandemic. We sincerely appreciate the hard work and dedication of each of our employees.

Like most State agencies, MDOT has higher vacancy rates today than it has in many years. There are several factors that contributed to the rise in vacancies throughout MDOT. Perhaps most impactful was the COVID-19 pandemic and the hiring freeze that ensued; however, equally as impactful are some of the changes in employee benefits and compensation that have taken place over the last ten years.

The recent shift to an employee-driven market has spotlighted the fact that MDOT's salaries and benefits have not remained competitive with the private sector or with other public sector employers. Maryland benefits from the amount of workforce opportunities that it offers, with the private sector, federal government, and local governments all offering competitive salaries. In the past MDOT's lower salaries were offset by the lure of the State's robust benefits package and generous pension plan; however, private employer total compensation packages have caught up with, and often exceed, the salary and benefits now available to MDOT employees. Changes like increasing the amount of time it takes to vest in the State pension plan from five years to ten years may not match today's job seekers who are looking for 401K plans with lucrative employer matches. Moreover, changes to retiree healthcare prompted some employees near retirement age to retire before changes were made. Frequent position abolitions, infrequent step and cost-of-living increases, and a hiring freeze that was in place for more than a year all contribute to increased vacancy rates.

In the current job market, MDOT has also seen a decrease in the number of qualified applicants applying for positions. Even for those who do apply, salary, the ability to telework, and the length of time to fill a recruitment can prevent candidates from accepting a position.

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DLS Budget Analysis (continued)

Some of the jobs that are hardest for MDOT to fill are those where there is the most competition with the private sector and other public sector entities – maintenance technicians, highly-skilled trades (plumbers, electricians, etc.), information technology, emergency dispatchers, and accounting. Furthermore, the transportation business units (TBUs) with front-line positions (e.g., MDOT MVA and MDOT MTA) struggle to fill customer-facing positions and positions that require interaction with the public due to ongoing fears surrounding COVID-19.

Finally, the human resources offices within MDOT have shouldered an increased workload due to COVID-19 responsibilities, recovery from a hiring freeze, and a staff that has not been immune to employee resignations. MDOT's HR offices also reported an increased number of failed recruitments and a significant number of individuals who do not show up for interviews. In addition, certain TBUs have unique hurdles, such as security clearances that may discourage applicants or disqualify candidates (e.g., MDOT MAA, MDOT MPA).

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Operating Budget Recommended Actions

- 1. Add annual budget bill language regarding operating grants-in-aid.**

MDOT Response:

MDOT concurs with the DLS recommendation.

PAYGO Budget Recommended Actions

- 1. Add annual budget bill language regarding capital grants.**

MDOT Response:

MDOT concurs with the DLS recommendation.