

TESTIMONY ON BEHALF OF COUNTY EXECUTIVE MARC ELRICH

Bill 43-20, Non-merit Employees – Merit System Employees – Severance Pay – Limited

Before the Montgomery County Council

October 20, 2020

Good afternoon Council Members, my name is Berke Attila, Director of the Office of Human Resources. It is a pleasure for me to appear before the Council on behalf of the County Executive to provide testimony on Bill 43-20. County Executive fully supports the intent of this Bill, but would like to suggest few amendments.

This bill that would add a new subsection (f) to § 1A-104 to prohibit severance pay for a non-merit employee unless authorized by law and prohibit severance pay for certain employees who violate the Ethics Law. The Bill would prohibit all severance pay for an employee who admits to or is found to have violated the Ethics Law in the 12 months prior to separation from County employment. Bill 43-20 amends existing provisions of law, namely, § 1A-104(e) which requires the County Executive to propose, and the County Council to approve, a salary schedule for heads of departments, principal offices, and for other nonmerit employees in the Executive Branch.

While the Bill would prohibit severance pay for a County employee unless authorized by law, this Bill would not prohibit: (1) the payout of unused leave at termination of employment; (2) a discontinued retirement pension authorized under Section 33-45(d); or (3) severance pay under Sections 33-139 and 33-140.

Severance pay for nonmerit employees is currently provided where the employee participated in Retirement Savings Plan or in the Guaranteed Retirement Income Plan. In addition, the County Executive has had the discretion to provide severance pay to appointed officials (either Department Directors or Question A's) who were separated from service by an administrative action.

In responding to the provisions and intent of the Bill, I would note that this County must continue to be able to attract and retain superior talent. How we attract and retain talent is very much based on a set of a policy choices and the economic conditions under which these choices are made can vary somewhat over time.

Therefore, the County Executive would support a provision that allows severance pay under conditions where they are authorized by law and under conditions where discretionary severance pay for nonmerit employees is based on a schedule that has been affirmatively approved by the Council. We believe that there are cases where the Council would agree that it makes sense to provide discretionary severance pay to nonmerit employees.

We look forward to working with the Council on this legislation.