



## **SECTION III: NARRATIVE**

### **BILL SUMMARY**

Synopsis: HM 7 requests that the Legislative Council Service (LCS), State Personnel Office (SPO), the Department of Finance & Administration (DFA), and the General Services Department (GSD) contract for a study and report on the use of employment classifications and appointment practices in executive branch agencies that result in long-term work without access to benefits or employee protections. The report is due to the Legislative Finance Committee no later than November 1, 2026.

### **FISCAL IMPLICATIONS**

HM 7 does not present any direct, readily identifiable fiscal impact on GSD. However, if the eventual consequence of the study is an increase in the number of classified state employees, there would be an increased number of employees with heightened protections and rights. This is likely to lead to more employment-related claims against public bodies, which will in turn increase litigation and settlement/judgment costs associated with these types of claims.

Funding is not provided; it is not clear who will pay for the study and the report.

### **SIGNIFICANT ISSUES**

This study aims to address concerns about fairness and stability for workers who serve in executive branch agencies for extended periods without access to standard employment benefits or protections. The study will examine positions such as temporary, contract, or exempt employees to determine how current practices may contribute to lack of benefits or protections.

A study on benefits or employee protections asserts that there is a systemic practice of state agencies hiring employees for “temporary appointments” that are permanent in all but name. HM 7 further asserts the alleged widespread misclassification of employees is done with the purposeful intent to evade the protections and benefits to which classified employees are entitled.

HM7 calls for a study by a consulting agency to assess the validity of the claims asserted above, to project the estimated cost of re-classifying all the unprotected “temporary” appointees.

### **PERFORMANCE IMPLICATIONS**

### **ADMINISTRATIVE IMPLICATIONS**

### **CONFLICT, DUPLICATION, COMPANIONSHIP, RELATIONSHIP**

### **TECHNICAL ISSUES**

### **OTHER SUBSTANTIVE ISSUES**

### **ALTERNATIVES**

**WHAT WILL BE THE CONSEQUENCES OF NOT ENACTING THIS BILL  
AMENDMENTS**