

(b) A contractual employee who transfers to a budgeted position under this subtitle shall become a member of the Employees' Pension System of the State of Maryland.

[12-305.] 13-305.

This subtitle does not preclude the General Assembly from prohibiting the creation of a budgeted position or the replacement of a contractual position with a budgeted position in the State budget.

Subtitle 4. Service Contracts.

[12-401.] 13-401.

(a) In this subtitle the following words have the meanings indicated.

(b) "Departments" means the Department of Budget and Fiscal Planning and the Department of Personnel.

(c) "Service contract" means a procurement contract for services that:

- (1) will be provided to a unit in the executive branch of State government;
- (2) will be performed within a State-operated facility; and
- (3) in the estimation of the procurement officer, will exceed an annual cost of \$100,000.

(d) "Services" has the meaning stated in § 11-101 of the State Finance and Procurement Article.

†(e) "Unit" has the meaning stated in § 11-101 of the State Finance and Procurement Article.†

[12-402.] 13-402.

The policy of this State is to use State employees to perform all State functions in State-operated facilities in preference to contracting with the private sector to perform those functions.

[12-403.] 13-403.

(a) A service contract may be entered into only as approved by the Board of Public Works in accordance with this subtitle.

(b) Except as provided in subsection (c) of this section, the Board of Public Works may approve a service contract for a unit only if the Board receives a certification from each of the departments that:

- (1) the service contract is exempt under [§ 12-404(b)] § 13-404(B) of this subtitle; or
- (2) the unit has complied with the requirements of [§ 12-404(c)] § 13-404(C) of this subtitle.