

Department of Fiscal Services
Maryland General Assembly

FISCAL NOTE

House Bill 1186 (Delegate Dypski)
Environmental Matters

Public Service Commission - Membership

This bill alters the composition of the Public Service Commission by increasing the membership from five to seven and specifying that each member must represent, reside, and be a registered voter in a different commission district of the State throughout her/his term. The bill provides that the commission districts must have the same boundaries as the appellate judicial circuits of the State. The district and residency requirements will be implemented according to the expiration terms of Public Service Commissioners in office on the effective date of the bill.

Fiscal Summary

State Effect: General fund revenues and expenditures would increase approximately \$202,800 in FY 1998. Out-year projections are adjusted for growth.

| (in dollars) | FY 1998 | FY 1999 | FY 2000 | FY 2001 | FY 2002 |
|-----------------|-----------|-----------|-----------|-----------|-----------|
| GF Revenues | \$202,800 | \$231,400 | \$239,700 | \$248,200 | \$257,000 |
| GF Expenditures | 202,800 | 231,400 | 239,700 | 248,200 | 257,000 |
| Net Effect | \$0 | \$0 | \$0 | \$0 | \$0 |

Note: () - decrease; GF - general funds; FF - federal funds; SF - special funds

Local Effect: None.

Small Business Effect: None. The bill would not directly affect small business.

Fiscal Analysis

State Effect: The bill requires the addition of two Commissioners to the Public Service Commission (PSC). The PSC would also need to hire two Administrative Aides as staff to the two new Commissioners and spend an estimated \$12,000 to expand the PSC hearing

room to accommodate the new Commissioners. As a result, general fund expenditures would increase by an estimated \$202,800 in fiscal 1998. This figure reflects salaries, fringe benefits, one-time start-up costs, ongoing operating expenses and the October 1, 1997 effective date. The information and assumptions used in calculating the estimate are stated below:

| | |
|--|------------------|
| Salaries and Fringe Benefits (Two Commissioners) | \$123,500 |
| Salaries and Fringe Benefits (Two Administrative Aides) | \$43,600 |
| One-Time Construction Cost | \$12,000 |
| Equipment | \$18,200 |
| Operating Expenses | <u>\$5,500</u> |
| Total FY 1998 State Expenditures | \$202,800 |

Future-year expenditures reflect full salaries with 3.5% annual increases, 3% employee turnover, and 2% annual increases in ongoing operating expenses.

General fund revenues would also increase \$202,800 in fiscal 1998. General fund revenues in each out-year will also increase a commensurate amount to general fund expenditures because current law dictates that the Public Service Commission recover operating costs through assessments against public service companies. Thus, the net effect on the general fund is zero.

Information Source(s): Public Service Commission

Fiscal Note History: First Reader - February 24, 1997
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