

Department of Legislative Services  
Maryland General Assembly  
2006 Session

FISCAL AND POLICY NOTE

House Bill 1628  
Ways and Means

(Frederick County Delegation)

Education, Health, and Environmental  
Affairs

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Frederick County - Board of Education - Compensation

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This bill increases annual compensation amounts for members of the Frederick County Board of Education. The president of the board is entitled to \$11,000 annually and other members are entitled to \$10,000 annually.

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Fiscal Summary

**State Effect:** None.

**Local Effect:** Frederick County school expenditures would increase by an estimated \$18,600 in FY 2007 to pay higher compensation to four of its seven board members. In FY 2010, when all seven board members would be earning the higher compensation for a full fiscal year, county school expenditures would increase by an estimated \$55,000.

**Small Business Effect:** None.

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Analysis

**Current Law:** Each Frederick County Board of Education member is entitled to compensation of \$3,000 per year and health insurance benefits regularly provided to school system employees. Like other constitutional officers who serve terms of less than five years, compensation increases approved for members of the Frederick County Board of Education take effect at the beginning of the next term of office.

**Background:** The local board of education with the highest annual compensation level for its members is the Montgomery County board; the president of the board earns

\$22,500 per year and other members earn \$18,500. The members of several local boards of education earn no compensation.

**Local Expenditures:** Frederick County school expenditures will increase by an estimated \$18,608 in fiscal 2007, which assumes seven months of higher compensation for four board members who are scheduled for election in November 2006 and will take office in December. The estimate also assumes 10% fringe benefit costs on the increased compensation.

The increase will escalate in each of the next three years after fiscal 2007 due to annualization of higher compensation amounts and the payment of higher compensation levels to three additional board members after the November 2008 election. The estimated expenditure increase for each of the next four years, including 10% for fringe benefits, is shown below.

	<u>FY 2007</u>	<u>FY 2008</u>	<u>FY 2009</u>	<u>FY 2010</u>
Higher Compensation Levels	\$41,708	\$55,000	\$68,474	\$78,100
Current Compensation Levels	<u>23,100</u>	<u>23,100</u>	<u>23,100</u>	<u>23,100</u>
<b>Frederick County Cost</b>	<b>\$18,608</b>	<b>\$31,900</b>	<b>\$45,374</b>	<b>\$55,000</b>

Note: Fiscal 2007 and 2009 figures assume seven months of higher compensation for members elected in November 2006 and 2008, respectively.

The expenditure increase would remain level after fiscal 2010 at approximately \$55,000 annually.

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### **Additional Information**

**Prior Introductions:** None.

**Cross File:** None.

**Information Source(s):** Frederick County, Department of Legislative Services

**Fiscal Note History:** First Reader - March 21, 2006  
ncs/rhh

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