

Department of Legislative Services
Maryland General Assembly
2014 Session

FISCAL AND POLICY NOTE

House Bill 1093
Ways and Means

(Howard County Delegation)

Education, Health, and Environmental Affairs

Howard County Board of Education - Members - Salary Increase
Ho. Co. 2-14

This bill increases the annual salaries of elected members of the Howard County Board of Education by \$3,000 beginning with their next term of office. The salary of the board's chair increases from \$14,000 to \$17,000 and the salary of the other six elected members, including the vice chair, increases from \$12,000 to \$15,000. A student member who completes a full (one-year) term on the board is entitled to a \$5,000 higher education scholarship which must be paid directly to the educational institution the student attends and is not considered compensation for purpose of calculating taxable income. A student member is limited to one scholarship, regardless of the number of terms served as the student member. The student member is entitled to reimbursement for travel and other expenses, on submission of expense vouchers.

The bill takes effect July 1, 2014.

Fiscal Summary

State Effect: None.

Local Effect: Howard County expenditures increase by \$12,500 in FY 2015 and by \$27,600 in FY 2018 when the full impact of the salary increases takes effect. Revenues are not affected.

Small Business Effect: None.

Analysis

Current Law: The Howard County Board of Education consists of seven elected members and one student member. The board chair receives an annual salary of \$14,000 and the other elected board members receive \$12,000 annually. Elected board members are entitled to health insurance and other fringe benefits provided to board of education employees. A board member's compensation may not be increased during a term of office.

Background: The compensation for Howard County Board of Education members was adjusted by Chapter 100 of 2000, when the board's chair salary was increased by \$3,000 and the salary of other elected board members was increased by \$2,100. Board of education members in four counties receive annual salaries that are set at or above \$10,000. **Exhibit 1** shows the compensation level for board of education members in selected counties.

Exhibit 1 Board Member Salaries in Selected Counties

<u>County</u>	<u>Board President/Chair</u>	<u>Board Member</u>
Anne Arundel	\$8,000	\$6,000
Baltimore City	0	0
Baltimore	0	0
Frederick	11,000	10,000
Howard	14,000	12,000
Montgomery	29,000	25,000
Prince George's	19,000	18,000

Local Expenditures: Howard County expenditures will increase by \$27,607 annually once all seven elected members of the board of education become eligible for the compensation increases. This includes a \$21,000 increase for salaries, an additional increase of \$1,607 for fringe benefits (at 7.65% of salary as advised by Howard County), and \$5,000 annually for the student member scholarship.

The Maryland Constitution prohibits increases in the salaries and compensation of board members during a term of office. The terms of four board members will begin in December 2014 (five months into fiscal 2015), and the terms of three board members will begin in December 2016 (five months into fiscal 2017). The staggered terms will have the effect of phasing in the compensation increases over four fiscal years, beginning with

an increase of \$12,536 in fiscal 2015. The full expenditure increase of \$27,607 will first be incurred in fiscal 2018 as illustrated in **Exhibit 2**.

Exhibit 2
Additional Expenditures under the Bill

<u>Fiscal Year</u>	<u>Salaries</u>	<u>Benefits</u>	<u>Scholarship</u>	<u>Total</u>
2015	\$7,000	\$536	\$5,000	\$12,536
2016	12,000	918	5,000	17,918
2017	17,250	1,320	5,000	23,570
2018	21,000	1,607	5,000	27,607

Additional Information

Prior Introductions: None.

Cross File: None.

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

Fiscal Note History: First Reader - March 10, 2014
ncs/hlb

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