

B75A01
General Assembly of Maryland

Operating Budget Data

(\$ in Thousands)

	<u>FY 17</u> <u>Actual</u>	<u>FY 18</u> <u>Working</u>	<u>FY 19</u> <u>Allowance</u>	<u>FY 18-19</u> <u>Change</u>	<u>% Change</u> <u>Prior Year</u>
General Fund	\$89,156	\$90,285	\$91,017	\$732	0.8%
Adjustments	0	-951	516	1,467	
Adjusted General Fund	\$89,156	\$89,334	\$91,533	\$2,200	2.5%
 Adjusted Grand Total	 \$89,156	 \$89,334	 \$91,533	 \$2,200	 2.5%

Note: FY 18 Working includes targeted reversions, deficiencies, and across-the-board reductions. FY 19 Allowance includes contingent reductions and cost-of-living adjustments.

- The fiscal 2019 budget is \$2.2 million (2.5%) greater than the fiscal 2018 working appropriation. Additional costs are primarily attributable to additional health insurance costs totaling \$1.6 million and the general salary increase totaling \$0.5 million. The entire budget is supported by the General Fund.

Personnel Data

	<u>FY 17</u> <u>Actual</u>	<u>FY 18</u> <u>Working</u>	<u>FY 19</u> <u>Allowance</u>	<u>FY 18-19</u> <u>Change</u>
Regular Positions	749.00	749.00	751.00	2.00
Contractual FTEs	<u>0.00</u>	<u>0.00</u>	<u>0.00</u>	<u>0.00</u>
Total Personnel	749.00	749.00	751.00	2.00

Vacancy Data: Regular Positions

Turnover and Necessary Vacancies, Excluding New Positions	9.47	1.86%
Positions and Percentage Vacant as of 12/31/17	35.00	4.67%

Note: Numbers may not sum to total due to rounding.

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- There are 2 new positions in the General Assembly of Maryland budget in fiscal 2019. The positions staff the Legislative Black Caucus and Legislative Women’s Caucus. In past years, the positions were employed and funded by the caucuses. These were not State positions. A State Ethics Commission opinion from its August 24, 2017 meeting prohibits the proposed funding from “outside” sources such as affiliated foundations. To provide the support, 2 positions are created for the caucuses in fiscal 2019.

Operating Budget Recommended Actions

	<u>Funds</u>
1. Add funding for consulting studies required to support ongoing work for various committees and commissions.	\$ -250,000
Total Reductions	\$ -250,000

Updates

General Assembly Compensation Commission Recommendations: As required by the Maryland Constitution, the General Assembly Compensation Commission met and considered salaries, expenses, and pension benefits for members of the General Assembly.

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Operating Budget Analysis

Program Description

The General Assembly of Maryland (GAM) is the Legislative Branch of State government. Separate budgets are provided for the Senate, comprised of 47 members; the House of Delegates, comprised of 141 members; leadership, committee, and member staff support; and general expenses shared by both chambers.

The Department of Legislative Services (DLS) provides nonpartisan staff support to the legislature. The department has four offices: the Office of the Executive Director; the Office of Legislative Audits; the Office of Legislative Information Systems; and the Office of Policy Analysis.

Across-the-board Employee and Retiree Health Insurance Reduction

The budget bill includes an across-the-board reduction for employee and retiree health insurance in fiscal 2018 to reflect a surplus balance in the fund. Since the Governor cannot reduce the legislative budget, the Administration has assumed a targeted reversion of \$950,942 in general funds in its budget balancing plan. DLS recommends that this amount, as well as the amount assumed to be reverted by the Judicial Branch, be adopted as reductions in the Department of Budget and Management (DBM) – Personnel analysis.

Proposed Budget

Exhibit 1 shows that the budget increases by \$2.2 million in fiscal 2019, or 2.5%; the budget is comprised entirely of general funds. Personnel expenses add \$2.1 million, with increases driven by health insurance and the 2% general salary increase for all State employees. Costs for 2 new positions are absorbed into the budget, as appropriations for salaries are reduced due to the retirement of long-serving executive and managerial staff.

Exhibit 1
Proposed Budget
General Assembly of Maryland
(\$ in Thousands)

How Much It Grows:	General Fund	Total
Fiscal 2017 Actual	\$89,156	\$89,156
Fiscal 2018 Working Appropriation	89,334	89,334
Fiscal 2019 Allowance	<u>91,533</u>	<u>91,533</u>
Fiscal 2018-2019 Amount Change	\$2,200	\$2,200
Fiscal 2018-2019 Percent Change	2.5%	2.5%
Where It Goes:		
Personnel Expenses		
Employee and retiree health insurance		\$1,649
General salary increase		516
Increments and other compensation.....		-205
New positions.....		107
Equipment and Supply Expenses		
Personal computer and laptop replacement.....		193
Server software upgrades		180
Office equipment repair and maintenance		99
Server replacement.....		-85
Print shop paper		-75
Telephone and postage.....		37
Other Changes		
Reduced contractual employee payroll		-219
New member office supply startup costs, including Annotated Code		53
Reduced Office of Policy Analysis consultant studies		-50
Reduced routine in-State travel by auditors		-41
Other		40
Total		\$2,200

Note: Numbers may not sum to total due to rounding.

General Salary Increase

The fiscal 2019 allowance includes funds for a 2% general salary increase for all State employees, effective January 1, 2019. These funds are budgeted in DBM's statewide program and will be distributed to agencies during the fiscal year. GAM's share of the general salary increase is \$516,454 in general funds. In addition, employees will receive another 0.5% increase and a \$500 bonus effective April 1, 2019, if actual fiscal 2018 general fund revenues exceed the December 2017 estimate by \$75 million. These funds have not been budgeted. The Administration will need to process a deficiency appropriation if revenues are \$75 million more than projected.

Operating Budget Recommended Actions

	<u>Amount Reduction</u>	
1. Add funding for consulting studies required to support ongoing work for various committees and commissions.	\$ -250,000	GF
Total General Fund Reductions	\$ -250,000	

Updates

1. General Assembly Compensation Commission Recommendations

Prior to 1971, the State’s constitution established legislative salaries. Related allowances, including expense reimbursements and retirement benefits, were specified in statute. The salary could be changed only through a constitutional amendment ratified by the people in a general election.

A constitutional amendment, approved by the voters in 1970, created the nine-member General Assembly Compensation Commission and specified that the commission submit salary and allowance recommendations to the legislature every four years. The commission includes five persons appointed by the Governor, two persons appointed by the President of the Senate, and two persons appointed by the Speaker of the House of Delegates.

Recommended Changes to the Compensation Package

The commission’s Resolution, dated January 16, 2018, makes no changes to legislative salaries for the term beginning in 2019. The only changes from the 2014 Resolution that currently govern legislative compensation are as follows:

- for out-of-state travel, authorizing the Presiding Officers to allow the reimbursement of lodging at the published conference rate if higher than the appropriate federal General Services Administration rate;
- altering the age at which a designated beneficiary (other than a surviving spouse) can receive a retirement allowance or death benefit from 60 to 62 and, for early retirement, from 50 to 55, for members who have no creditable service before January 14, 2015;
- increasing the age that a child of a member, who dies while serving in the General Assembly, may receive a death benefit from 18 to 26, and adding the provision that this benefit could be paid to a disabled child regardless of age;
- removing an arcane reference that requires a legislator to die contemporaneously with the legislator’s spouse in order for a child to receive a death benefit;
- authorizing the naming of a nonprofit organization as a beneficiary to receive a lump-sum death benefit;
- beginning with the next legislative term, removing the ability of legislators to purchase service credit in order to vest in the Legislative Pension Plan;

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- clarifying for those members who have previously purchased service credit in order to vest in the Legislative Pension Plan when they may receive retirement benefits; and
- providing up to three years of service credit in the Legislative Pension Plan for military service.

Almost all of these changes align provisions of the Legislative Pension Plan with those in other plans in the State Retirement and Pension System.

Appendix 1
Current and Prior Year Budgets
General Assembly of Maryland
(\$ in Thousands)

	<u>General Fund</u>	<u>Special Fund</u>	<u>Federal Fund</u>	<u>Reimb. Fund</u>	<u>Total</u>
Fiscal 2017					
Legislative Appropriation	\$87,648	\$0	\$0	\$0	\$87,648
Deficiency Appropriation	0	0	0	0	0
Cost Containment	0	0	0	0	0
Budget Amendments	1,507	0	0	0	1,507
Reversions and Cancellations	0	0	0	0	0
Actual Expenditures	\$89,156	\$0	\$0	\$0	\$89,156
Fiscal 2018					
Legislative Appropriation	\$90,285	\$0	\$0	\$0	\$90,285
Cost Containment	0	0	0	0	0
Budget Amendments	0	0	0	0	0
Working Appropriation	\$90,285	\$0	\$0	\$0	\$90,285

Note: The fiscal 2018 appropriation does not include deficiencies, targeted reversions, or across-the-board reductions. Numbers may not sum to total due to rounding.

Fiscal 2017

In fiscal 2017, a budget amendment totaling \$1,507,422 was approved, which increased the working appropriation to \$89.2 million. The appropriation transfers funds for statewide employee increments budgeted in the Department of Budget and Management budget to the General Assembly of Maryland budget.

Fiscal 2018

The fiscal 2018 budget remains unchanged at \$90.3 million.

Appendix 2
Object/Fund Difference Report
General Assembly of Maryland

<u>Object/Fund</u>	<u>FY 17 Actual</u>	<u>FY 18 Working Appropriation</u>	<u>FY 19 Allowance</u>	<u>FY 18 - FY 19 Amount Change</u>	<u>Percent Change</u>
Positions					
01 Regular	749.00	749.00	751.00	2.00	0.3%
Total Positions	749.00	749.00	751.00	2.00	0.3%
Objects					
01 Salaries and Wages	\$ 70,683,964	\$ 73,866,805	\$ 74,466,671	\$ 599,866	0.8%
02 Technical and Spec. Fees	1,446,106	1,632,605	1,409,192	-223,413	-13.7%
03 Communication	353,449	634,050	670,950	36,900	5.8%
04 Travel	2,598,270	3,554,170	3,508,840	-45,330	-1.3%
06 Fuel and Utilities	4,798	6,600	6,000	-600	-9.1%
07 Motor Vehicles	18,814	16,900	12,573	-4,327	-25.6%
08 Contractual Services	6,655,927	7,750,409	7,823,943	73,534	0.9%
09 Supplies and Materials	1,347,079	1,321,489	1,483,428	161,939	12.3%
10 Equipment – Replacement	5,485,970	864,965	990,489	125,524	14.5%
11 Equipment – Additional	16,355	6,000	6,000	0	0%
13 Fixed Charges	497,192	521,470	531,340	9,870	1.9%
14 Land and Structures	47,804	109,100	107,600	-1,500	-1.4%
Total Objects	\$ 89,155,728	\$ 90,284,563	\$ 91,017,026	\$ 732,463	0.8%
Funds					
01 General Fund	\$ 89,155,728	\$ 90,284,563	\$ 91,017,026	\$ 732,463	0.8%
Total Funds	\$ 89,155,728	\$ 90,284,563	\$ 91,017,026	\$ 732,463	0.8%

Note: The fiscal 2018 appropriation does not include deficiencies, targeted reversions, or across-the-board reductions. The fiscal 2019 allowance does not include contingent reductions or cost-of-living adjustments.

**Appendix 3
Fiscal Summary
General Assembly of Maryland**

<u>Program/Unit</u>	<u>FY 17 Actual</u>	<u>FY 18 Wrk Approp</u>	<u>FY 19 Allowance</u>	<u>Change</u>	<u>FY 18 - FY 19 % Change</u>
01 Senate	\$ 13,364,485	\$ 13,341,223	\$ 13,344,914	\$ 3,691	0%
02 House of Delegates	24,804,599	25,193,255	25,485,536	292,281	1.2%
03 General Legislative Expenses	1,030,959	1,028,304	1,140,289	111,985	10.9%
04 Office of the Executive Director	12,148,419	8,893,162	8,569,544	-323,618	-3.6%
05 Office of Legislative Audits	14,233,291	14,315,855	14,372,430	56,575	0.4%
06 Office of Legislative Information Systems	5,551,710	6,836,144	7,264,435	428,291	6.3%
07 Office of Policy Analysis	18,022,265	20,676,620	20,839,878	163,258	0.8%
Total Expenditures	\$ 89,155,728	\$ 90,284,563	\$ 91,017,026	\$ 732,463	0.8%
General Fund	\$ 89,155,728	\$ 90,284,563	\$ 91,017,026	\$ 732,463	0.8%
Total Appropriations	\$ 89,155,728	\$ 90,284,563	\$ 91,017,026	\$ 732,463	0.8%

Note: The fiscal 2018 appropriation does not include deficiencies, targeted reversions, or across-the-board reductions. The fiscal 2019 allowance does not include contingent reductions or cost-of-living adjustments.