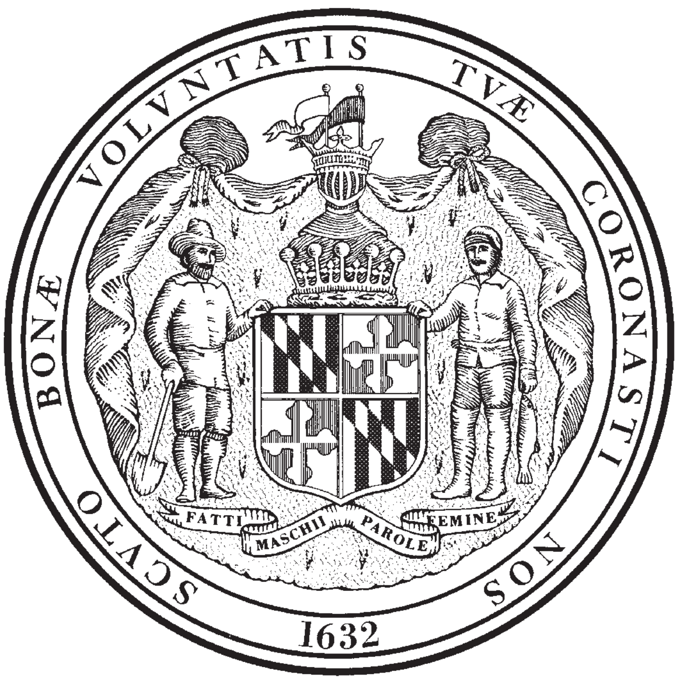
Report of the General Assembly Compensation Commission



Annapolis, Maryland
January 2010

General Assembly Compensation Commission

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Robert J. Antonetti, Jr.	Governor
Adolph Ebersberger	Speaker
Edward J. Gilliss	President
Kathryn Higgins	Speaker
Thomas M. Lingan	Governor
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General Assembly Compensation Commission

January 12, 2010

The Honorable Thomas V. Mike Miller, Jr.
President of the Senate

The Honorable Michael E. Busch
Speaker of the House of Delegates

Gentlemen:

On behalf of the members of the General Assembly Compensation Commission, it is my privilege to transmit to you the commission's eleventh quadrennial analysis of legislative compensation and allowances, an effort mandated by Article III, Section 15, of the Maryland Constitution.

The commission's Resolution, to be considered at the 2010 legislative session, makes the following changes from the 2006 Resolution which currently governs legislative compensation:

- The Resolution freezes legislator salaries for two years but provides the opportunity for a one-time increase if certain conditions are met. Specifically, if on January 1, 2013, the State annual unemployment rate in the preceding calendar year is 5% or lower, the salary of legislators will increase by $2,000 to $45,500 for calendar 2013 and remain at that level for calendar 2014. If the State annual unemployment rate is above 5% on that date, but on January 1, 2014, is 5% or lower for the preceding calendar year, the salary of legislators will increase by $2,000 to $45,500 for calendar 2014 only.

- The Resolution maintains the current differential for the presiding officers allowing for an increase under the same conditions provided for other legislators.

- The Resolution increases the annual in-district travel allowance from $500 to $650 to reflect increases in the cost of fuel.

- The Resolution ties the maximum reimbursement for meals and lodging expenses for approved out-of-state travel to the current federal domestic per diem rates as established by the United States General Services Administration and removes the approval of reimbursement in excess of those rates.

- The Resolution alters the legislative pension by providing for a limited military service credit for legislators with certain service levels. Specifically, legislators with 8 years or more of creditable legislative service may claim a military service credit of up to 3 years.

- The Resolution also amends and repeals two optional forms of retirement allowances based on the Internal Revenue Service concerns. These changes have already been made in the State employee and teacher retirement systems.

All other provisions of the current Resolution are maintained in the 2010 Resolution.

While not part of the formal Resolution, based on its discussions, the commission also requests that the Joint Committee on Pensions further investigate two issues:

- The possibility of the State taking advantage of other deferred compensation options currently available and utilized in the private and non-profit sector, such as the 457(f) "Ineligible" Plan, and

- The potential benefits of establishing a trust fund for legislators with pay-outs at the end of legislative service.

The members of the compensation commission have enjoyed the opportunity to serve and would be pleased to meet with you and members of the General Assembly to discuss the commission's findings and proposals.

Respectfully,

Sean W. Glynn
Chairman

SWG/SGP/msh

Maryland General Assembly
General Assembly Compensation Commission
2009 Membership Roster

Sean W. Glynn, Chair

Robert J. Antonetti, Jr.

Adolph Ebersberger

Edward J. Gilliss

Kathryn Higgins

Thomas M. Lingan

Margaret L. Powell

John C. Sprague

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Executive Summary

Pursuant to Article III, Section 15, of the Maryland Constitution, the General Assembly Compensation Commission submits its recommendations for legislative compensation and allowances during the 2011-2014 term of office. This report summarizes the compensation principles and information guiding the commission's determinations and presents the recommendations. As required by the Maryland Constitution, these recommendations have been incorporated in a Resolution adopted by the commission (2010 Resolution).

The recommendations presented in the report reflect the legislature's part-time status but also acknowledge that much is expected of a legislator in terms of time and dedication of effort, ability to manage and determine appropriate action on multiple and complex issues, and a willingness to communicate regularly with constituents. While a significant proportion of Maryland's State legislators consider themselves to be full-time legislators, the majority do not. The legislature continues to be representative of a wide range of occupations and professions. This broad-based range of experience has long been considered an integral element of what the Maryland General Assembly represents.

The commission's recommendations concerning compensation seek to balance the time that legislators spend on their job, both in and out of the legislative session, while acknowledging that the legislature should continue to be considered part-time. Although the report separately discusses recommendations pertaining to salaries, expense allowances, other benefits, and pensions, the commission asks that the recommendations be viewed as a total compensation package. As a whole, the commission believes the proposals represent a balanced approach to compensation under the principles outlined in this report.

The commission recommends the following changes to the compensation package:

- The Resolution freezes legislator salaries for two years but provides the opportunity for a one-time increase if certain conditions are met. Specifically, if on January 1, 2013, the State annual unemployment rate in the preceding calendar year is 5% or lower, the salary will increase by $2,000 to $45,500 for calendar 2013 and remain at that level for calendar 2014. If the State annual unemployment rate is above 5% on that date, but on January 1, 2014, is 5% or lower for the preceding calendar year, the salary will increase by $2,000 to $45,500 for calendar 2014 only.

- The Resolution maintains the current differential for the presiding officers allowing for an increase under the same conditions provided for other legislators.

- The Resolution increases the annual in-district travel allowance from $500 to $650 to reflect increases in the cost of fuel.

- The Resolution ties the maximum reimbursement for meals and lodging expenses for approved out-of-state travel to the current federal domestic per diem rates as established by the United States General Services Administration and removes the approval of reimbursement in excess of those rates.

- The Resolution alters the legislative pension by providing for a limited military service credit for legislators with certain service levels. Specifically, legislators with eight years or more of creditable legislative service may claim a military service credit of up to three years.

- The Resolution also amends and repeals two optional forms of retirement allowances based on the Internal Revenue Service concerns. These changes have already been made in the State employee and teacher retirement systems.

Outside these changes, the commission recommends that all other aspects of the 2006 Resolution currently governing legislative compensation be retained.

Chapter 1. Introduction

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. With the exception of a salary increase to $2,400 in 1964, the voters defeated all the constitutional amendments relating to legislative salaries proposed from 1958 to 1971. The General Assembly Compensation Commission's first report, issued in 1971, includes a detailed history of the constitutional and statutory changes from 1867 to 1971.

Believing that higher and more regularly adjusted legislative compensation would assist in the modernization of the General Assembly, the 1967-1968 Constitutional Convention included a provision in the proposed new Maryland Constitution giving the legislature the power to establish legislative compensation. After the voters rejected the proposed constitution in 1968, a study group appointed to recommend amendments to the existing constitution proposed the creation of a legislative compensation commission.

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 appointed by the President of the Senate, and two appointed by the Speaker of the House of Delegates. Appointees serve a four-year term. The appointments should be made by the Governor and the presiding officers four years in advance of the session at which the commission's recommendations are submitted. This schedule seeks to provide the commission with greater independence. Members of the General Assembly and State and local government officers and employees are not eligible for appointment to the commission.

In 1976, the compensation commission provisions of the Maryland Constitution were changed to require uniformity of legislative compensation. The modification requires that all members, except officers of the Senate and the House of Delegates, receive the same rates of compensation and retirement benefits. The 1976 amendment negated a policy, established by the 1974 commission that had required members of the General Assembly employed by the State or local governments to receive reduced compensation.

The constitutional provisions, Article III, Section 15, (**Exhibit 1**) provide that:

- the compensation commission shall submit its compensation, allowances, and pension recommendations to the General Assembly by formal Resolution within 15 days after the beginning of the last regular General Assembly session in a four-year term of office. In 2010, the commission must submit its Resolution proposing compensation and allowances for the 2011-2014 General Assembly term by January 27, 2010;

- rates of compensation and pensions shall be uniform for all members of the General Assembly, except that the officers of the Senate and the House of Delegates (traditionally, the President and the Speaker) may receive higher compensation;

- compensation allowances may not be less than the dollar amounts prior to the establishment of the first compensation commission in 1970;

- through a Joint Resolution, the General Assembly may reduce or reject, but may not increase, any item in the Resolution;

- the commission's Resolution, with any reductions concurred in by Joint Resolution of the General Assembly, has the force of law and takes effect at the beginning of the next General Assembly; and

- the provisions of each Resolution govern until superseded by a subsequent Resolution.

The Maryland Constitution, as interpreted by the Attorney General, gives the commission exclusive jurisdiction over salaries, meal and lodging expense allowances, travel allowances, employee benefit programs, and the legislative retirement system. This exclusive jurisdiction extends only to payments made to the legislators themselves. Most prior commissions have not dealt with legislative district office accounts which fund Annapolis and district office space, equipment, utility, communication, and legislators' staff assistance costs. The annual legislative budget process establishes the district office account funding levels.

The General Assembly Compensation Commission Resolutions of 1971, 1974, 1978, 1982, 1986, 1990, 1994, 1998, and 2002 took effect as submitted, unchanged by the legislature. In each year, joint legislative resolutions reducing or rejecting items in the commission's Resolution failed to pass both houses. In 2006, changes proposed by the commission were rejected by the legislature leaving compensation and other allowances unchanged from the 2002 Resolution.

Exhibit 2 sets forth the process and time line by which a Resolution takes effect. **Exhibit 3** summarizes the commission's preceding resolutions.

Activities in 2009/2010

The commission met three times in 2009 and 2010. The following summarizes the various meetings and activities of the commission:

- **December 8, 2009** – At its organizational meeting, the commission scheduled future meetings and discussed the nature of the commission's work. The commission was briefed by staff on applicable constitutional requirements and other legal issues, the legislative process pertaining to the commission's Resolution, elements of the current (2006) Resolution, and the composition and workload of the Maryland legislature.

  The commission also began its briefings on legislative compensation with staff presenting information on legislative salaries in Maryland, expense allowances for Maryland legislators, other benefits available to Maryland legislators, and district office accounts.

- **December 15, 2009** – Following approval of the December 8, 2009 minutes, the commission was briefed by staff on the Legislative Pension Plan including a comparison to pension plans in other states. The commission also considered pension issues raised by the State Retirement Agency and from a retired legislator concerning credit for military service. Time was set aside to receive testimony from the public, legislators, and other interested parties. However, no testimony was offered. The meeting concluded with follow-up items from the prior meeting.

- **January 5, 2010** – At its decision meeting, the commission first took public testimony from a former legislator concerning a pension issue, then debated and voted on compensation issues and requested that the staff prepare a final report incorporating the commission's recommendations and the Resolution to be introduced at the 2010 session of the Maryland General Assembly.

Minutes of the December meetings are provided in **Appendix 1**. The discussions of the decision meeting are incorporated into the text of the final report.

Chapter 2. Compensation Principles

The Commission's Framework for Decision Making

This commission recognizes, as have all past compensation commissions, that the Maryland legislature is a part-time institution, although interim work requires a substantial commitment of time and effort throughout the year. The commission acknowledges the categorization of state legislatures adopted by the National Conference of State Legislatures (NCSL) that distinguishes between legislatures as follows:

- Full-time legislatures, where the legislative calendar and workload requires a legislator to commit the equivalent of 80% or more of a full-time job to legislative duties. Legislative salaries tend to reflect this commitment.

- Traditional or citizen legislatures, where the time commitment to legislative duties is less than 50% of a full-time job and salaries are likewise relatively modest.

- "Hybrid" legislatures, where the time commitment falls between the full-time and citizen categories. Legislative salaries are set likewise, but it would be expected that the member might need to earn additional outside income.[1]

While some legislators in a hybrid legislature may describe themselves as full-time, the hybrid legislature retains a diverse membership, bringing different perspectives and experiences to the law making process. In other words, it retains an important element of the truly citizen legislature, and this element has long been prized in Maryland. As shown in **Exhibits 4** and **5**, although the largest block of legislators consider their legislative career as their primary occupation, the legislature is drawn from individuals with a broad swath of professional and educational backgrounds. Indeed, that block of full-time legislators probably fails to acknowledge individuals who have had other careers prior to election to the General Assembly.

In establishing the legislative compensation package, the commission was mindful not to set compensation that would change the direction of the legislature in either way. At the same time, the commission was clear in its desire to attract persons with experience and ability who otherwise might or could not run for office. The salary should be high enough to enable individuals to periodically leave their professions or businesses for legislative work. However, full-time Maryland legislators also make important contributions to the legislative process. If an individual wants to devote full-time to public service, the salary level should not automatically foreclose such a decision. There is no practical way to measure the influence of legislative compensation on an individual's decision to serve. The level of candidacy for office does not seem markedly different from one term to the next, and while the level of turnover in recent

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[1] National Conference of State Legislatures. *Full-and Part-time Legislatures* (June 2009).

elections (**Exhibit 6**) is perhaps lower overall compared to 30 years ago, the primary driver for turnover remains redistricting with higher levels of turnover typically seen after a decennial reapportionment (1974, 1982, 1994, and 2002 in that exhibit).

In terms of other compensation, expense reimbursement should offset the reasonable costs of lodging, meals, and travel associated with attending the 90-day legislative session, interim committee meetings, and other legislative functions. Certainly, reimbursement levels should not be an impediment to service, be adequate to facilitate the work of members, while at the same time not being extravagant.

Finally, the pension plan should recognize the impact serving in the legislature can have on a member's career outside the legislature. A decision to serve as a legislator does not allow an individual to focus solely on a single career and could negatively impact salary and retirement benefits from the source of primary employment.

At the same time, the commission found itself meeting under a unique set of circumstances. Specifically, for the first time since the creation of the General Assembly Compensation Commission, deliberations are being made to a compensation package that was unchanged during the course of the current term. Furthermore, the economic climate is also arguably the worst during that same time-frame.

Legislative Salaries

The commission reviewed a variety of salary data in order to judge the adequacy of legislative salaries. The first point of comparison was to compare Maryland's legislative salaries with other states although it should be stressed that the duties, responsibilities, and compensation of legislators in other states are partially a function of institutional characteristics. For instance, according to NCSL, 10 states (California, Florida, Illinois, Massachusetts, Michigan, New Jersey, New York, Pennsylvania, Ohio, and Wisconsin) rely on full-time legislatures.[2] Among states with part-time legislatures, session lengths vary considerably with some states meeting only every other year. **Exhibit 7** sets out comparative data as to 2009 salaries and session lengths.

Given the institutional variations and the lack of information documenting the time that legislators across the states devote to legislative business, it is difficult to precisely compare Maryland's legislative compensation with that of other states. Even in Maryland, workload statistics are inadequate. The bill and Resolution count, for example, provided in **Exhibit 8**, offer limited insight into the extent of the legislature's work during the 90-day session (although even these fail to illustrate the change in organizational structure over recent years which, for

[2] Prior to 2009, Florida was not considered a full-time legislature. The Council of State Governments does not include Florida in its list of full-time legislatures, instead categorizing it a hybrid legislature (Council of State Governments. *State Legislator Compensation: A Trend Analysis* (2007).

example, has seen a significant increase in the use of sub-committees and workgroups during session) and no insight into the work done during the legislative interim.

Nonetheless, the comparison to other states shows that Maryland's legislative salary is the eleventh highest in the nation, second only to Hawaii in terms of non-full-time legislatures. As shown in **Exhibit 9**, which sets forth comparative salary data for state legislators across the country over recent years, the salary for members of the Maryland General Assembly ranked just one place higher in 2006. However, overall, the salary has held its relative standing despite the fact that the salary has remained unchanged in the current term. The data from Exhibit 9 shows that slightly more states received some increase between 2006 and 2009 than those like Maryland that did not. Interestingly, 7 of the 10 states identified by NCSL as full-time legislatures received some form of an increase.

A different kind of state-by-state comparison is by budget size. Among those states with budgets comparable in size to Maryland's (see **Exhibit 10**), Maryland's legislative salaries ranked the highest.

Another point of comparison is to compare State legislative salaries with other State and local officials as well as State employees. For example, a summary of State employee and legislator salary changes since fiscal 1999 (**Exhibit 11**) shows that State employees received eight general salary increases (cost-of-living adjustments (COLAs)) and nine merit increases, in the last 12 fiscal years. The maximum COLA in any given year was 4.0%, occurring twice. Members of the General Assembly received six salary increases over the same period, ranging from 3.0 to 9.5%. The commission also reviewed the history of general salary increases, increments, and other compensation for State employees since 1999 (**Exhibit 12**).

Exhibit 13 sets forth legislative salary increases compared to several price indices, Maryland personal income, and State employee general salary increases for the last five legislative terms of office as well as projections for the next term. With the exception of the dramatic increases between 2003 and 2006 (38.1%), legislative salaries generally lagged behind Maryland personal income and State and Local Government Compensation. It also tended to lag behind the Consumer Price Index (CPI) – All Urban Consumers but outperform State employee general salary increases (although that understates overall State employee compensation as it excludes increments).

The salaries of selected Maryland State officials, including constitutional officers, cabinet secretaries, and judges are set forth in **Exhibit 14** for fiscal 2003 through 2010. It shows that while the salaries of constitutional officers were similarly frozen in the current term, salaries of deputy constitutional officers, judges, and most cabinet heads showed increases ranging up to almost 30%.

Looking at compensation at the local level, salaries for the county councils of the six most populous counties and the Baltimore City Council show widely varying increases since fiscal 2002 (**Exhibit 15**). Interestingly, five of the seven jurisdictions shown have council member salaries that are above those for State legislators, even though most of those jurisdictions are also considered part-time. As would be expected, salaries for the Chief Executive of those jurisdictions easily outstrip State legislative salaries (see **Exhibit 16**). Indeed, the County Executives of Montgomery and Prince George's counties enjoy salaries substantially above that of the Governor of Maryland. However, as at the State level, local salary increases in the current fiscal year are more sporadic (**Exhibit 17**) although all but eight local boards of education were able to offer some form of increase (COLA, step or both) to teachers.

Finally, in **Exhibit 18**, median household income and per capita personal income levels for each Maryland jurisdiction are presented. For calendar 2007, the latest year for which information is available, the average per capita personal income statewide was $46,471, more than the 2007 legislative salary of $43,500. The legislative salary is actually above the average per capita income in 16 jurisdictions, almost twice that of the lowest jurisdiction (Somerset). Conversely, it is almost 50% below that of the wealthiest jurisdiction (Montgomery County). A legislative salary is also well below the statewide average median household income of $70,400 (although still higher than median household income in 5 jurisdictions), underscoring the notion that a Maryland legislative salary will typically need to be supplemented in some way by the individual member or a household family member.

Finally, in terms of legislative salaries, it should be noted that like most other states, Maryland pays additional compensation only for the presiding officers, in our case a differential of $13,000. The presiding officers of the legislature (the President of the Senate and the Speaker of the House of Delegates) perform tasks and assume responsibilities considerably greater than those of other legislators. They plan and organize session and interim activities, appoint committee chairmen, speak for the legislative branch, and jointly administer the legislative branch of State government. Historically, the President of the Senate and the Speaker of the House have been granted a salary differential in recognition of the greater duties and time commitment required as the primary officers of their respective houses.

Salary Recommendations

The commission's recommendation concerning legislative salaries reflects the reality of the State's current fiscal situation and the constraints of the current constitutional framework for the establishment of legislative compensation which only provides the ability to change that compensation once every four years.

The commission was unanimous in freezing legislative salaries for calendar 2011 and 2012. However, the commission had concerns about freezing salaries for all four years of the next term both because no salary increases had been approved for the current term and because of the impact that the freeze would have on retiree benefits which are directly linked to active legislator salaries (see further discussion on this issue in the section on pension plan recommendations). Ultimately, two broad views emerged:

- Establishing a condition which, if met, would trigger an increase in salaries only in the second half of the next legislative term. A trigger, such as improved employment levels for example, would indicate an economic upturn and presumably a better fiscal environment in which to allow for an increase.

- Deferring to the next commission to make up for lost ground if the fiscal climate at that time warrants an increase.

On a vote of 6-3, the commission recommends the provisions of a one-time $2,000 increase in legislative salaries from $43,500 to $45,500 for calendar 2013 and 2014 if, on January 1, 2013, the State annual unemployment rate in the preceding calendar year is 5% or lower The commission also recommends that if the State annual unemployment rate in the preceding calendar year is above 5% on January 1, 2013, but is 5% or lower for the subsequent calendar year on January 1, 2014, the salary will increase by $2,000 to $45,500 for calendar 2014 only. Voting in favor of this proposal were Mr. Glynn, Mr. Ebersberger, Ms. Higgins, Ms. Powell, Mr., Sprague, and Mr. Terrasa; voting against were Mr. Antonetti, Mr. Gilliss, and Mr. Lingan.

The commission also recommends maintaining the existing salary differential provided to the presiding officers and apply the same conditions for any dollar increase in the next term as agreed to for other members.

Expense Reimbursements

Other states' comparisons have less relevance for per diem expense reimbursements, which should be a function of actual costs rather than institutional characteristics or legislative workloads. Nevertheless, it is worth noting that 45 states have some kind of per diem or expense reimbursement allowance. Most states, like Maryland, tie those reimbursements to some external measure such as federal per diem rates.

In-state Travel

The current Resolution establishes guidelines for the reimbursement of expenses incurred for food and lodging while engaged in specified legislative activities in Maryland. Legislators receive a meal allowance in the same combined amount that is allowed State employees under the standard State travel regulations ($42 per day in fiscal 2010) without having to supply receipts. Lodging reimbursements must be supported by receipts and are subject to the limits specified by the Internal Revenue Service (IRS) for Annapolis ($126 per day in 2006). Legislators may be reimbursed for expenses incurred in traveling between a member's home and place of session, meeting, or legislative function at the standard mileage rate set for State employees under the standard State travel regulations (55 cents per mile in fiscal 2010 through December 31, 2009, 50 cents per mile beginning on January 1, 2010).

These in-state expenses have been tied to these various external standards for some considerable time: mileage since 1975, lodging since 1995, and meals since 2003.

The Resolution also provides that legislators are entitled to a $500 nonvouchered annual payment for travel within a member's district. This payment was introduced in 1987 although has remained unchanged since 2002.

Exhibit 19 provides data for fiscal 2006-2009 for regular session, special session, and interim expenses for lodging, meals, and mileage. **Exhibit 20** offers more longitudinal data for regular session meals and lodging. In both exhibits, the primary drivers of growth are changes in the standard rates rather than utilization. For example, lodging rates in Annapolis and lodging utilization by legislators during the 2005 and 2009 sessions (**Exhibit 21**) show that over the period (1) rates for hotel rooms have increased directly in relation to the increase in the IRS rates to which reimbursement is tied; (2) the number of legislators who did not request lodging reimbursement increased only from 17 in 2005 to 25 in 2009; and (3) the number of legislators who stayed in hotels declined only slightly from 120 in 2005 to 116 in 2009.

Exhibit 22 illustrates patterns of meal allowance submissions by legislators during the 2006 and 2009 sessions. This continues the pattern since the meal reimbursement was tied to the State Standard Travel Regulation in 2003: most legislators consistently request 100% of the daily limit for the entire session.

Out-of-state Travel

Under the current Resolution, any legislator who wishes to be reimbursed for actual expenses incurred for registration fees, meals, lodging, and travel in attending a function outside the State must seek prior approval of the President of the Senate and the Speaker of the House. The presiding officers develop guidelines for out-of-state travel and may utilize Maryland's standard travel regulations to the degree applicable subject to limitations contained in the Resolution. Out-of-state travel requests must be in writing and be authorized by both presiding officers, with the amount of reimbursement for registration fees approved in advance. The maximum reimbursement amount for meal and lodging expenses is determined by joint action of the presiding officers and cannot exceed $225 per day. The presiding officers may authorize an amount greater than $225 per day if a legislator is representing the State or traveling as part of a State delegation and the costs of the travel exceed the limit due to the nature of the travel or the high cost of meals and lodging in the out-of-state location.

The guidelines for out-of-state travel have evolved over time: the requirement for prior approval established in 1975, dollar limits on travel imposed in 1983, exceptions to the dollar limits in place since 1995, and the current $225 limit (with exceptions) in place since 2003.

Exhibit 23 provides data on the extent of out-of-state travel from fiscal 2006 to 2009 (transportation and registration costs are included to provide an overall sense of expenditures, although these costs are not part of the commission's jurisdiction). **Exhibit 24** provides more longitudinal data. Overall expenses fluctuate widely from year to year, and are primarily influenced by the location of various annual conferences that are frequently attended by legislators (*e.g.*, National Conference of State Legislatures, Southern Legislative Conference, and Council of State Governments), as well as the willingness of the presiding officers to authorize out-of-state travel.

It is interesting to compare the current $225 limit with frequently used lodging and meal reimbursement rates. **Exhibit 25**, for example, provides an 18-city sample of rates under the General Services Administration (GSA) and IRS High-Low methodology. The current $225 limit is close to the GSA 18-city average; although, the need for an exception is clear for many cities. Compared to the IRS High-Low reimbursement rates, the $225 limit fall in-between the two rates although is above the 18-city average.

Expense Recommendations

The commission finds that the current framework for expense reimbursements is generally appropriate and recommends just two changes:

- With regard to the annual in-district travel allowance, it was noted that fuel costs have risen almost 80% since the last increase in this allowance in 2003. The commission unanimously recommends an increase from $500 to $650 in this annual allowance.

- The commission notes that over the years, where possible, prior commissions have gradually aligned expense reimbursements to external standards. Many other states have adopted a similar stance. This stance eases the need for independent calculation of appropriate expenses and also allows for automatic adjustments within the term as those external standards change. The commission proposes to extend this approach to out-of-state travel for legislators. While retaining the current requirements for prior approval of out-of-state travel, the commission unanimously recommends that the current $225 per diem limit for meals and lodging be replaced by the most current federal domestic per diem rates as established by the United States General Services Administration. Given that these rates already reflect local variation, this recommendation includes the removal of the current provision allowing the presiding officer's to provide written approval to exceed the maximum per diem rate.

Pension Plan

Over 75% of states have legislative pension plans. Although direct comparisons are difficult to make, these other plans offer perspective in evaluating Maryland's legislative pension plan, which appears to provide very substantial retirement benefits.

Under the current Resolution, participation in the Legislative Pension Plan is optional. A member must accumulate 8 years of service credit in order to vest in the pension plan and thus be eligible to receive benefits. The member contribution rate is 5% of the member's salary for up to 22 years and three months. Legislative service beyond this does not earn additional retirement benefits. In addition, the member does not make any further contributions.

To receive a normal service retirement allowance from the plan, in addition to accumulating eight years of service credit, a member must also be age 60. A member may retire as early as age 50, but benefits will be reduced by 6% for each year the member is less than age 60 (a maximum reduction of 60%). The retirement allowance at age 60 equals 3% of the salary of an active legislator in a similar position for each year of service. The maximum allowance is 66.66% of the salary payable to an active legislator. Following retirement, post retirement allowance increases are based upon increases in the salary of an active legislator.

There is a death benefit for legislators with less than eight years of service that provides to the surviving spouse or designated beneficiary if there is no surviving spouse, a lump sum payment of one year's salary plus a return of member contributions with 4% interest. There is also a death benefit for legislators with eight or more years of service (vested members) or former vested members who are not yet receiving a benefit. In that case, the surviving spouse, or designated beneficiary, if there is no surviving spouse, may elect (1) the lump sum payment of one year's salary plus a return of member contributions with 4% interest; or (2) a monthly benefit of 50% of the allowance accrued at the member's death. Payment to the surviving spouse begins at the member's death. Payment to the designated beneficiary begins at age 60 (or actuarially reduced at age 50). Finally, the surviving spouse or designated beneficiary, if no surviving spouse, of a retired legislator receives a monthly survivor benefit of 50% of the allowance accrued at the member's death. Payment to the surviving spouse begins at the member's death, while payment to a designated beneficiary begins at age 60 (or actuarially reduced at age 50).

A comparison of the Legislative Pension Plan to the pension plans available to judges, the State Police and other law enforcement officers, the Governor, State employees, and teachers is summarized in **Exhibit 26**.

Exhibit 27 examines demographic data regarding the membership in the Legislative Pension Plan, specifically the number, average age, and years of creditable service of active legislators in the plan. This exhibit shows that there are 181 active legislators participating in the plan (seven members have elected not to join the plan), of whom approximately 51% have served eight years or more in office and thus are vested.

Exhibit 28 presents the number, average age, average years of service, and average monthly benefit of retired legislators. The statistics show that the average monthly benefit for retirees under the current Resolution is $1,422; for beneficiaries, the average monthly benefit is $717, or approximately 50% of the member benefit. On average, these retirees had served as legislators for 14.6 years.

Exhibit 29 includes a state-by-state comparison of the retirement benefits accruing to legislators and the contributions or cost which a legislator must pay to be a member of the retirement plan. As indicated in Exhibit 29, Maryland's legislative pension plan ranks tenth among 35 states reporting information on their legislative pension benefits with respect to the benefits accruing to retired legislators. Maryland dropped two places from its 2006 ranking. This fall may be attributed to the members of the Maryland legislature not receiving any salary increases during the current term (in turn freezing retiree benefits) coupled with significant salary increases received by the legislators from Hawaii and Ohio.

Of the nine states with higher benefits than Maryland's, six have full-time legislatures. Two states with full-time legislatures either do not offer a defined benefit program or do not offer any retirement benefits. Of part-time legislatures in the survey, Maryland ranks fourth, dropping one place from its 2006 ranking. Again, this fall is attributable to the lack of salary increases to Maryland legislators during the current term and the significant salary increase received by Hawaii legislators.

As a percentage of salary, Maryland provides a retiree with 12 years of service a benefit equal to 36% of the salary of a current legislator, and a retiree with 20 years of service a benefit equal to 60% of the salary of a current legislator. Only nine states offer benefits that equate to a higher percentage of salary than Maryland's. The average annual benefit is $11,188 after 12 years of service and $18,591 after 20 years of service. Maryland exceeds both the 12- and 20-year averages, with an annual benefit of $15,660 after 12 years of service and $26,100 after 20 years of service. Maryland is tied for fourteenth out of 35 states with respect to the member contribution (5%).

The commission received a written request from a former legislator requesting the commission to provide members of the Legislative Pension Plan with the opportunity to claim military service credit that could be applied towards their pensions. The commission also received testimony from a former legislator requesting their consideration of a proposal that would allow active and retired legislators and former legislators who retired from another State retirement or pension system the opportunity to purchase service credit in the Legislative Pension Plan for which these individuals would not otherwise be entitled.

Additionally, the State Retirement Agency (SRA) reported that the IRS regulations prevent an individual who elects a 100% survivor benefit from designating a non-spouse as a beneficiary, if the non-spouse is more than 10 years younger than the member. Within the Legislative Pension Plan, there are potential difficulties with this IRS regulation in paying a joint and survivor option (Option A) if a non-spouse, or non-disabled child, is designated as the beneficiary. In addition, SRA also reported that the IRS has opined that personalized options (Option C) are no longer acceptable. Accordingly, SRA recommends amending Option A to conform to IRS regulations and repealing Option C entirely.

Pension Plan Recommendations

Based on the material presented, the commission finds that the existing Legislative Pension Plan provides adequate benefits for retirees. The commission recognizes the adverse impact legislative service may have on an individual's personal career and believes that the major changes made to the Legislative Pension Plan by the 1990 and 1994 Resolutions are consistent with this commission's emphasis on a citizen legislature. The commission thus recommends that the existing pension plan be maintained with two changes:

- The commission recommends on a vote of 7-2 to permit members and deferred vested members who have accrued at least eight years of creditable service in the Legislative Pension Plan to claim one year of additional service credit for each year of active military duty earned prior to or during the individual's legislative service, up to a maximum of three years. The commission also recommends that the military service credit is granted at no cost to the member or deferred vested member. This recommendation reflects the commission's intent to recognize the military service provided by legislators. While the recommendation of a maximum of three years of military service credit is less than the maximum of five years granted to State employees who are members of the Employees' Pension System, it is proportional in weight to that offered to State employees. Voting in favor of the proposal were Mr. Antonetti, Mr. Ebersberger, Mr. Gilliss, Ms. Higgins, Ms. Powell, Mr. Sprague, and Mr. Terrasa; voting against were Mr. Glynn and Mr. Lingan.

- In response to recommendations of the State Retirement Agency, the commission unanimously proposes changes to two of the existing optional forms of reduced retirement allowances in order to conform to current IRS regulations. Specifically, the commission recommends amending the 100% joint and survivor option (Option A) to prevent a member who elects this option from designating a non-spouse as a beneficiary, if the non-spouse is more than 10 years younger than the member. In addition the commission also recommends repealing the personalized option (Option C) inasmuch as the IRS has opined that personalized options are no longer acceptable.

A number of other pension proposals were considered by the commission but ultimately rejected. Specifically:

- In recognition of the lack of increases to retirees' pension benefits since 2006, the commission considered a proposal to temporarily decouple legislative pension increases from legislative salary increases only for the legislative term beginning in 2011. Under this proposal retirees would not receive any increases to their pension benefits in 2011 or 2012. If legislators did not receive any salary increase in 2013, retirees would receive a cost-of-living adjustment in that year equal to the cost-of-living adjustment received by retirees in the Employees' and Teachers' Pension Systems. However if in either 2013 or 2014, legislators did receive a salary increase, legislative pension increases would be re-coupled" for the remainder of the term. Accordingly, retirees would receive retirement increases corresponding to the salary increases rather than a cost-of-living adjustment. This proposal was defeated narrowly by a vote of 5-4 with the majority feeling that the legislative pension system offered other benefits to retirees that on balance offset the potential lack of increase in the next term. Members voting against this proposal were Mr. Glynn, Mr. Ebersberger, Mr. Gilliss, Mr. Lingan, and Mr. Sprague; those voting for were Mr. Antonetti, Ms. Higgins, Ms. Powell, and Mr. Terrasa.

- The commission received testimony from a former legislator requesting his consideration of a proposal that would allow active and retired legislators and former legislators who retired from another State retirement or pension system the opportunity to purchase service credit in the Legislative Pension Plan for which these individuals would not otherwise be entitled. The purchase would be made at a cost equal to the member contribution rate in effect in the Legislative Pension Plan for the years to be purchased, plus accrued interest. The commission was informed that each State retirement or pension system has specific provisions regarding purchases of service credit. As a result, the commission expressed concern that including this proposal in the final resolution would create a conflict between the 2010 Resolution and certain provisions of the State Personnel and Pensions Article. This proposal was defeated on a vote of 6-2. Members voting against this proposal were Mr. Glynn, Mr. Antonetti, Mr. Gilliss, Ms. Higgins, Mr. Lingan, and Ms. Powell; voting in favor were Mr. Ebersberger and Mr. Terrasa. Mr. Sprague abstained from voting on this proposal.

- The last issue considered by the commission was whether to repeal the existing optional forms of reduced retirement allowances (A, B, and C) and in their place incorporate the optional forms of reduced retirement allowances offered to members in the Employees' Pension System. The State Retirement Agency reported that because a retired legislator's designated beneficiary is currently entitled to 50% of the retiree's pension benefit at the time of the retiree's death, very few legislators select a reduced optional allowance. This proposal was defeated by a vote of 8-1 with only Mr. Antonetti in favor.

Other Benefits

Benefits Available to Active Legislators

The 2006 Resolution permits legislators to participate in benefit programs generally available to all State employees including: health insurance, prescription drug plan, dental insurance, accidental death/dismemberment, term life insurance, long term care insurance, tax sheltered spending accounts, deferred compensation programs (although no State match is available to members), Workers' Compensation coverage, and Credit Union services. Participation is in the same manner as the participation of State employees and includes payroll deductions directly relating to these programs. However, legislators may not receive State employee death benefits or paid leave and may not participate in the State's unemployment insurance program.

As shown in **Exhibit 30,** as of August 31, 2009, the majority of legislators participated in the health (70.7%) and prescription drug (66.0%) plans that are available to State employees, and over half have elected coverage for two or more individuals (family coverage). In addition, 58.0% participate in the dental plan, with most choosing family coverage. The exhibit also reports the monthly State subsidy for the health, prescription drug, and dental plans for single and two or more coverage.

Information presented on other states' subsidies for legislator health coverage (see **Exhibit 31**) shows that in six states the state pays the full cost of health insurance for legislators. However, in most states, including Maryland, the cost is split between the state and the member. **Exhibit 32** presents the information for states with budgets within $5 billion of Maryland's. Compared to these states, Maryland's benefit is not as generous as Minnesota for example, but is better than Louisiana's.

It should be noted that additional benefits authorized for State employees during a legislative term of office may not be made available to legislators until the beginning of the next term (per an opinion of the Attorney General). To be sure, the cost of the health programs changes from year to year with an increase in costs for both the employee and the State. A legislator may decide to select different coverages, thereby increasing or decreasing the individual's costs with a corresponding effect on the State subsidy. This is not considered an increase in benefits. However, if the State decides to subsidize a benefit program that currently is entirely paid for by State employees, including legislators, legislators are not eligible for the subsidy that was initiated during the term of office. The subsidy could be received only beginning in the next term.

Benefits Available to Retired Legislators

Retired legislators may participate in State benefit programs available to retired State employees. Except for spending accounts and workers' compensation coverage, these programs are the same as those for active legislators.

Retired legislators qualify for the State health program subsidy if vested (8 years of service). The amount of the subsidy is 1/16 of the full State subsidy for each year of service. This means that upon reaching the normal retirement age a former legislator with 8 years of service is eligible to receive 50% of the State subsidy for health insurance. Those with 16 or more years qualify for 100% of the subsidy.

Prior to the 1990 Resolution, retired legislators were eligible to participate only if they met one of the following criteria, which still apply to State employees:

- retire directly from State service with at least five years of service;
- leave State service with 16 years of service;
- leave State service with 10 years of service and within 5 years of the normal retirement age (age 60 for legislators); or
- leave State service prior to July 1, 1984.

Legislators who leave public service are eligible to continue as participants in the State health insurance program until they decline to participate, become eligible for health insurance coverage through another employer, or retire. However, they are responsible for the full cost of the coverage, *i.e.*, the individual's contribution, the State subsidy, and an administrative charge not exceeding 2% of the premium.

District Office Accounts

The commission does not have jurisdiction over district office accounts or other items which legislators do not receive as individuals. For information purposes, however, the commission was presented with material regarding the amount and use of district office expenses **(Exhibit 33**), a history of district office account allowances since 1971 (**Exhibit 34**), and information on staff assistance for members of the legislature (**Exhibit 35**).

Other Benefits Recommendations

Based on its review of other benefits currently available to legislators, the commission recommends no changes.

Chapter 3. Section-by-section Summary of the 2010 Resolution

Salaries

Item 1A – Members

2011	$43,500
2012	43,500
2013	43,500/45,500 *
2014	43,500/45,500 **

*If the average Maryland unemployment rate is 5% or below for calendar 2012, members will receive a one-time $2,000 salary increase for calendar 2013. If the average Maryland unemployment rate is not 5% or below in calendar 2012, member salaries will remain at $43,500 for calendar 2013.

**If the average Maryland unemployment rate is not 5% or below for calendar 2012, but is 5% or below for calendar 2013, members will receive a one-time $2,000 salary increase for calendar 2014. If the average Maryland unemployment rate is not 5% or below in calendar 2013, member salaries will remain at $43,500 for calendar 2014.

Item 1B – President/Speaker

2011	$56,500
2012	56,500
2013	56,500/58,500 *
2014	56,500/58,500 **

*If the average Maryland unemployment rate is 5% or below for calendar 2012, the presiding officers will receive a one-time $2,000 salary increase for calendar 2013. If the average Maryland unemployment rate is not 5% or below in calendar 2012, presiding officer salaries will remain at $56,500 for calendar 2013.

**If the average Maryland unemployment rate is not 5% or below for calendar 2012, but is 5% or below for calendar 2013, the presiding officers will receive a one-time $2,000 salary increase for calendar 2014. If the average Maryland unemployment rate is not 5% or below in calendar 2013, presiding officer salaries will remain at $56,500 for calendar 2014.

Expenses

Item 2A

Lodging (In-state)	Vouchered lodging reimbursement subject to limits specified by the Internal Revenue Service (IRS) for Annapolis (currently $126 per diem).
Meals (In-state)	Reimbursed in accordance with standard State travel regulations ($42 total in fiscal 2010); no meal receipts required.

Item 2B

Mileage (In-state)	Reimbursed in accordance with standard State travel regulations (50 cents per mile effective January 1, 2010).

Item 2C

In-district travel	$650 annual payment.

Item 2D

Out-of-state travel	Subject to the most current published Federal General Services Administration daily per diem rates for meals and lodging.

Item 2E – Fringe Benefits – Current Legislators

May participate in State health benefits program. Departing legislators remain eligible until they (1) decline to participate; (2) become eligible for health coverage through another employer; or (3) retire. Must pay full cost of the insurance plus a 2% administrative charge.

May participate in certain benefit programs available to State employees (*i.e.*, insurance programs, tax sheltered accounts, deferred compensation programs, credit union services, deductions for charitable contributions, workers' compensation coverage, and payroll deductions relating to these programs). May not participate in

	the State's unemployment insurance program or receive death benefits and paid leave.

Pensions

Item 3A

Participation	Optional enrollment allowed at any time with one opportunity to purchase earlier service.
Vesting	After eight years of creditable service.
Member Contribution	5% of annual salary, up to 22 years and three months.
Retirement Allowance	3% of salary of active legislator for each year of service.
Maximum Allowance	66.66% of salary payable to an active legislator.
Cost-of-living Adjustment	Benefit recalculated based on salary increases for active legislators.
Eligibility	
Normal Retirement	Age 60 with at least eight years of service.
Early Retirement	Age 50 with at least eight years of service, actuarially reduced 6% for each year under age 60 (maximum reduction 60%).
Survivor's Allowance/Death Benefit	
Non-vested, Active Legislator	Surviving spouse, or designated beneficiary if no surviving spouse, receives lump sum payment of one year's salary, if any, plus return of member's contributions (with interest).
Vested Active or Former Legislator	If there is no spouse and the member has designated multiple beneficiaries, then the beneficiaries share equally the lump sum payment noted above.

	Surviving spouse, or designated beneficiary if no surviving spouse, may elect either the lump sum payment noted above <u>or</u> a monthly benefit of 50% of allowance accrued at member's death. Payment to surviving spouse begins at member's death. Payment to designated beneficiary begins at age 60, or actuarially reduced at age 50. If there is no spouse and the member has designated multiple beneficiaries, then the beneficiaries share equally the lump sum payment noted above.
Retired legislator	Surviving spouse, or designated beneficiary if no surviving spouse, receives a monthly benefit of 50% of allowance accrued at member's death. Payment to surviving spouse begins at member's death. Payment to designated beneficiary begins at age 60, or actuarially reduced at age 50. If there is no spouse and the retiree has designated multiple beneficiaries, then the beneficiaries share equally the balance of the actuarial equivalent present value of the retiree's basic allowance computed at the time of retirement.
Optional Allowances	***Option A (100% Survivor Benefit):*** Provides reduced allowance to retiree. 100% of benefit paid to designated beneficiary for life. A designated beneficiary who is neither the retiree's spouse or disabled child may not be more than 10 years younger than the retiree. ***Option B (10-year Certain Benefit):*** Guarantees a reduced allowance to the retiree for a minimum of 10 years. The retiree receives an allowance for lifetime. Should the retiree die before receiving this payment for 10 years, the spouse or designated beneficiary will receive the benefit until 10 years from the date of the retiree's death.

Disability Benefit	If totally disabled, a vested member receives a normal retirement allowance regardless of age.
Less Than Eight Years Service	Legislator who leaves office with less than eight years of service may (1) withdraw member contributions; (2) pay member and State contributions to accumulate eight years; <u>or</u> (3) transfer legislative service to another State system in which the member participates. A legislator who resigns to become a State judge is entitled to a retirement allowance regardless of years of legislative service.
Military Service Credit	Members may receive a maximum of three years of military service credit after accruing eight years of creditable service in the Legislative Pension Plan.

Item 3B – Fringe Benefits – Retired Legislators

Qualify for State health insurance benefits and a subsidy equal to 1/16 of the full State subsidy for each year of service.

May participate in benefit programs available to retired State employees (*i.e.*, deferred compensation programs and credit union services).

Chapter 4. 2010 Resolution of the General Assembly Compensation Commission

2010 Resolution of the General Assembly Compensation Commission Determining the Compensation and Allowances of Members of the General Assembly

The General Assembly Compensation Commission, pursuant to Article III, Section 15 of the Constitution of Maryland, adopts the following resolution determining the compensation and allowances of members of the General Assembly.

RESOLVED, That, from and after January 12, 2011, the members of the General Assembly shall be entitled to receive compensation and allowances in accordance with the items contained in this Resolution and no other compensation or allowances of any kind whatsoever.

Item 1A

(a) Each member of the General Assembly, except the President of the Senate and the Speaker of the House of Delegates, shall receive an annual salary payable in twelve monthly installments each year.

(b) (i) The annual salary shall be forty-three thousand five hundred dollars ($43,500) during calendar year 2011.

(ii) The annual salary shall be forty-three thousand five hundred dollars ($43,500) during calendar year 2012.

(iii) 1. Except as provided in subparagraph 2. of this paragraph, the annual salary shall be forty-three thousand five hundred dollars ($43,500) during calendar year 2013.

2. The annual salary shall be forty-five thousand five hundred dollars ($45,500) during calendar year 2013, if the average State unemployment rate for calendar year 2012 is 5% or below as certified by the U.S. Bureau of Labor Statistics.

(iv) 1. Except as provided in subparagraph 2. of this paragraph, the annual salary shall be forty-three thousand five hundred dollars ($43,500) during calendar year 2014 and that portion of January 2015 preceding the commencement of the next term of office.

2. The annual salary shall be forty-five thousand five hundred dollars ($45,500) during calendar year 2014 and that portion of January 2015 preceding the commencement of the next term of office, if:

A. The annual salary during calendar year 2013 was forty-five thousand five hundred dollars ($45,500); or

B. The annual salary during calendar year 2013 was forty-three thousand five hundred dollars ($43,500) and the average State unemployment rate for calendar year 2013 is 5% or below as certified by the U.S. Bureau of Labor Statistics.

Item 1B

(a) The President of the Senate and the Speaker of the House of Delegates shall each receive an annual salary payable in twelve monthly installments each year.

(b) (i) The annual salary shall be fifty-six thousand five hundred dollars ($56,500) during calendar year 2011.

(ii) The annual salary shall be fifty-six thousand five hundred dollars ($56,500) during calendar year 2012.

(iii) 1. Except as provided in subparagraph 2. of this paragraph, the annual salary shall be fifty-six thousand five hundred dollars ($56,500) during calendar year 2013.

2. The annual salary shall be fifty-eight thousand five hundred dollars ($58,500) during calendar year 2013, if the average State unemployment rate for calendar year 2012 is 5% or below as certified by the U.S. Bureau of Labor Statistics.

(iv) 1. Except as provided in subparagraph 2. of this paragraph, the annual salary shall be fifty-six thousand five hundred dollars ($56,500) during calendar year 2014 and that portion of January 2015 preceding the commencement of the next term of office.

2. The annual salary shall be fifty-eight thousand five hundred dollars ($58,500) during calendar year 2014 and that portion of January 2015 preceding the commencement of the next term of office, if:

A. The annual salary during calendar year 2013 was fifty-eight thousand five hundred dollars ($58,500); or

B. The annual salary during calendar year 2013 was fifty-six thousand five hundred dollars ($56,500) and the average State unemployment rate for calendar year 2013 is 5% or below as certified by the U.S. Bureau of Labor Statistics.

Item 2A

Each member of the General Assembly, upon presentation of an expense voucher, shall be entitled to a per diem allowance for meals and reimbursed for expenses actually incurred for lodging due to: (i) attendance at regular, extended, or extraordinary sessions of the General Assembly of Maryland or scheduled committee or subcommittee meetings thereof; (ii) attendance at meetings of the Legislative Policy Committee or scheduled committee or subcommittee meetings thereof, including legislative committees created by statute; (iii) attendance at scheduled meetings of a commission, committee, joint executive/legislative committee, or task force or subcommittee thereof to which the legislator has been appointed by the Governor, the President of the Senate, or the Speaker of the House of Delegates; (iv) attendance at bill signings; or (v) attendance at official functions in Annapolis or outside Annapolis directly related to duties as a member of the General Assembly as may be approved by the President of the Senate or the Speaker of the House of Delegates. The President of the Senate and the Speaker of the House of Delegates shall establish guidelines and procedures for the determination and payment of expenses for meals and lodging, in accordance with the following policies:

(1) Requests for payment of the per diem meal allowance need not be supported by receipts;

(2) Requests for reimbursement for expenses incurred for lodging must be supported by receipts or by a billing from the facility providing the lodging and payment may be made directly to the facility;

(3) In no event shall a member be paid for meal expenses that exceed the total amount for meal expenses per day as provided in the Standard Travel Regulations of the State of Maryland, as amended from time to time by the Board of Public Works; and

(4) In no event shall a member be reimbursed for lodging expenses that exceed the maximum per diem amount specified for lodging in Annapolis, Maryland as prescribed by the Internal Revenue Service as federal per diem allowances for travel.

<u>Item 2B</u>

Each member shall be reimbursed for expenses actually incurred in traveling between the member's home and the place of a session or meeting or function described in Item 2A at the rate provided in the Standard Travel Regulations of the State of Maryland, as amended from time to time by the Board of Public Works, if the travel is by automobile. If a member travels by other means, the member will be reimbursed for actual costs, but not exceeding the mileage rate provided by the Standard Travel Regulations of the State of Maryland.

<u>Item 2C</u>

Each legislator shall be paid a six-hundred fifty dollar ($650) lump sum nonvouchered within district transportation allowance at the beginning of each calendar year of the term: 2011, 2012, 2013, and 2014.

Item 2D

Each member who wishes to be reimbursed for expenses actually incurred for registration fees, meals, lodging and travel in attending a meeting, conference or other function outside the State which the member believes is directly related to, or will substantially enhance the performance of, the member's duties as a legislator shall request and obtain in writing the prior approval of the President of the Senate and the Speaker of the House of Delegates. The request for approval shall indicate the basis for the request for reimbursement, the estimated amount of reimbursable expenses and such other information as may be reasonably necessary to determine the appropriateness of reimbursement. The President of the Senate and the Speaker of the House of Delegates shall develop guidelines for reimbursement of out-of-state travel and other expenses. In developing these guidelines the President of the Senate and the Speaker of the House of Delegates may utilize the provisions of the Standard Travel Regulations of the State of Maryland to the degree applicable, except that the following policies shall be observed:

(1) The amount of any reimbursement for registration fees, as well as attendance at the particular function, must be approved in advance by the President of the Senate and the Speaker of the House of Delegates;

(2) The maximum amount of reimbursement available for actual expenses incurred for meals and lodging on any trip shall be determined by the joint action of the President of the Senate and the Speaker of the House of Delegates in connection with approval of each request, provided that in no event shall a member be reimbursed for meals and lodging expenses combined that exceed the most current published Federal General Services Administration daily per diem rates for meals and lodging; and

(3) Copies of all requests for approval, all written approvals and disapprovals, and all requests for actual reimbursement shall be maintained in a central file in the Finance Office of the Department of Legislative Services and kept available for public inspection upon request for a period of at least five (5) years.

Item 2E

(1) Legislators may participate in benefit programs generally available to State employees, including health programs, insurance programs, tax sheltered accounts, deferred compensation programs, credit union services, deductions for charitable purposes, workers' compensation coverage, and payroll deductions relating to these programs. Participation in these programs shall be in the same manner as the participation of State employees. Additional benefits programs authorized for State employees during a legislative term of office may not be made available to legislators until the beginning of the next term, at which time they shall be fully available unless prohibited elsewhere in this Resolution. Legislators may not receive State employee death benefits, paid leave, or payroll deductions other than those associated with the items authorized by this Resolution. Legislators may not participate in the State's

unemployment insurance program, including those former legislators who have been unseated by the elective process.

(2) A legislator who leaves the General Assembly may continue to participate in the State health program until the former legislator declines to participate in the program, becomes eligible for health insurance coverage through another employer, or retires. Former legislators electing to participate in the State health insurance program must pay the full cost of the insurance which includes the individual's contribution and the State subsidy and an administrative charge not exceeding 2%.

Item 3A

1. Definitions.

(a) In general. In this Item 3A of this Resolution, the following words have the meanings indicated.

(b) Accumulated contributions.

(1) "Accumulated contributions" means the amounts credited to a member's individual account in the annuity savings fund of the Employees' Retirement System for the Legislative Pension Plan.

(2) "Accumulated contributions" includes member contributions plus regular interest.

(c) Allowance. "Allowance" means a benefit that is payable in equal monthly installments for the life of the recipient, except as otherwise provided for an optional form of a benefit under § 12 of this Item 3A.

(d) Beneficiary. "Beneficiary" means an individual other than a retiree in receipt of a benefit under this Item 3A.

(e) Board of Trustees. "Board of Trustees" means the Board of Trustees for the State Retirement and Pension System established under § 21-103 of the State Personnel and Pensions Article.

(f) Creditable service. "Creditable service" means the service credit described in § 6(a) of this Item 3A.

(g) Designated beneficiary. "Designated beneficiary" means an individual named as the beneficiary by a participant in an acknowledged written designation filed with the Board of Trustees.

(h) Eligible presiding officer. "Eligible presiding officer" means a legislator who served as a presiding officer:

(1) At the time of termination of the legislator's term of service; or

(2) For at least 1 year during the legislator's term of service.

(i) Medical board. "Medical board" means a board of physicians established under § 21-126 of the State Personnel and Pensions Article.

(j) Member. "Member" means:

(1) A legislator who elects to join the Legislative Pension Plan during the legislator's term of office; and

(2) A former legislator who:

(i) Elected to join the Legislative Pension Plan during the legislator's term of office;

(ii) Has not withdrawn the member's accumulated contributions; and

(iii) Is not currently receiving a retirement allowance.

(k) Member contribution. "Member contribution" means:

(1) A contribution that is deducted from a member's salary as required by § 5 of this Item 3A; and

(2) An employer pickup contribution.

(l) Participant. "Participant" means a member or a retiree.

(m) Presiding officer. "Presiding officer" means the President of the Senate or the Speaker of the House of Delegates.

(n) Regular interest. "Regular interest" means interest at the rate being paid by the Board of Trustees to members of the Employees' Retirement System compounded annually.

(o) Resolution. "Resolution" means the Resolution of the General Assembly Compensation Commission effective January 13, 1999.

(p) Retiree. "Retiree" means an individual who is eligible for retirement and has applied to receive a retirement allowance.

(q) Retirement allowance. "Retirement allowance" means the allowance payable to a retiree.

(r) State system. "State system" means a retirement or pension system other than the Legislative Pension Plan that is included in the State Retirement and Pension System under § 21-102 of the State Personnel and Pensions Article.

(s) Statutory pension plan. "Statutory pension plan" means the pension plan established as of July 1, 1966 for an individual appointed or elected to the General Assembly before January 1, 1971 who elected to participate in the plan in accordance with the provisions of former Article 73B, § 11(13) which were transferred to the Session Laws by Chapter 131, § 5(3) of the Acts of 1992.

(t) Survivor allowance. "Survivor allowance" means the allowance payable by the Board of Trustees on the death of a participant.

(u) Year of service. "Year of service" means a year or fraction thereof during which a member serves as a legislator in the General Assembly and for which contributions are made at the prescribed rate.

2. Legislative Pension Plan - Established.

The Legislative Pension Plan is established as of January 13, 1971.

3. Administration; Funding.

(a) Administration. The Board of Trustees shall:

(1) Administer the Legislative Pension Plan in accordance with the provisions of this Item 3A;

(2) Credit the assets of the Legislative Pension Plan to the annuity savings fund, the accumulation fund, and the expense fund of the Employees' Retirement System according to the purpose for which they are held pursuant to the provisions of Title 21, Subtitle 3 of the State Personnel and Pensions Article; and

(3) Manage and invest the funds of the Legislative Pension Plan in accordance with the provisions of Title 21 of the State Personnel and Pensions Article.

(b) Funding.

(1) Each fiscal year, on behalf of the members of the Legislative Pension Plan, the State shall ascertain and pay to the accumulation fund of the Employees' Retirement System for the Legislative Pension Plan the amount determined by the actuary pursuant to the provisions of

§§ 21-304 and 21-308 of the State Personnel and Pensions Article, that is an amount sufficient to fund the benefits payable on a sound actuarial basis.

(2) For the purpose of making the calculations required under this subsection, the Legislative Pension Plan shall be combined with the Employees' Retirement System and the Employees' Pension System.

(3) At a minimum, each fiscal year, the State shall pay at least an amount that is sufficient to provide the benefits payable under this Item 3A during the fiscal year.

4. Membership.

(a) Optional. Membership in the Legislative Pension Plan is optional for each member of the General Assembly during the 1999-2002 term of office.

(b) Joining/Leaving the plan.

(1) Subject to paragraph (2) of this subsection, a legislator may become a member of the Legislative Pension Plan by completing and submitting an application for membership to the Board of Trustees any time during the legislator's term of office.

(2) Except as provided in paragraph (3) of this subsection, if a legislator is a member of the Legislative Pension Plan under a prior resolution of the General Assembly Compensation Commission, membership in the Legislative Pension Plan shall continue during the legislator's term of office. The legislator is not required to submit a completed application for membership to the Board of Trustees.

(3) A legislator who is a member of the Legislative Pension Plan under a prior resolution of the General Assembly Compensation Commission may elect to cease being a member in the Legislative Pension Plan by submitting written notice to the Board of Trustees promptly after taking office.

(c) Effective date of membership.

(1) In this subsection, "initial enrollment period" means the period within 6 months after the date the legislator takes office.

(2) A legislator shall earn membership service credit as of the date the legislator takes office if at any time on or before the expiration of the initial enrollment period, the legislator:

(i) Submits a completed application for membership to the Board of Trustees; and

(ii) Pays to the Board of Trustees the member contributions which would have been paid by the legislator had the legislator been a member of the Legislative Pension Plan as of the date the legislator takes office.

(3) If a legislator submits a completed application for membership to the Board of Trustees after the expiration of the initial enrollment period, the legislator shall earn membership service credit as of the date the legislator submits the completed application for membership to the Board of Trustees.

5. Member contributions.

(a) In general. Except as provided in subsection (b) of this section, each member of the Legislative Pension Plan shall contribute an amount equal to 5% of the member's annual salary.

(b) Exceptions.

(1) Subject to paragraph (2) of this subsection, a member does not make any further contributions after 22 years and 3 months of creditable service.

(2) If the member elects to receive a retirement allowance under § 8(e)(2) of this Item 3A, a member shall contribute an amount equal to 5% of the member's annual salary until the member accrues the maximum retirement allowance payable under § 8(e)(2) of this Item 3A.

(c) Payment of member contributions. The member contribution shall be deducted proportionately from the member's salary each pay period and credited to the member's individual account in the annuity savings fund of the Employees' Retirement System for the Legislative Pension Plan.

6. Service credit.

(a) Creditable service. Creditable service at retirement on which the allowance of a retiree is based shall consist of the sum of:

(1) Membership service credit; and

(2) Service credit purchased under this section.

(b) Membership service credit.

(1) A legislator shall earn membership service credit for each year of service the legislator makes contributions at the prescribed rate and is a member of the Legislative Pension Plan or the statutory pension plan.

(2) Years of service need not be consecutive.

(3) On or after January 8, 1975, a member shall receive one year of membership service credit if:

(i) The member is employed on a full-time basis by the State or a political subdivision of the State in nonlegislative employment;

(ii) The member is compensated by the State or a political subdivision of the State for the nonlegislative employment;

(iii) The member has taken a leave of absence from the nonlegislative employment while serving as a legislator; and

(iv) The member is not receiving credit in another retirement system supported wholly or in part by the State for the period of the member's absence from the nonlegislative employment.

(c) One-time purchase of service credit. A member who is serving in the General Assembly shall have one opportunity to purchase service credit for all previous legislative service, including legislative service from previous terms of office, by paying to the Board of Trustees an amount equal to 5% of the salary payable to the legislator during the years of service to be purchased plus regular interest thereon.

(d) Purchase of credit if less than 8 years of creditable service. A member may purchase service credit in the Legislative Pension Plan so that the amount of the creditable service of the member aggregates not more than 8 years if the member:

(1) Has less than 8 years of creditable service in the Legislative Pension Plan; and

(2) Pays to the Board of Trustees an amount equal to the sum of:

(i) 5% of the annual salary payable to a legislator during the years of service to be purchased; and

(ii) The contributions payable by the State with respect to the salary of a legislator during the years of service to be purchased.

7. Service retirement allowance - No service prior to January 1, 1971.

(a) Application of section. This section applies only to a member who has no creditable service before January 1, 1971.

(b) Eligibility for retirement. Except as provided in subsection (c) of this section, a member may retire if on or before the date of retirement, the member:

(1) Is not currently serving in the General Assembly;

(2) Has at least 8 years of creditable service;

(3) Has attained age 60; and

(4) Completes and submits an application for retirement to the Board of Trustees stating the date on which the member desires to retire.

(c) Exception for member who joins the Judges' Retirement System. A member who resigns from the General Assembly prior to the expiration of the member's term of office to accept a position requiring membership in the Judges' Retirement System is entitled to a retirement allowance under this Item 3A regardless of years of service.

(d) Service retirement allowance - In general. Except as provided in subsection (e) of this section, on retirement, a member shall receive a service retirement allowance equal to 3% of the salary payable to a current legislator in the General Assembly multiplied times the number of years of creditable service of the member, but in no event shall the retirement allowance exceed two-thirds of the salary payable to a current legislator in the General Assembly.

(e) Same - Eligible presiding officer. If the member served as an eligible presiding officer, the Board of Trustees shall use the salary payable to the current presiding officer to calculate the member's retirement allowance, but in no event shall the retirement allowance exceed two-thirds of the salary payable to a current presiding officer in the General Assembly.

8. Service retirement allowance - Service before January 1, 1971.

(a) Application of section. This section applies only to a member who has creditable service before January 1, 1971.

(b) Eligibility for retirement. Except as provided in subsection (c) of this section, a member may retire if on or before the date of retirement, the member:

(1) Is not currently serving in the General Assembly;

(2) Has at least 8 years of creditable service; and

(3) Has attained:

(i) Age 60 if the member elects to receive a service retirement allowance under subsection (d) of this section; or

(ii) Age 55 if the member elects to receive a retirement allowance under subsection (e) of this section; and

(4) Completes and submits an application for retirement to the Board of Trustees stating the date on which the member desires to retire.

(c) Exception for member who joins the Judges' Retirement System. A member who resigns from the General Assembly prior to the expiration of the member's term of office to accept a position requiring membership in the Judges' Retirement System is entitled to a retirement allowance under this Item 3A regardless of years of service.

(d) Service retirement allowance - In general. Except as provided in subsection (e) of this section, on retirement, a member shall receive a retirement allowance computed as set forth in § 7(d) of this Item 3A for all years of creditable service.

(e) Same - Alternate elections.

(1) Instead of the service retirement allowance provided in subsection (d) of this section, at retirement, a member may elect to receive a service retirement allowance to be paid as provided in either paragraph (2) or paragraph (3) of this subsection, but subject to the limitations set forth in paragraph (4) of this subsection.

(2) A member may elect to receive a service retirement allowance equal to the sum of:

(i) The benefit payable with respect to the member's creditable service prior to January 1, 1971, computed at the rates and otherwise in accordance with the statutory pension plan, commencing at the time provided in the statutory pension plan and based on the member's highest annual earnable compensation as a member of the General Assembly prior to January 1, 1971; and

(ii) The benefit payable with respect to the member's creditable service after January 1, 1971, computed as set forth in § 7(d) of this Item 3A and commencing at age 60.

(3) A member may elect to receive a service retirement allowance computed with respect to all of the member's creditable service, computed at the rates and otherwise in accordance with the statutory pension plan, commencing at the time provided in the statutory pension plan and based upon the member's highest annual earnable compensation as a member of the General Assembly prior to January 1, 1971.

(4) (i) Unless the member served as an eligible presiding officer, the service retirement allowance payable under paragraph (2) of this subsection may not exceed two-thirds of the salary payable to a current legislator in the General Assembly. If the member served as an

eligible presiding officer, the service retirement allowance may not exceed two-thirds of the salary currently payable to a presiding officer.

(ii) A member may receive the service retirement allowance payable under paragraph (3) of this subsection if the member files a written notice of the election with the Board of Trustees.

9. Reduced service retirement allowance.

(a) Eligibility for retirement. A member may retire with a reduced service retirement allowance if the member:

(1) Is not currently serving in the General Assembly;

(2) Has at least 8 years of creditable service;

(3) Is at least 50 years of age but not more than 60 years of age; and

(4) Completes and submits an application for retirement to the Board of Trustees:

(i) Stating the date on which the member desires to retire; and

(ii) Electing to receive a reduced service retirement allowance instead of the service retirement allowance payable under § 7 or § 8 of this Item 3A.

(b) Reduced service retirement allowance. On retirement under this section, a member shall receive a reduced service retirement allowance equal to the service retirement allowance or portion thereof computed under § 7 § 8(d) or (e)(2)(ii) of this Item 3A on the basis of the member's creditable service and current annual salary, reduced by 0.5% for each month by which the member's early retirement date precedes the date the member attains age 60.

10. Disability retirement allowance.

(a) Definition. In this section, "disabled" means the member is mentally or physically incapacitated for the further performance of duty as a legislator and the incapacity is likely to be permanent.

(b) Eligibility for disability retirement. A member who is currently serving in the General Assembly is eligible to receive a disability retirement allowance if:

(1) The member has at least 8 years of creditable service regardless of age;

(2) The medical board has certified that the member is disabled; and

(3) The member completes and submits an application for retirement to the Board of Trustees stating the date on which the member desires to retire.

(c) Disability retirement allowance. A member shall receive a disability retirement allowance computed as set forth in § 7(d) of this Item 3A for all years of creditable service.

11. Survivor allowance payable on death of retiree.

(a) Survivor allowance. On the death of a retiree, the Board of Trustees shall pay a survivor allowance equal to one-half of the retirement allowance that would be payable to the retiree if the retiree were living and continued to receive a retirement allowance:

(1) To the retiree's surviving spouse for life, commencing on the date of the retiree's death; or

(2) If there is no surviving spouse, to the designated beneficiary for life, commencing:

(i) On the retiree's death, if the designated beneficiary is then at least age 60;

(ii) On the designated beneficiary attaining age 60, if the designated beneficiary has not attained 60 years of age on the retiree's death; or

(iii) At any time after the designated beneficiary attains age 50 but before the designated beneficiary attains age 60, if the designated beneficiary makes the election set forth in subsection (b) of this section.

(b) Election to receive reduced survivor allowance.

(1) Instead of the survivor allowance payable to the designated beneficiary on attaining age 60, the designated beneficiary may elect to receive a reduced survivor allowance commencing at any time after the designated beneficiary attains age 50 if the designated beneficiary completes and submits an application for a reduced survivor allowance stating the date on which the designated beneficiary desires to receive the reduced survivor allowance.

(2) The reduced survivor allowance is an amount equal to one-half of the retirement allowance that would be payable to the retiree if the retiree were living and eligible to receive a retirement allowance, reduced by 0.5% for each month by which the designated beneficiary's age precedes the date the designated beneficiary attains age 60.

(c) (1) If a retiree has designated more than one beneficiary and dies before receiving payments equal to the actuarial equivalent present value of the retiree's basic allowance computed at the time of retirement, the Board of Trustees shall pay the balance as a single payment to the retiree's designated beneficiaries in equal shares.

(2) Benefits will not be paid under this subsection if the retiree has a surviving spouse at the time of death.

12. Optional allowances.

(a) In general. Instead of the retirement allowance and survivor allowance provided under this Item 3A, at retirement, a member may elect another benefit in one of the optional forms set forth in subsection (c) of this section.

(b) Option requirements.

(1) Each optional form of benefit shall be certified by the actuary for the Board of Trustees to be of equivalent actuarial value to the allowance payable to the retiree and the retiree's beneficiary.

(2) For an optional form of allowance providing for payment to a designated beneficiary for life, the designated beneficiary must be an individual.

(3) If a member elects Option A under subsection (c)(2) of this section and designates a beneficiary other than the member's spouse or disabled child as defined under §72(m)(7) of the Internal Revenue Code, a member may not designate a beneficiary who is more than 10 years younger than the member.

(c) Description of options.

(1) At retirement, the options that a member may elect include one of the optional forms of benefits described in this subsection.

(2) Option A is a level payment plan. Under Option A, when the retiree dies, the Board of Trustees shall pay the retiree's reduced allowance:

(i) To the retiree's surviving spouse for life; or

(ii) If there is no surviving spouse, to the retiree's designated beneficiary for the designated beneficiary's life.

(3) Option B is a ten-year certain plan. Under Option B, when the retiree dies, the Board of Trustees shall pay the retiree's reduced allowance for the remainder of the ten-year period beginning on the death or retirement of the retiree, whichever occurs first:

(i) To the retiree's surviving spouse; or

(ii) If there is no surviving spouse, to the retiree's designated beneficiary.

(4) (i) If a retiree has designated more than one beneficiary under this section and dies before receiving payments equal to the actuarial equivalent present value of the retiree's basic allowance computed at the time of retirement, the Board of Trustees shall pay the balance as a single payment to the retiree's designated beneficiaries in equal shares.

(ii) Benefits will not be paid under this paragraph if the retiree has a surviving spouse or a sole beneficiary at the time of death.

13. Change in designated beneficiary.

(a) Right to designate beneficiary. A participant may name a designated beneficiary or beneficiaries to receive the benefits payable on the death of a participant under this Item 3A if the participant's spouse is not living at the time of the participant's death.

(b) Designation of beneficiary void. If a participant dies and is survived by a spouse, the participant's designation of a beneficiary or beneficiaries shall be void and of no effect.

(c) Change of designated beneficiary. A participant may change the designated beneficiary by:

(1) Completing an acknowledged written designation form; and

(2) Filing the designation of beneficiary form with the Board of Trustees.

(d) Recomputation of allowance. If a retiree changes a designated beneficiary, the Board of Trustees shall recompute the allowance based on the value of the balance in the retiree's reserves when the change is made.

14. Adjustment of allowances.

(a) Application of section. This section does not apply to all or any portion of a retirement allowance or a survivor allowance that is computed in accordance with the statutory pension plan.

(b) Adjustment of allowances - In general. Except as provided in § 8 of this Item 3A, as of the date the salary of a current legislator in the General Assembly is increased, the Board of Trustees shall recompute a retirement allowance or a survivor allowance under this Item 3A on the basis of the service retirement allowance as provided under this Item 3A and the annual salary payable to a current legislator in the General Assembly.

(c) Same - Eligible presiding officer.

(1) This subsection applies to a retiree who served as an eligible presiding officer or a beneficiary of an eligible presiding officer.

(2) As of the date the salary of a current presiding officer is increased, the Board of Trustees shall recompute a retirement allowance or a survivor allowance under this Item 3A on the basis of the annual salary payable to a current presiding officer.

15. Effect of employment of retiree.

(a) Subject to subsection (b) of this section, beginning January 9, 1991, a retiree who is receiving a retirement allowance may accept employment with the State as an employee or an elected or appointed official without any reduction in the retiree's retirement allowance.

(b) If a retiree who is receiving a retirement allowance becomes a member of the General Assembly:

(1) The retiree's retirement shall be canceled;

(2) The retirement allowance payments shall terminate after the last day of the month preceding the date of return to service as a legislator;

(3) All previous creditable service shall be restored to the account of the member; and

(4) If the legislator elects to join the Legislative Pension Plan, the member shall be credited with membership service credit during the period the retiree is a member of the General Assembly.

16. Benefit - Death of member with at least 8 years of service.

(a) Application of section. This section applies only on the death of a member who has at least 8 years of creditable service.

(b) Lump-sum death benefit.

(1) Except as provided in subsection (c) of this section, on the death of a member, the Board of Trustees shall pay to the member's surviving spouse, or if there is no surviving spouse, to the member's designated beneficiary or beneficiaries a lump-sum death benefit consisting of the sum of:

(i) The member's accumulated contributions; and

(ii) An amount equal to the member's annual salary, if any, at the time of death.

(2) If a member has designated more than one beneficiary, the lump-sum death benefit provided in paragraph (1) of this subsection shall be divided equally among the beneficiaries.

(c) Election to receive survivor allowance.

(1) Instead of the lump-sum death benefit payable under subsection (b) of this section, the member's surviving spouse or if the member is not survived by a spouse, the designated beneficiary may elect to receive a survivor allowance equal to one-half of the retirement allowance that would be payable to the member if the member were living and eligible to receive a retirement allowance. The Board of Trustees shall pay the survivor allowance:

(i) To the member's surviving spouse for life, commencing on the date of the member's death; or

(ii) If there is no surviving spouse, to the designated beneficiary for life, commencing:

1. On the member's death, if the designated beneficiary is then at least age 60;

2. On the designated beneficiary attaining age 60, if the designated beneficiary has not attained 60 years of age on the member's death; or

3. At any time after the designated beneficiary attains age 50 but before the designated beneficiary attains age 60, if the designated beneficiary makes the election set forth in subsection (d) of this section.

(2) If a member has designated more than one beneficiary, the multiple beneficiaries may not elect to receive the survivor allowance provided in paragraph (1) of this subsection.

(d) Election to receive reduced survivor allowance.

(1) Instead of the survivor allowance payable to the designated beneficiary on attaining age 60, the designated beneficiary may elect to receive a reduced survivor allowance commencing at any time after the designated beneficiary attains age 50 if the designated beneficiary completes and submits an application for a reduced survivor allowance stating the date on which the designated beneficiary desires to receive the reduced survivor allowance.

(2) The reduced survivor allowance is an amount equal to one-half of the retirement allowance that would be payable to the member if the member were living and eligible to receive a retirement allowance, reduced by 0.5% for each month by which the designated beneficiary's age precedes the date the designated beneficiary attains age 60.

(e) Death benefit for minor children.

(1) This section applies only to a member who dies while serving as a legislator in the General Assembly.

(2) Except as provided in paragraph (3) of this subsection, the Board of Trustees shall pay the lump-sum death benefit payable under subsection (b) of this section, in equal shares to each child who has not attained the age of 18, if on the member's death, the member:

(i) Has a child or children under the age of 18 years; and

(ii) Is deemed to die contemporaneously with the member's spouse or as a result of the same occurrence.

(3) (i) Instead of the lump-sum death benefit payable under paragraph (2) of this subsection, the member's children who have not attained age 18 may elect to receive the survivor allowance that would have been paid to the surviving spouse under subsection (c)(1) of this section had the member's spouse survived the member. The survivor allowance is payable to the member's children as of the date of the member's death.

(ii) If the Board of Trustees pays the survivor allowance to more than one child, the Board of Trustees shall divide the allowance equally among the children who are under the age of 18 years.

(iii) The survivor allowance shall be payable until each child attains age 18.

17. Benefit - Death of member with less than 8 years of service.

(a) Application of section. This section applies only on the death of a member who:

(1) Is currently serving in the General Assembly; and

(2) Has less than 8 years of creditable service.

(b) Lump-sum death benefit.

(1) On the death of a member, the Board of Trustees shall pay a lump-sum death benefit consisting of the sum of the member's accumulated contributions and an amount equal to the member's annual salary at the time of death:

(i) To the member's surviving spouse, unless the member has a child under the age of 18 years and the member is deemed to die contemporaneously with the member's spouse or as a result of the same occurrence, in which case, in equal shares, to each child who has not attained the age of 18; or

(ii) If there is no surviving spouse, to the member's designated beneficiary or beneficiaries.

(2) If a member has designated more than one beneficiary, the lump-sum death benefit provided in paragraph (1) of this subsection shall be divided equally among the beneficiaries.

18. Death of member - No beneficiary. On the death of a member who is not survived by a spouse, a designated beneficiary, or a child who is eligible to receive a benefit under § 16, § 17, or § 18 of this Item 3A, the Board of Trustees shall pay the member's accumulated contributions to the estate of the member.

19. Termination of rights in Plan. At any time after termination of service as a legislator but prior to receiving a retirement allowance, a member may elect to withdraw the member's accumulated contributions by completing an application for refund of contributions and submitting the application to the Board of Trustees. A member who withdraws accumulated contributions does not have any further rights under the Legislative Pension Plan.

20. Transfer of credit.

(a) In general. Except as provided in subsection (b) of this section, creditable service earned as a member of the Legislative Pension Plan qualifies for benefits under the Legislative Pension Plan and no other system or plan administered by the Board of Trustees.

(b) Exception. Prior to retirement, a member may elect to transfer creditable service in the Legislative Pension Plan and the member's accumulated contributions to the State system in which the member participates, if the member:

(1) Has less than 8 years of creditable service in the Legislative Pension Plan; or

(2) Earned the creditable service for years of service in the Legislative Pension Plan if any of the years of service occurred on or before January 8, 1975.

(c) Effect of transfer of creditable service. A member who is eligible to transfer creditable service to another State system and who makes the election to transfer shall withdraw the member's accumulated contributions.

21. Miscellaneous Provisions.

(a) Receipt of retirement allowance from another State system. A retiree who is receiving a retirement allowance from another State system may receive a retirement allowance from the Legislative Pension Plan if the years of service in the Legislative Pension Plan do not overlap with the years of service in the State system.

(b) Average final compensation. As of January 8, 1975, the annual salary payable to a member while serving as a legislator may not be added to the earnable compensation payable by the State or a political subdivision of the State to determine the member's average final compensation in a State system in which the member participates.

(c) Applicability. Except as otherwise provided herein, this Item 3A (including the calculation for the retirement allowance and the survivor's allowance) applies to:

(1) A legislator who elects to join the pension plan during the legislator's term of office;

(2) A former legislator who:

(a) elected to join the Legislative Pension Plan during the legislator's term of office;

(b) has not withdrawn the member's accumulated contributions; and

(c) is not currently receiving a retirement allowance; and

(3) A retiree.

22. Military Credit.

(a) Subject to the provisions of Title 38 of the State Personnel and Pensions Article, a member is entitled to receive service credit for military service only on the attainment of 8 years of creditable service in the Legislative Pension Plan.

(b) Military service credit under this section may not exceed 3 years.

(c) A member may not purchase any service credit to attain the 8 years of creditable service required under subsection (a) of this section.

Item 3B

Former legislators regularly receiving a retirement allowance may participate in benefit programs available to retired State employees, including health programs, deferred compensation programs, and credit union services. Former legislators receiving a retirement allowance who have at least eight (8) years' service shall qualify for a State health program subsidy equal to one-sixteenth (1/16) of the full State subsidy for each year of service. Should additional benefit programs be authorized for retired State employees, such benefits may be made available to retired legislators with the approval of the presiding officers. Participation in these programs shall be in the same manner as the participation of retired State employees.

FURTHER RESOLVED, That all desk orders, journal entries, regulations, rules, or resolutions, including the Resolutions of this Commission dated January 25, 1971; January 24, 1974; January 19, 1978; January 7, 1982; December 17, 1985; January 10, 1990; January 20, 1994; January 7, 1998; January 11, 2002; January 11, 2006; and any other provisions of law in any way inconsistent with the express or implied language of this Resolution relating to compensation and allowances in any form for members of the General Assembly of Maryland are hereby repealed.

IN WITNESS WHEREOF, We have hereunto subscribed our names on this 5th day of January 2010.

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Sean W. Glynn, Chair

Robert J. Antonetti, Jr.	Thomas M. Lingan
Adolph Ebersberger	Margaret L. Powell
Edward J. Gilliss	John C. Sprague
Kathryn Higgins	Gabriel Antonio Terrasa

Exhibits

Exhibit 1
Constitutional Provisions Regarding General Assembly Compensation Commission

Art III, §15

Section 15. Duration of sessions of General Assembly; compensation and allowances.

(1) The General Assembly may continue its session so long as in its judgment the public interest may require, for a period not longer than ninety days in each year. The ninety days shall be consecutive unless otherwise provided by law. The General Assembly may extend its session beyond ninety days, but not exceeding an additional thirty days, by resolution concurred in by a three-fifths vote of the membership in each House. When the General Assembly is convened by Proclamation of the Governor, the session shall not continue longer than thirty days, but no additional compensation other than mileage and other allowances provided by law shall be paid members of the General Assembly for special session.

(2) Any compensation and allowances paid to members of the General Assembly shall be as established by a commission known as the General Assembly Compensation Commission. The Commission shall consist of nine members, five of whom shall be appointed by the Governor, two of whom shall be appointed by the President of the Senate, and two of whom shall be appointed by the Speaker of the House of Delegates. Members of the General Assembly and officers and employees of the Government of the State of Maryland or of any county, city, or other governmental unit of the State shall not be eligible for appointment to the Commission. Members of the Commission shall be appointed for terms of four years commencing on June 1 of each gubernatorial election year. Members of the Commission are eligible for re-appointment. Any member of the Commission may be removed by the Governor prior to the expiration of his term for official misconduct, incompetence, or neglect of duty. The members shall serve without compensation but shall be reimbursed for expenses incurred in carrying out their responsibilities under this section. Decisions of the Commission must be concurred in by at least five members.

(3) Within 15 days after the beginning of the regular session of the General Assembly in 1974 and within 15 days after the beginning of the regular session in each fourth year thereafter, the Commission by formal resolution shall submit its determinations for compensation and allowances to the General Assembly. The General Assembly may reduce or reject, but shall not increase any item in the resolution. The resolution, with any reductions that shall have been concurred in by joint resolution of the General Assembly, shall take effect and have the force of law as of the beginning of the term of office of the next General Assembly. Rates of compensation and pensions shall be uniform for all members of the General Assembly, except that the officers of the Senate and the House of Delegates may receive higher compensation as determined by the General Assembly Compensation Commission. The provisions of the Compensation Commission resolution shall continue in force until superseded by any succeeding resolution.

(4) In no event shall the compensation and allowances be less than they were prior to the establishment of the Compensation Commission *(amended by Chapter 695, Acts of 1941, ratified Nov. 3, 1942; Chapter 497, Acts of 1947, ratified Nov. 2, 1948; Chapter 161, Acts of 1964, ratified Nov. 3, 1964; Chapter 576, Acts of 1970, ratified Nov. 3, 1970; Chapter 541, Acts of 1976, ratified Nov. 2, 1976; Chapter 681, Acts of 1977, ratified Nov. 7, 1978).*

Exhibit 2

General Assembly Compensation Commission

Applicable Law	Time for Submitting Recommendation	Form of Recommendation	Subject	Time Limit for Legislative Action	Forms of Legislative Action	Options for Legislative Action	Effect of Legislative Action
MD Const., Art. III, Sec. 15	By 15th day of session, *i.e.*, January 29, 2006	Resolution of <u>Commission</u>, not legislature	Compensation and Allowances, *i.e.*, salary as well as expenses and pension.	End of session	Joint Resolution (if no Joint Resolution introduced, Commission's Resolution takes effect)	1. May take no action on Joint Resolutions. 2. May pass Joint Resolution approving Commission's Resolution. 3. May pass Joint Resolution reducing or rejecting particular items* but may not increase item. 4. May pass Joint Resolution rejecting Commission's Resolution. 5. May pass Joint Resolution embodying 2006 Commission Resolution. 6. May defeat Joint Resolutions. *May not reduce below 1970 levels.	1. Commission's Resolution takes effect. 2. Commission's Resolution takes effect. 3. Commission's Resolution, as modified by Joint Resolution, takes effect. 4. 2006 Commission Resolution remains in effect. 5. 2006 Commission Resolution remains in effect. 6. Commission's Resolution takes effect.

Exhibit 3

Summary of 1971, 1974, 1978, 1982, and 1986
General Assembly Compensation Commission Recommendations Which Were Adopted
Implementation of Constitution Article III, Section 15 (as amended 11/3/70)

Subject	1971	1974	1978	1982	1986
<u>Salaries</u>:					
Member	$11,000 annually (bi-weekly payments)	$12,500 annually (monthly payments)	In each calendar year the following (each in monthly payments):	$21,000 annually (monthly payments)	In each calendar year the following (each in monthly payments):
President and Speaker	$13,000 annually (bi-weekly payments)	$17,500 annually (monthly payments)	<u>Mem.</u> <u>Pres/Spk</u> 1979 $16,000 $21,000 1980 $16,750 $21,750 1981 $17,600 $22,600 1982 $18,500 $23,500	$26,000 annually (monthly payments)	<u>Mem.</u> <u>Pres/Spk</u> 1987 $22,000 $29,500 1988 $23,000 $30,500 1989 $24,000 $31,500 1990 $25,000 $32,500
<u>Expenses</u>:					
Meals and Lodging	Abolish per diems; vouchered reimbursement to max of $25 for attendance at session, legislative council, committee, or subcommittee meetings	Vouchered reimbursement to max of $35; attendance expanded "to other official functions"	Limitation of $50, including $20 sub limitation on meals; lodging vouchered; meals not vouchered	In each calendar year the following: <u>Daily Limits</u> <u>Overall</u> <u>Meals</u> 1983 $65 $24 1984 $68 $26 1985 $72 $28 1986 $75 $30	In each calendar year the following: <u>Daily Limits</u> <u>Overall</u> <u>Meals</u> 1987 $78 $31 1988 $81 $32 1989 $84 $33 1990 $87 $34
Mileage Allowance	$.10 per mile; one round trip per week if take meals and lodging in Annapolis; in lieu of meals and lodging, $.10 per mile for daily trips	Rate to align with State travel regulations; current $.12 per mile	Same conditions; current rate $.18 per mile	Same conditions; current rate $.19 per mile	Same conditions; current rate $.23 per mile
In-district Travel	Not authorized	Not authorized	Not authorized	Not authorized	$200 annual payment

Exhibit 3 (Cont.)

Subject	1971	1974	1978	1982	1986
Out-of-State Travel	Not specifically addressed	Prior joint approval by President and Speaker	Same as 1974	In each calendar year the following daily limits: 1983 $ 85 1984 $ 90 1985 $ 95 1986 $100	In each calendar year the following daily limits: 1987 $105 1988 $110 1989 $116 1990 $122
<u>Retirement Plan</u>					
Participation	Optional	Optional	Optional	Optional (1 year to decide)	Optional (16 months initial enrollment period)
Member Contribution	5% of salary	Same as 1971 plan	Same as 1971 plan	Same as 1971 plan	Same as 1971 plan
Allowance	2.5% of highest annual salary times years of service; pre-1971 and post-1971 benefits calculated separately and added together	Same formula as 1971; may include pre-1971 service in calculating benefits under current plan	Same as 1971	Same as 1971 with addition of COLA not to exceed 3%	Same as 1971 with COLA not to exceed 3%
Maximum Allowance	60% after 24 years	Same as 1971 plan	Same as 1971 plan	Same as 1971 plan	Same as 1971 plan
Eligible for Allowance	Age 60 with at least 8 years of service	Same as 1971 plan	Same as 1971 plan	Same as 1971 plan	Same as 1971 plan
Transfer Credit to Other State Plans	Yes	No	No	No	Yes, if less than 8 years of service
Early Retirement	Age 50 if 8 or more years of service; benefit actuarially reduced	Same as 1971 plan	Same as 1971 plan	Same as 1971 plan	Same as 1971 plan
Survivor Benefit	Spouse receives ½ allowance at age 60; reduced benefit age 50-60	Same as 1971 plan	Same as 1971 plan	“Survivor” modified to include beneficiaries other than spouse if member is single or widowed	Same as 1971, with 1982 modifications

Exhibit 3 (Cont.)

Subject	1971	1974	1978	1982	1986
Contribute to 8 Years	If terminate at less than 8 years, may contribute member and State shares to 8 year level and qualify for allowance when eligible	Same as 1971 plan	Same as 1971 plan	Same as 1971 plan	Same as 1971 plan
Disability Benefit	Not authorized	Not authorized	Not authorized	Not authorized	Not authorized

Exhibit 3 (Cont.)

Summary of 1990, 1994, 1998, 2002, and 2006
General Assembly Compensation Commission Recommendations Which Were Adopted
Implementation of Constitution Article III, Section 15 (as Amended 11/3/70)

Subject	1990	1994	1998	2002	2006
Salaries:					
Member	In each calendar year the following (each in monthly payments):	In each calendar year the following (each in monthly payments):	In each calendar year the following (each in monthly payments):	In each calendar year the following (each in monthly payments):	In each calendar year the following (each in monthly payments):
President and Speaker	Mem. Pres/Spk 1991 $27,000 $37,000 1992 $27,000 $37,000 1993 $28,000 $38,000 1994 $28,000 $38,000	Mem. Pres/Spk 1995 $28,840 $38,840 1996 $29,700 $39,700 1997 $29,700 $39,700 1998 $29,700 $39,700	Mem. Pres/Spk 1999 $30,591 $40,591 2000 $30,591 $40,591 2001 $31,509 $41,509 2002 $31,509 $41,509	Mem. Pres/Spk 2003 $34,500 $47,500 2004 $37,500 $50,500 2005 $40,500 $53,500 2006 $43,500 $56,500	Mem. Pres/Spk 2007 $43,500 $56,500 2008 $43,500 $56,500 2009 $43,500 $56,500 2010 $43,500 $56,500
Expenses:					
Meals and Lodging	In each calendar year the following: Daily Limits Overall Meals 1991 $ 90 $35 1992 $ 94 $36 1993 $ 98 $38 1994 $102 $40	*Meals* – $30 allowance per diem *Lodging* – limit specified by IRS for Annapolis 1995 $76 1996 $86 1997 $86 1998 $96	*Meals* – $30 allowance per diem (same as 1994 plan) *Lodging* – limit specified by IRS for Annapolis 1999 $96 2000 $90 2001 $90 2002 $90	*Meals* – Reimbursed in accordance with standard State travel regulations; current limit $39 per diem *Lodging* – limit specified by IRS for Annapolis 2003 $ 90 2004 $ 95 2005 $114 2006 $104	*Meals* – Reimbursed in accordance with standard State travel regulations; current limit $42 per diem *Lodging* – limit specified by IRS for Annapolis 2007 $116 2008 $123 2009 $126 2010 $126
Mileage Allowance	Same conditions; current rate $.27 per mile	Same conditions; current rate $.29 per mile	Same conditions; current rate $.32 per mile	Same conditions; current rate $.48 per mile	Same conditions; current rate $.50 per mile
In-District Travel	$250 annual payment	$400 annual payment	$400 annual payment (same as 1994 plan)	$500 annual payment	$500 annual payment

Exhibit 3 (Cont.)

Subject	1990	1994	1998	2002	2006
Out-of-State Travel	In each calendar year the following daily limits: 1991 $128 1992 $134 1993 $141 1994 $148	$160 daily limit for lodging and meals; more if costs exceed limit due to nature of travel or high costs of location	$175 daily limit for lodging and meals; more if costs exceed limit due to nature of travel or high costs of location	$225 daily limit for lodging and meals; more if costs exceed limit due to nature of travel or high cost of location	$225 daily limit for lodging and meals; more if costs exceed limit due to nature of travel or high cost of location
<u>Retirement Plan</u>					
Participation	Optional enrollment allowed at any time	Same as 1990 plan	Same as 1990 plan	Same as 1990 plan	Same as 1990 plan
Member Contribution	Same as 1971 plan	Same as 1971 plan	Same as 1971 plan	Same as 1971 plan (5% of salary)	Same as 1971 plan (5% of salary)
Allowance	2.5% of salary of active legislator for each year of service up to 24 years; benefit recalculated based on salary increases for active legislators	3.0% of salary of active legislator for each year of service up to 22 years and 3 months; benefit recalculated based on salary increases for active legislators	Same as 1994 plan	Same as 1994 plan	Same as 1994 plan
Maximum Allowance	60% of salary payable to an active legislator	66 2/3% of salary payable to an active legislator	Same and 1994 plan	Same as 1994 plan	Same as 1994 plan
Eligible for Allowance	Same as 1971 plan	Same as 1971 plan	Same as 1971 plan	Same as 1971 plan (age 60 with at least 8 years of service)	Same as 1971 plan (age 60 with at least 8 years of service)
Transfer Credit to Other State Plans	Same as 1986 plan	Same as 1986 plan	Same as 1986 plan	Same as 1986 plan (yes, if less than 8 years of service)	Same as 1986 plan (yes, if less than 8 years of service)
Early Retirement	Age 50 with at least 8 years of service, actuarially reduced 6% for each year under age 60	Same as 1990 plan	Same as 1990 plan	Same as 1990 plan	Same as 1990 plan

Exhibit 3 (Cont.)

Subject	1990	1994	1998	2002	2006
Survivor Benefit	**<u>Nonvested Active</u>:** Surviving spouse or designated beneficiary receives lump sum payment of 1 year's salary plus return of member's contribution **<u>Vested Active/Vested Former/Retired</u>:** Surviving spouse or designated beneficiary may elect either lump sum payment OR a monthly benefit of 50% of benefit accrued at member's death. Payment to spouse begins at member's death. Payment to designated beneficiary begins at age 60, or actuarially reduced at age 50.	Same as 1990 plan	Same as 1990 plan	Same as 1990 plan, except a member may elect multiple beneficiaries, if no surviving spouse, to receive lump sum payment divided equally	Same as 1990 plan, except a member may elect multiple beneficiaries, if no surviving spouse, to receive lump sum payment divided equally
Contribute to 8 Years	Same as 1971 plan	Same as 1971 plan	Same as 1971 plan	Same as 1971 plan (if terminate at less than 8 years, may contribute member and State shares to 8-year level and qualify for allowance when eligible)	Same as 1971 plan (if terminate at less than 8 years, may contribute member and State shares to 8-year level and qualify for allowance when eligible)
Disability Benefit	Incapacitated legislator may resign and continue to receive salary through remainder of term	If totally disabled, vested member receives annual retirement allowance regardless of age	Same as 1994 plan	Same as 1994 plan	Same as 1994 plan

COLA: cost-of-living adjustment

Source: Department of Legislative Services

Exhibit 4
Maryland Legislators
Professional Backgrounds – 2007

Occupation	Number	%
Full-time Legislator	41	21
Business	34	18
Law	34	18
Public Administration	12	6
Education	10	5
Consulting	6	3
Health Care	6	3
Finance	5	3
Real Estate	5	3
Insurance	5	3
Other (15 Different Occupations)	30	17

Source: Department of Legislative Services

Exhibit 5
Maryland Legislators
Educational Attainment
2009

	Senators (47)		Delegates (141)		All Members (188)	
	#	%	#	%	#	%
Law/Doctorate	14	29.8	34	24.1	48	25.5
Master's	11	23.4	32	22.7	43	22.9
Bachelor's	15	31.9	50	35.5	65	34.6
High School	7	14.9	25	17.7	33	17.6

Note: Percentages may not sum to 100 due to rounding.

Exhibit 6
Legislators Continued in Office
Election Year Turnover
1974-2006

	Senate		House		Total		Less		
Election Year	No. of Chgs.	% of Total	No. of Chgs.	% of Total	No. of Chgs.	% of Total	House to Senate	Net	% of Total
1974	19	40.4	63	44.7	82	43.6	9	73	38.8
1978	11	23.4	54	38.3	65	34.6	7	58	30.9
1982	17	36.2	50	35.5	67	35.6	9	58	30.9
1986	8	17.0	41	29.1	49	26.1	7	42	22.3
1990	10	21.2	35	24.8	45	23.9	5	40	21.2
1994	20	42.6	60	42.6	80	42.6	10	70	37.2
1998	7	14.9	30	21.3	37	19.7	3	34	18.1
2002	11	23.4	47	33.3	58	30.9	6	52	27.7
2006	11	23.4	42	29.8	53	28.2	4	49	26.1

Note: Of the 42 House changes in 2006, 5 were elected for the first time but were incumbents having been appointed in the prior term, and 1 was re-elected having previously held the same seat.

Source: Department of Legislative Services

Exhibit 7
2009 Legislative Salary and Session Characteristics

State	Salary	Length of Terms (in years)		Session Legal Limit	Notes
		Senate	House		
California	$116,208	4	2	None	2-year sessions
Michigan	79,650	4	2	None	
New York	79,500	2	2	None	
Pennsylvania	78,315	4	2	None	
Illinois	67,836	4(a)	2	None	
Massachusetts	61,440	2	2	None	Legislative rules provide for end-by dates
Ohio	60,584	4	2	None	
Wisconsin	49,943	4	2	None	
New Jersey	49,000	4(b)	2	None	
Hawaii	48,708	4	2	60L	
Maryland	43,500	4	4	90C	
Delaware	42,750	4	2	End by June 30	
Washington	42,106	4	2	105C	Odd years – 105C; even years – 60C
Oklahoma	38,400	4	2	Last Friday in May	
Missouri	35,915	4	2	End by May 30	
Minnesota	31,141	4	2	120L	120L or 1st Monday after 3rd Saturday in May
Florida	30,336	4	2	60C	
Colorado	30,000	4	2	90C	
Connecticut	28,000	2	2	Yes see notes	Odd years – end in June; even years – end in May
Iowa	25,000	4	2	110C	Odd years – 110C; even years – 100C
Alaska	24,012	4	2	90C	
Arizona	24,000	2	2	None	Legislative rules require end during week of the 100th calendar day
Indiana	22,616	4	2	Ye29 see notes	Odd years – April 29; even years – March 14
Oregon	21,612	4	2	None	Biennial – odd years
West Virginia	20,000	4	2	60C	
Tennessee	19,009	4	2	90L	Indirect limit by restricting compensation
Virginia	18,000 (Senate) 17,640 (House)	4	2	60C	Even years – 60C; odd years – 30C

Exhibit 7 (Cont.)

State	Salary	Length of Terms (in years)		Session Legal Limit	Notes
		Senate	House		
Georgia	17,342	2	2	40L	
Louisiana	16,800	4	4	60L	Even years – 60L in 85C; odd years – 45L in 60C
Idaho	16,116	2	2	None	
Arkansas	15,362	4	2	60C	Odd years – 60C; even years 30C
North Carolina	13,951	2	2	None	
Maine	1st Session 13,526 2nd Session 9,874	2	2	Yes see notes	Odd years – 3rd Wednesday in June; even years – 3rd Wednesday in April
Rhode Island	13,089	2	2	None	
Nebraska	12,000	4(c)		90L	Odd years – 90L; even years – 60L
South Carolina	10,400	4	2	1st Thursday in June	
Mississippi	10,000	4	4	90C	1st year of gubernatorial term – 125C
Texas	7,200	4	2	140C	Biennial – odd years
South Dakota	6,000	2	2	40L	
New Hampshire	100	2	2	45L	45L or July 1
New Mexico	0	4	2	60C	Odd years – 60C; even years – 30C; expense reimbursement only
Kentucky	187/day	4	2	60L	Even years – 60L; odd years – 30L
Wyoming	150/day	4	2	40L	Odd years – 40L; even years – 20L
Nevada	146/day	4	2	120C	Biennial – odd years
North Dakota	135/day	4	4	80L	Biennial – odd years
Utah	130/day	4	2	45C	
Vermont	625/week	2	2	None	$589 weekly
Kansas	87/day	4	2	90C	Even years – 90C; odd years – none
Montana	83/day	4	2	90L	Biennial – odd years
Alabama	10/day	4	4	30L	30L in 105C

States with legislatures that are generally considered full-time are shaded.

Key: L – Legislative Day
C – Calendar Day

(a) The entire Senate is up for election every 10 years, beginning in 1972. Senate districts are divided into three groups. One group elects senators for terms of four years, four years, and two years; the second group for terms of four years, two years, and four years; the third group for terms of two years, four years, and four years.
(b) The first senatorial term at the beginning of each decade is two years.
(c) The legislature is unicameral.

Source: National Conference of State Legislators; Department of Legislative Services

Exhibit 8

Maryland General Assembly
Bills and Joint Resolutions
1987 through 2009 Regular Sessions

	Bills					
	Senate		House		Total	
	Introduced	Passed	Introduced	Passed	Introduced	Passed
1987	1,075	363	1,593	510	2,668	873
1988	883	342	1,490	530	2,373	872
1989	910	353	1,627	576	2,537	929
1990	918	319	1,546	490	2,464	809
1991	848	301	1,331	474	2,179	775
1992	773	260	1,578	481	2,351	741
1993	921	289	1,627	453	2,548	742
1994	857	305	1,694	596	2,551	901
1995	868	301	1,393	477	2,261	778
1996	806	283	1,463	513	2,269	796
1997	915	354	1,470	537	2,385	891
1998	799	358	1,428	531	2,227	889
1999	795	333	1,219	497	2,014	830
2000	907	366	1,440	518	2,347	884
2001	901	352	1,464	575	2,365	927
2002	903	307	1,462	485	2,365	792
2003	774	252	1,185	377	1,959	629
2004	934	285	1,548	421	2,482	706
2005	1,018	350	1,614	476	2,632	826
2006	1,107	334	1,749	489	2,856	823
2007	1,037	346	1,443	452	2,480	798
2008	1,014	295	1,627	452	2,641	747
2009	1,073	343	1,581	456	2,654	799

Exhibit 8 (Cont.)

Maryland General Assembly
Bills and Joint Resolutions
1987 through 2009 Regular Sessions

Joint Resolutions

	Senate		House		Total	
	Introduced	Passed	Introduced	Passed	Introduced	Passed
1987	44	11	69	14	113	25
1988	38	9	58	6	96	15
1989	31	7	32	15	63	22
1990	33	2	56	7	89	9
1991	16	1	28	4	44	5
1992	21	3	28	5	49	8
1993	15	3	35	3	50	6
1994	13	6	28	4	41	10
1995	11	3	22	7	33	10
1996	10	3	20	4	30	7
1997	17	3	28	5	45	8
1998	17	6	22	6	39	12
1999	11	6	24	7	35	13
2000	12	8	28	9	40	17
2001	16	4	27	10	43	14
2002	23	10	39	15	62	25
2003	13	10	20	0	33	0
2004	10	0	11	1	21	1
2005	11	0	13	0	24	0
2006	16	2	10	3	26	5
2007	9	1	6	2	15	2
2008	5	0	5	0	10	0
2009	12	1	9	0	21	1

Exhibit 9

Relative Standing of Legislative Salaries

	2009		2006		2002		1998		2006-2009
State	Salary	Rank	Salary	Rank	Salary	Rank	Salary	Rank	Salary Change
California	$116,208	1	$110,800	1	$99,000	1	$75,600	1	5%
Michigan	79,650	2	79,650	2	77,400	3	51,895	4	0
New York	79,500	3	79,500	3	79,500	2	57,500	2	0
Pennsylvania	78,315	4	69,647	4	61,890	4	57,367	3	12
Illinois	67,836	5	55,788	6	55,788	5	47,039	5	22
Massachusetts	61,440	6	53,380	7	50,123	7	46,410	6	15
Ohio	60,584	7	56,261	5	51,674	6	42,427	7	8
Wisconsin	49,943	8	45,569	9	44,333	8	39,211	8	10
New Jersey	49,900	9	49,000	8	35,000	10	35,000	9	0
Hawaii	48,708	10	35,000	13	32,000	13	32,000	10	39
Maryland	43,500	11	43,500	10	31,509	15	29,700	12	0
Delaware	42,750	12	39,785	11	33,400	11	27,500	15	7
Washington	42,106	13	34,227	14	32,064	12	28,800	14	23
Oklahoma	38,400	14	38,400	12	38,400	9	32,000	11	0
Missouri	35,915	15	31,351	15	31,351	14	26,803	16	15
Minnesota	31,141	16	31,141	16	31,141	16	29,657	13	0
Florida	30,336	17	29,916	18	27,900	19	24,912	17	1
Colorado	30,000	18	30,000	17	30,000	17	17,500	21	0
Connecticut	28,000	19	28,000	19	28,000	18	16,760	23	0
Iowa	25,000	20	21,381	22	20,758	22	20,120	19	17
Alaska	24,012	21	24,012	20	24,012	20	24,012	18	0
Arizona	24,000	22	24,000	21	24,000	21	15,000	25	0
Indiana	22,616	23	11,600	34	11,600	33	11,600	32	95
Oregon	21,612	24	16,284	27	15,396	28	13,104	28	33
West Virginia	20,000	25	15,000	29	15,000	29	15,000	26	33
Tennessee	$19,009	26	16,500	26	16,500	25	16,500	24	15
Virginia	17,640 (H) 18,000 (S)	27	17,640 (H) 18,000 (S)	23	17,640 (H) 18,000 (S)	23	17,640 (H) 18,000 (S)	20	0
Georgia	17,342	28	16,524	25	16,200	26	10,641	33	5
Louisiana	16,800	29	16,800	24	16,800	24	16,800	22	0
Idaho	16,116	30	15,646	28	15,646	27	12,360	30	3

Exhibit 9 (Cont.)

	2009		2006		2002		1998		2006-2009
State	**Salary**	**Rank**	**Salary**	**Rank**	**Salary**	**Rank**	**Salary**	**Rank**	**Salary Change**
Arkansas	15,362	31	13,751	34	12,679	34	12,500	31	8
North Carolina	13,951	32	13,951	31	13,951	31	13,951	29	12
Maine	13,526	33	11,384	35	10,815	35	10,500	34	19
Rhode Island	13,089	34	12,646	32	11,236	34	10,250	36	4
Nebraska	12,000	35	12,000	33	12,000	32	12,000	31	0
South Carolina	10,400	36	10,400	36	10,400	36	10,400	35	0
Mississippi	10,000	37	10,000	37	10,000	37	10,000	37	0
Texas	7,200	38	7,200	38	7,200	38	7,200	38	0
South Dakota	6,000	39	6,000	39	6,000	39	4,267	39	0
New Hampshire	100	40	100	40	100	40	100	40	0
New Mexico	0	41	0	41	0	41	0	41	0

Note: Data is for those states with annual salaries only as opposed to daily or weekly allowances.

Source: National Conference of State Legislatures; Department of Legislative Services

Exhibit 10

Legislative Salaries in States with Budgets within $5 Billion of Maryland's Budget

State	Budget[1] ($ in Billions)	Legislative Salary[2]
Virginia	$33.7	$18,000 (Senate) 17,640 (House)
Louisiana	29.3	16,800 + 6K expense
Maryland	28.8	43,500
Washington	28.2	42,106
Arizona	26.9	24,000
Minnesota	26.4	31,140
Tennessee	24.3	19,009

[1] Based on fiscal 2007 data.
[2] 2009 session.

Source: National Association of State Budget Officers, *2007 State Expenditure Report*

Exhibit 11

Summary of Recent State Employee and General Assembly Member Salary Changes

	State Employees		General Assembly Members	
Fiscal Year	Cost-of-living Increase	Increments	Salary(d)	Salary Increase Over Previous Year
1999	\$900 on 7/1/98 \$375 on 1/1/99	Yes	\$30,591	3.0%
2000	\$638 on 7/1/99 \$637 on 1/1/00	Yes	\$30,591	None
2001	4%(a)	Yes(c)	\$31,509	3.0%
2002	4%(b)	Yes	\$31,509	None
2003	None	No	\$34,500	9.5%
2004	None	No	\$37,500	8.7%
2005	\$752	Yes	\$40,500	8.0%
2006	1.5%	Yes	\$43,500	7.4%
2007	2.0%	Yes	\$43,500	None
2008	2.0%	Yes	\$43,500	None
2009	0.5% (e)	Yes	\$43,500	None
2010	None (f)	No	\$43,500	None

(a) Effective November 15, 2000.

(b) Effective January 1, 2002.

(c) Executive Pay Plan structure altered to incorporate salary ranges (grades and steps eliminated).

(d) Calendar years.

(e) A 2% cost-of-living increase was included in the fiscal 2009 budget. However, a furlough for State Employees by Executive Order 01.01.2008.20 on December 16, 2008 reduced employee salaries by an average of approximately 1.5%. General Assembly Members are constitutionally exempt from furloughs.

(f) No cost-of-living increase was included in the fiscal 2010 budget. A furlough for State Employees by Executive Order 01.01.2009.11 in August 2009 resulted in an average salary reduction of approximately 2.5% of fiscal 2010 levels. General Assembly Members are constitutionally exempt from furloughs.

Source: Department of Legislative Services, October 2009

Exhibit 12
General Salary Increases, Increments, and Other Compensation
Fiscal 2002-2010

		State Employees						
Fiscal Year		**General Salary Increase**	**Increments**	**Additional Police, Natural Resources Police, and Park Ranger Salary Increases**	**Maximum Deferred Compensation Match by State**	**Pay-for-Performance Bonuses**	**Annual Salary Review Reclassifications**	**Other**
2002			On time		$600	Outstanding: $500 Exceeds standards: $250		Salary schedules expand from 16 to 18 steps on 7/1/01[1]
	7/1/2001			$850			Yes[2]	
	1/1/2002	4.0%						
2003		None	None		$500	None	None	
2004		None	None		None	None	None	
2005	7/1/2004	$752[3]	On time		None	None	Yes[4]	
2006	7/1/2005	1.5%	On time		$400	None	Yes[5]	
2007	7/1/2006	$900, $1,400, or 2%[6]	On time	2% extra, 9% extra for State police (primarily DGS and DHMH officers)	$600	None	Yes[7]	2 steps on standard salary schedule; 1 step on the physician's salary schedule
2008	7/1/2007	2.0%	On time		$600	None	None	
2009	7/1/2008	2.0%	On time		$600	None	Yes[8]	2-5 day furlough enacted [9]
2010	7/1/2009	None	None		$0	None	None	3-10 day furlough enacted [10]

[1] The executive pay plan (EEP) and physicians' schedules did not expand.
[2] Three groups of employees received reclassifications in fiscal 2002: nurses, institutional educators, and addictions counselors who work in local health departments and nonprofits. Statewide increases went to nurse classifications through two grade increases, one on July 1, 2001, and one on January 1, 2002. Institutional educators received increases through an adjustment to their pay plan. The standard salary schedule expanded to accommodate management service positions moved off the executive salary schedule.
[3] The fiscal 2005 increase of $752 effectively represented a 1.6% general salary increase.
[4] The following classifications are provided upgrades: public defenders, social services attorneys, assistant general counsels (human relations), assistant State prosecutors, direct service workers in the Department of Juvenile Services, property assessors, lab scientists, administrative law judges, and banking financial examiners.
[5] The fiscal 2006 annual salary review provides a one-grade salary adjustment for the Deputy State Fire Marshal classification series.
[6] Fiscal 2007 general salary increases are $900 for employees making less than $45,000 at the end of fiscal 2006, $1,400 for employees making $70,000 or more, and 2% for those remaining.
[7] The fiscal 2007 annual salary review provides reclassifications and other enhancements for correctional officers and correctional support personnel, registered nurses, licensed practical nurses, direct care assistants, forensic scientists, institutional educators, administrative law judges, and teachers aides.
[8] The fiscal 2009 annual salary review provides reclassifications and other enhancements for scientists, investigators, engineers, Public Defender Intake Specialist, Veteran Service, Cemetery Workers, Call Center Specialists, Complex Tax Auditor, Tax Consultant, Retirement Benefits Counselor, Medical Care Specialist, Dental Workers, Financial Regulation, Deputy Fire Marshal, Lead Aviation Maintenance Technician, Police Communications Operators, and Civilian Helicopter Pilots. The total for salary review adjustments was worth $5.9 million.
[9] State employee salaries were reduced through furlough in fiscal 2009 by Executive Order 01.01.2008.20 in December 2008. The salaries for employees earning $40,000 were reduced by the value of 2 days' salary; those earning between $40,000 and $59,999 were reduced by the value of 4 days' salary; and those earning $60,000 or above were reduced by 5 days' salary. Public safety and positions required to maintain 24/7 facilities were exempted from the action. The result was an average salary reduction of approximately 1.4%
[10] State employee salaries were reduced through furloughs and salary reductions in fiscal 2010 by Executive Order 01.01.2009.11 in August 2009. All employees are subject to a temporary salary reduction of five salary days, while non-24/7 employees with salaries between $40,000 and $49,999 are furloughed for an additional 3 days, those between $50,000 and $99,999 for extra 4 days; and those earning over $100,000 are furloughed for additional 5 days. The result was an average salary reduction of approximately 2.5%.

DGS: Department of General Services
DHMH: Department of Health and Mental Hygiene

Source: Department of legislative Services, November 2009

Exhibit 13

Recent General Assembly Member Salary Increases Compared to Several Price Indices and Maryland State Employee General Salary Increases

Four-year Period	Maryland Personal Income	Consumer Price Index – Urban Consumers	State and Local Government Compensation	Maryland State Employee General Salary Increase	General Assembly Member Salary[1]
1991-1994	13.3%	8.8%	16.2%	4.0%	12.0%
1995-1998	17.9%	7.0%	13.1%	5.1%	6.1%
1999-2002	19.0%	8.0%	19.1%	16.3%	6.1%
2003-2006	20.4%	8.7%	14.4%	3.1%	38.1%
2007-2010	5.7%	5.1%	8.2%	2.6%	0%
2011-2014	18.0%	5.8%	11.7%	4.1%[2]	

[1] Total salary change of the last year of each four calendar-year period (*e.g.*, 2010) from the last year of the previous four-year period (*e.g.*, 2002).
[2] Projected using an average annual increase of 1.0% from fiscal 2011 to 2014.

Source: Forecast of Maryland personal income (2009+) from the Board of Revenue Estimates, September 2009; Forecast of CPI and S&L government compensation (2009+) from Global Insight, November 2009

Exhibit 14
Salaries of Selected Maryland State Officials
Fiscal 2003-2010

	2003	2004	2005	2006	% Change 2003-2006	2007	2008	2009	2010	% Change 2007-2010
Constitutional Officers										
Governor	$135,000	$140,000	$145,000	$150,000	11.11%	$150,00	$150,000	$150,000	$150,000	0.00%
Lieutenant Governor	112,500	116,667	120,833	125,000	11.11%	125,000	125,000	125,000	125,000	0.00%
Attorney General	112,500	116,667	120,833	125,000	11.11%	125,000	125,000	125,000	125,000	0.00%
Comptroller	112,500	116,667	120,833	125,000	11.11%	125,000	125,000	125,000	125,000	0.00%
Treasurer	112,500	116,667	120,833	125,000	11.11%	125,000	125,000	125,000	125,000	0.00%
Secretary of State	78,750	81,667	84,583	87,500	11.11%	87,500	87,500	87,500	87,500	0.00%
Deputy Constitutional Officers										
Attorney General	$119,310	$122,672	$119,281	$124,430	4.29%	$129,71	$135,046	$140,460	$143,270	10.45%
Comptroller	119,019	119,019	119,019	125,664	5.58%	124,203	128,603	151,210	154,235	24.18%
Treasurer	100,881	104,000	104,000	92,972	-7.84%	110,033	117,260	119,606	127,762	16.11%
Judiciary										
Judge, Court of Appeals	$131,600	$131,600	$132,352	$136,852	3.99%	$144,35	$153,352	$162,352	$162,352	12.47%
Ch. Judge Court of Appeals	150,600	150,600	151,352	155,852	3.49%	163,352	172,352	181,352	$181,352	11.02%
Judge, Special Appeals	123,800	123,800	124,552	128,302	3.64%	134,552	142,052	149,552	$149,552	11.15%
Ch. Judge Ct. Spec. Appeals	126,800	126,800	127,552	131,302	3.55%	137,552	145,052	152,552	$152,552	10.90%
Judge, Circuit Court	119,600	119,600	120,352	123,352	3.14%	128,352	134,352	140,352	$140,352	9.35%
Judge, District Court	111,500	111,500	112,252	114,502	2.69%	118,502	122,752	127,252	$127,252	7.38%
Ch. Judge, District Court	123,800	123,800	124,552	128,302	3.64%	134,552	142,052	149,552	$149,552	11.15%

Exhibit 14 (Cont.)

	2003	2004	2005	2006	% Change 2003-2006	2007	2008	2009	2010	% Change 2007-2010
Cabinet Secretaries										
Superintendent of Schools	$135,000	$135,000	$165,000	$175,000	29.63%	$185,00	$195,000	$195,000	$195,000	5.41%
Aging	116,142	116,142	116,459	119,555	2.94%	123,776	125,176	122,400	124,848	0.87%
Planning	112,786	112,786	116,459	120,727	7.04%	126,214	127,614	122,400	124,848	-1.08%
Veterans	82,693	85,173	86,457	90,600	9.56%	94,718	96,118	101,490	80,160	-15.37%
Budget and Management	142,770	142,770	142,771	150,699	5.55%	153,563	154,963	162,825	166,082	8.15%
General Services	125,320	125,320	122,000	125,207	-0.09%	129,628	131,028	135,660	138,374	6.75%
Transportation	144,279	144,279	144,000	147,647	2.33%	149,862	151,262	162,825	166,082	10.82%
Natural Resources	125,320	125,320	125,514	127,529	1.76%	129,442	130,842	145,860	148,778	14.94%
Agriculture	113,667	113,667	116,459	121,899	7.24%	127,440	128,840	127,500	130,050	2.05%
Health and Mental Hygiene	145,686	145,686	155,141	155,893	7.01%	158,232	159,632	162,825	166,082	4.96%
Human Resources	127,174	127,174	125,514	128,791	1.27%	128,160	129,560	151,210	159,000	24.06%
Labor, Licensing, and Reg.	125,320	125,320	127,000	132,862	6.02%	136,305	137,705	140,460	143,270	5.11%
Public Safety	145,686	145,686	135,299	141,493	-2.88%	147,924	149,324	162,825	166,082	12.28%
Higher Education Commission	119,357	119,357	125,514	135,140	13.22%	141,283	142,683	151,170	154,194	9.14%
Housing	131,262	131,262	125,514	130,054	-0.92%	135,965	137,365	145,860	148,778	9.42%
Bus. and Econ. Development	144,904	144,904	135,299	142,854	-1.41%	147,897	149,297	162,825	166,082	12.30%
Environment	134,092	107,106	107,106	128,791	-3.95%	134,645	136,045	132,600	135,252	0.45%
Juvenile Services	141,444	141,444	135,299	138,772	-1.89%	140,854	142,254	153,000	156,060	10.80%
State Police	135,086	135,086	143,922	126,266	-6.53%	128,160	129,560	162,825	166,082	29.59%

Source: Annual Budget Bill for Cabinet Secretaries, adjusted for Constitutional Officers and Judiciary when compensation commissions have met after session.

Exhibit 15
City and County Council Salaries
Fiscal 2002-2010

	Fiscal 2002	Fiscal 2006	Fiscal 2010	2006-2010 % Change
Anne Arundel County				
Member	$28,660	$36,000	$36,000	0.0%
Chairman	33,000	40,500	40,500	0.0
Baltimore City				
Member	48,000	48,000	58,425	21.7
President	80,000	88,000	100,450	14.2
Baltimore County				
Member	38,500	45,000	54,000	20.0
Chairman	43,000	50,000	60,000	20.0
Harford County				
Member	18,500	31,000	34,205	10.3
Chairman	20,000	34,000	37,205	9.4
Howard County				
Member	33,800	33,800	52,892	56.5
Chairman	34,800	34,800	53,892	54.9
Montgomery County				
Member	65,674	76,654	94,353	23.1
Chairman	72,242	84,320	103,786	23.1
Prince George's County				
Member	56,858	73,000	97,087	33.0
Chairman	59,403	78,000	102,087	30.9

Source: Local personnel offices

Exhibit 16

Mayor and County Executive Salaries

Fiscal 2002-2010 Period

	Fiscal 2002	Fiscal 2006	Fiscal 2010	2006-2010 % Change
Anne Arundel County	$99,000	$105,612	$130,000	23.1%
Baltimore City	125,000	125,000	125,000	21.4
Baltimore County	105,000	125,000	125,000	20.0
Harford County	65,000	90,000	90,000	10.4
Howard County	98,500	136,717	136,717	16.1
Montgomery County	120,837	158,285	175,000	10.6
Prince George's County	105,508	135,000	174,539	29.3

Source: Local personnel offices

Exhibit 17
Local Government Salary Actions in Fiscal 2010

	County Government Generally		Board of Education Teachers	
County	**COLA**	**Step**	**COLA**	**Step**
Allegany	0.0%	No	2.0%	Yes
Anne Arundel[1]	0.0%	Varies	0.0%	No
Baltimore City	2.0%	Yes	0.0%	Yes
Baltimore[2]	2.0%	Yes	3.5%	Yes
Calvert	0.5%	No	0.5%	Yes
Caroline	0.0%	No	0.0%	Yes
Carroll	0.0%	No	0.0%	No
Cecil	0.0%	No	1.1%	Yes
Charles	0.0%	No	0.0%	No
Dorchester	0.0%	No	0.0%	No
Frederick[3]	0.0%	No	0.0%	No
Garrett[4]	$750	No	0.0%	Yes
Harford	0.0%	No	0.0%	No
Howard[5]	0.0%	Yes	1.2%	No
Kent	0.0%	Yes	0.5%	Yes
Montgomery	0.0%	Yes	0.0%	Yes
Prince George's	0.0%	No	0.0%	No
Queen Anne's	$900	No	2.0%	Yes
St. Mary's	0.0%	Yes	1.8%	No
Somerset[6]	0.0%	No	0.0%	Yes
Talbot	0.0%	Yes	1.0%	Yes
Washington[7]	3.0%	No	2.0%	Yes
Wicomico	0.0%	No	0.0%	Yes
Worcester	0.0%	No	0.0%	No
Number Granting	**6**	**8**	**10**	**14**

Source: Department of Legislative Services, October 10, 2009

Comments

[1] Anne Arundel County renegotiated cost-of-living adjustment (COLA) amounts with several bargaining units. These units were scheduled to receive a 3% COLA in fiscal 2010; but instead will receive no COLA but will receive a merit increase. For units that did not renegotiate, no funds were budgeted for either COLA or merit increases. Police officers will not receive a COLA but will receive a 3% merit increase, based on their new contract.

[2] Baltimore County COLAs take effect on January 1, 2010. Baltimore County school teachers received a 3.5% COLA and other school employees received a 2.0% COLA, both of which are implemented at mid-year.

[3] Frederick County deputy sheriffs will receive a merit/step increase.

[4] Garrett County employees will receive $750 in December 2009 and an additional increase totaling up to 3% in March 2010; however, these adjustments will not increase employee base salaries. Road department employees represented by AFSCME received a 4% COLA.

[5] Howard County provided a 3.0% merit/step increase for most positions and a 3.5% merit/step increase for police officers.

[6] Somerset County school employees will receive a merit/step increase in January 2010 if sufficient funds are available.

[7] Washington County provided a 2% COLA for teachers and support personnel effective July 1, 2009, and a 3% COLA for school administrators effective January 1, 2010. School administrators did not receive a merit/step increase, while other school employees did.

Exhibit 18

Income Levels for Maryland's Jurisdictions

Median Household Income and Per Capita Personal Income

County	CY 2008 Median Household	Percent of State	Rank	CY 2007 Per Capita Personal	Percent of State	Rank
Allegany	$38,600	54.8%	23	$27,189	58.5%	23
Anne Arundel	86,500	122.9%	5	51,890	111.7%	4
Baltimore City	40,000	56.8%	22	34,427	74.1%	17
Baltimore	66,400	94.3%	12	48,617	104.6%	5
Calvert	92,150	130.9%	3	41,200	88.7%	10
Caroline	48,200	68.5%	19	27,452	59.1%	22
Carroll	81,200	115.3%	7	41,147	88.5%	11
Cecil	63,850	90.7%	13	35,848	77.1%	16
Charles	80,750	114.7%	8	39,657	85.3%	12
Dorchester	42,100	59.8%	20	30,027	64.6%	20
Frederick	88,200	125.3%	4	44,092	94.9%	8
Garrett	41,500	58.9%	21	29,820	64.2%	21
Harford	79,550	113.0%	9	43,106	92.8%	9
Howard	99,800	141.8%	1	59,240	127.5%	2
Kent	54,950	78.1%	16	45,832	98.6%	6
Montgomery	94,200	133.8%	2	67,525	145.3%	1
Prince George's	70,050	99.5%	10	37,555	80.8%	14
Queen Anne's	81,400	115.6%	6	44,882	96.6%	7
St. Mary's	67,300	95.6%	11	36,835	79.3%	15
Somerset	35,850	50.9%	24	24,053	51.8%	24
Talbot	57,850	82.2%	14	56,775	122.2%	3
Washington	54,100	76.8%	17	33,378	71.8%	18
Wicomico	48,550	69.0%	18	32,044	69.0%	19
Worcester	57,850	82.2%	15	37,769	81.3%	13
Maryland	**$70,400**	**100.0%**		**$46,471**	**100.0%**	

CY: calendar year

Source: Maryland Department of Planning; Department of Legislative Services

Exhibit 19

In-state Expense Reimbursements

Fiscal 2006-2009

	FY 2006			FY 2007		FY 2008			FY 2009	
	Session	***Special***	***Interim***	***Session***	***Interim***	***Session***	***Special***	***Interim***	***Session***	***Interim***
Lodging	$1,428,676	$6,538	$1,650	$1,676,920	$3,035	$1,774,349	$159,401	$234	$1,790,476	$246
% Change	5.55%	n/a	821.79%	17.38%	83.94%	5.81%	n/a	-92.29%	0.91%	5.13%
Meals	409,572	7,660	13,833	443,751	7,125	485,638	57,964	11,809	438,935	11,582
% Change	4.13%	n/a	88.29%	8.35%	-48.49%	9.44%	n/a	65.74%	-9.62%	-1.92%
Mileage	139,731	11,388	56,194	142,575	25,182	154,513	65,887	36,348	169,040	49,451
% Change	38.42%	n/a	2331.61%	2.04%	-55.19%	8.37%	n/a	44.34%	9.40%	36.05%
Miscellaneous	106		156		37			10		16
Total	**$1,978,085**	**$25,586**	**$71,833**	**$2,263,246**	**$35,379**	**$2,414,500**	**$283,252**	**$48,401**	**$2,398,451**	**$61,295**
% Change	**7.04%**	**n/a**	**630.25%**	**14.42%**	**-50.75%**	**6.68%**	**n/a**	**36.81%**	**-0.66%**	**26.64%**

FY: fiscal year

Source: Department of Legislative Services, November 2009

Exhibit 20
In-state Meal and Lodging Reimbursements
1999-2009 Sessions

Fiscal Year	Lodging	% Change Prior Year	Meals	% Change Prior Year	Total	% Change Prior Year
1999	1,086,426	12.5	298,843	9.6	1,385,269	11.9
2000	1,120,910	3.2	299,960	0.4	1,420,870	2.6
2001	1,144,118	2.1	292,227	-2.6	1,436,345	1.1
2002	1,142,010	-0.2	312,191	6.8	1,454,201	1.2
2003	1,303,266	14.1	412,922	32.3	1,716,188	18
2004	1,332,281	2.2	407,105	-1.4	1,739,386	1.4
2005	1,353,559	1.6	393,322	-3.4	1,746,881	0.4
2006	1,428,676	5.6	409,572	4.1	1,838,248	5.2
2007	1,676,920	17.4	443,751	8.4	2,120,671	15.4
2008	1,774,349	5.8	485,638	9.4	2,259,987	6.6
2009	1,790,476	0.9	438,935	-9.6	2,229,411	-1.4

Note: Regular sessions only.

Source: Department of Legislative Services

Exhibit 21
Per Diem Lodging Rates
90-day Rentals

2005 and 2009 General Assembly Sessions

	2005		2009	
Lodging	***Rates***	***# of Legislators***	***Rates***	***# of Legislators***
Historic Inns	$96	28	$126	30
Loews Annapolis	96	31	126	22
Annapolis Marriott Waterfront	96	38	126	30
Marriott Residence[1]	83-96	5	126	3
Sheraton Barcelo	96	9	126	11
Main Stay Suites				
Hampton Inn & Suites			89	1
Courtyards by Marriott	93	1		
O'Callahan	96	8	126	4
Westin			126	15
Apt./House/Condo	63-96	37	100-126	40
Occasional Lodging	67-111	14	126	7
No Submission for Lodging		17		25
Total		**188**		**188**

[1] Changed name to Residence Inn by Marriott.

Source: Department of Legislative Services, November 2009

Exhibit 22
Meal Claims of Legislators for the 2006 through 2009 Sessions of the Maryland General Assembly

	2006		2007		2008		2009	
Meal Limit	**#**	**%**	**#**	**%**	**#**	**%**	**#**	**%**
Claimed 100% of daily limit	153	81%	162	86%	159	85%	161	86%
Claimed 76-99% of daily limit	17	9%	11	6%	16	9%	14	7%
Claimed 51-75% of daily limit	3	2%	9	5%	4	2%	4	2%
Claimed 26-50% of daily limit	4	2%	1	1%	1	1%	3	2%
Claimed 1-25% of daily limit	1	1%	0	0%	0	0%	0	0%
Claimed 0% of daily limit	10	5%	5	3%	8	4%	6	3%
	188	**100%**	**188**	**100%**	**188**	**100%**	**188**	**100%**

Source: Department of Legislative Services, November 2009

Exhibit 23
Out-of-state Travel Costs
Fiscal 2006-2009

	2006	Trip Average	2007	Trip Average	2008	Trip Average	2009	Trip Average
Meals and Lodging	$84,890	$548	$45,109	$460	$90,871	$516	$67,585	$554
Transportation	-47,679	308	-25,038	255	-33,074	188	-41,433	340
Registrations	-39,360	254	-26,360	269	-48,135	262	-41,410	339
Total	**$171,929**	**$1,109**	**$96,507**	**$985**	**$170,080**	**$966**	**$150,428**	**$1,233**
Members (Cumulative)	155		98		176		122	

Source: Department of Legislative Services

Exhibit 24
Summary of Legislative Out-of-state Travel Costs

Fiscal Year	Out-of state Travel Costs
1991	$97,475
1992	60,677
1993	20,070
1994	27,963
1995	48,969
1996	94,058
1997	82,687
1998	94,704
1999	93,565
2000	167,115
2001	175,484
2002	221,340
2003	150,334
2004	191,254
2005	154,532
2006	171,929
2007	96,507
2008	170,080
2009	150,428
2010 Budget	261,000

Source: Department of Legislative Services, November 2009

Exhibit 25
Comparison of Out-of-state Travel Reimbursement Rates for Various Cities Under GSA and IRS Indices

	GSA/Federal Per Diem 2010			IRS (High-Low) 2009		
City	**Lodging**	**Meals**	**Total**	**Lodging**	**Meals**	**Total**
Atlanta	$140	$56	$196	$111	$52	$163
Baltimore	157	71	228	198	58	256
Boston	202	71	273	198	58	256
Chicago	182	71	253	198	58	256
Cleveland	109	56	165	111	52	163
Dallas	118	71	189	111	52	163
Denver	119	66	185	111	52	163
Detroit	158	56	214	111	52	163
Houston	118	71	189	111	52	163
Los Angeles	135	71	206	111	52	163
Nashville	119	66	185	111	52	163
New Orleans	126	71	197	111	52	163
New York	292	71	363	198	58	256
Philadelphia	157	66	223	198	58	256
Sacramento	109	61	170	111	52	163
San Francisco	170	71	241	198	58	256
Seattle	159	71	230	198	58	256
Washington, DC	219	71	290	198	58	256
18-City Average	**$155**	**$67**	**$222**	**$150**	**$55**	**$205**

GSA: General Services Administration
IRS: Internal Revenue Service

Note: For GSA/Federal per diem data, weighted average of seasonal allowances apply for Baltimore, Boston, Chicago, Dallas, New Orleans, New York (Manhattan rates), Philadelphia, San Francisco and Washington DC.

Source: U.S. General Services Administration (http://www.gsa.gov/graphics/ogp/FY10_Per_Diem_File.xls accessed November 2009); Internal Revenue Service, Publication 1542 (October 2009); Department of Legislative Services

Exhibit 26
Comparison of Maryland State Retirement Plan

	Employees and Teachers	Judges	General Assembly	Governor	State Police	Law Enforcement Officers' System	Correctional Officers' System
Participation	Condition of employment	Condition of employment	Optional	Automatic	Condition of employment	Condition of employment	Condition of employment
Vesting	5 years of service	Immediate	8 years of service	one full term	5 years of service	5 years of service	5 years of service
Employee Contribution	5% of salary	6% of salary (for 16 years)	5% of salary (for 22 years, 3 months)	none	8% of salary	4% of salary	5% of salary
Service Retirement Conditions	Age 62 or 30 years (Age 55 with 15 years reduced benefit)	Age 60	Age 60 (Age 50 with 8 years reduced benefit)	Age 55	Age 50 or 22 years of service	Age 50 or 25 years of service	20 years service, with at least the last 5 years as correctional officer
Allowance	1.4% of salary for years service after 7/1/98; plus 1.8% of salary for years service prior to 7/1/98	2/3 of active judge salary at 16 years	3% of current legislative salary per year of service	1/3 of annual salary for one term; or 1/2 of annual salary for 2 terms	2.55% per year of service	2.0% per year if subject to the LEOPS's modified pension benefit; otherwise 2.3% for first 30 years and 1.0% for each year thereafter	1.8% per year of service
Post Retirement Adjustments	Limited to 3% of initial benefit	Based on salary of active judges	Based on salary of active legislators	Limited to 3% of initial benefit	Unlimited annual cost-of-living adjustment (COLA)	Limited to 3% of initial benefit	Unlimited annual COLA

Exhibit 26 (Cont.)

	Employees and Teachers	Judges	General Assembly	Governor	State Police	Law Enforcement Officers' System	Correctional Officers' System
Ordinary Disability Retirement							
Conditions	Incapacitated for duty after 5 years eligibility service	Incapacitated for duty	See footnote[1]	Not applicable	Incapacitated for duty after 5 years eligibility service	Incapacitated for duty after 5 years eligibility service	Incapacitated for duty after 5 years eligibility service
Allowance	Service retirement projected to age 62	Service retirement with minimum of 33.3% of salary	See footnote[1]	Not applicable	Service retirement with minimum of 35% of salary	Service retirement projected to age 50	Service retirement with minimum of 25% of salary
Accidental Disability Retirement							
Conditions	Permanently and totally disabled by accident in the performance of duty	Not applicable	Not applicable	Not applicable	Permanently and totally disabled by accident in the performance of duty	Permanently and totally disabled by accident in the performance of duty	Permanently and totally disabled by accident in the performance of duty
Allowance	2/3 of salary plus annuity based on member contributions	Not applicable	Not applicable	Not applicable	2/3 of salary plus annuity based on member contributions	2/3 of salary plus annuity based on member contributions	2/3 of salary plus annuity based on member contributions

LEOPS: Law Enforcement Officers' Pension System

[1]An active legislator is eligible to receive a disability allowance if the member has at least 8 years of creditable service (regardless of age), is certified disabled by the medical board, and makes application to the Board of Trustees

Source: Department of Legislative Services, November 2001

Exhibit 27

Accrued Retirement Service Credits of Active Maryland Legislators

	Years of Creditable Service						
	0 – 4	**4 – 8**	**8 – 12**	**12 – 16**	**16 – 20**	**20 – 22.25**	**22.25+**
Number of Members	39	49	21	27	14	4	26
Average Age	46.6	52.9	54.3	62.5	65.6	66.4	69.2
Maximum Retirement Benefit	n/a	n/a	24 – 36%	36 – 48%	48 – 60%	60 – 67%	67%

	Years of Creditable Service					
	Up to 8	**8 – 12**	**12 – 16**	**16 – 20**	**20 – 22.25**	**22.25+**
Full Service Retirement[1]	12	7	17	11	3	25
Reduced Service Retirement[2]	11	7	7	3	1	1
Vested Allowance	13	7	3	0	0	0

[1] Full Service Retirement payable at age 60 with a minimum of 8 years of service.
[2] Reduced Service Retirement payable as early as age 50.

Source: State Retirement Agency; Department of Legislative Services, September 2009

Exhibit 28
Retirement Status of Retired Maryland Legislators by Plan

2002 Plan

	Number	Average Age	Average Monthly Benefit	Average Years of Service
Retiree	175	71.5	$1,421.79	14.6
Beneficiary	48	82.7	$716.91	n/a

Bifurcated Plan

	Number	Average Age	Average Monthly Benefit	Average Years of Service
Retiree	0	n/a	n/a	n/a
Beneficiary	3	94	$303.44	n/a

1966 Plan

	Number	Average Age	Average Monthly Benefit	Average Years of Service
Retiree	14	74	$616.05	12.3
Beneficiary	13	85	$349.68	n/a

Source: State Retirement Agency; Department of Legislative Services, September 2009

Exhibit 29

State by State Comparison of Retirement Benefits

Ranked by Annual Benefit

Ranking	State	Salary	Contribution Rate	12-year Benefit Annual	12-year Benefit Monthly	12-year Benefit % of Salary	20-year Benefit Annual	20-year Benefit Monthly	20-year Benefit % of Salary	Annual Benefit Formula
1	Illinois	$67,836	11.50%	$30,526	$2,544	45.00%	$57,661	$4,805	85.00%	3.00 - 5.00%
2	Texas	7,200	8.00%	34,501	2,875	479.18%	57,502	4,792	798.64%	2.30%
3	Pennsylvania	78,315	7.50%	28,193	2,349	36.00%	46,989	3,916	60.00%	3.00%
4	Oklahoma	38,400	10.00%	20,736	1,728	54.00%	34,560	2,880	90.00%	1.90 or 4.50%
5	Hawaii	48,708	0.00%	20,457	1,705	42.00%	34,096	2,841	70.00%	3.50%
6	New York	79,500	3.00%	15,932	1,328	20.04%	31,800	2,650	40.00%	1.50 - 2.00%
7	Massachusetts	61,440	9.00%	18,432	1,536	30.00%	30,720	2,560	50.00%	2.50%
8	New Jersey	49,000	5.00%	17,640	1,470	36.00%	29,400	2,450	60.00%	3.00%
9	Ohio	60,584	4.50 - 10.00%	15,994	1,333	26.40%	26,657	2,221	44.00%	2.20 - 2.50%
10	**Maryland**	**43,500**	**5.00%**	**15,660**	**1,305**	**36.00%**	**26,100**	**2,175**	**60.00%**	**3.00%**
11	Indiana	22,616	0.00%	22,616	1,885	100.00%	22,616	1,885	100.00%	1/12 of FAS
12	Wisconsin	49,943	2.60%	12,151	1,013	24.33%	20,801	1,733	41.65%	2.00 - 2.165%
13	Arizona	24,000	7.00%	11,520	960	48.00%	19,200	1,600	80.00%	4.00%
14	Florida	30,336	0.00%	10,921	910	36.00%	18,202	1,517	60.00%	3%
15	Washington	42,106	3.33%	10,105	842	24.00%	16,842	1,404	40.00%	1 - 2%
16	Minnesota	31,141	9.00%	10,090	841	32.40%	16,816	1,401	54.00%	2.70%
17	Tennessee	19,009	5.43%	10,080	840	53.03%	16,500	1,375	86.80%	$70/month
18	Delaware	42,750	3.00%	9,491	791	22.20%	16,266	1,356	38.05%	1.85 - 2.00%
19	Colorado	30,000	8.00%	9,000	750	30.00%	15,000	1,250	50.00%	2.50%
20	South Carolina	12,000	10.00%	6,941	578	57.84%	11,568	964	96.40%	4.82%

Exhibit 29 (Cont.)

			Contribution	12-year Benefit			20-year Benefit			
Ranking	**State**	**Salary**	**Rate**	**Annual**	**Monthly**	**% of Salary**	**Annual**	**Monthly**	**% of Salary**	**Annual Benefit Formula**
21	North Carolina	13,951	7.00%	6,730	561	48.24%	11,217	935	80.40%	4.02%
22	Alaska	24,012	6.75%	5,883	490	24.50%	10,205	850	42.50%	2.00 - 2.50%
23	Iowa	25,000	3.70%	6,000	500	24.00%	10,000	833	40.00%	2.00%
24	Georgia	17,342	3.75%	5,184	432	29.89%	8,640	720	49.82%	$36/month
25	West Virginia	20,000	4.50%	4,800	400	24.00%	8,000	667	40.00%	2.00%
26	Connecticut	28,000	2.00%	4,469	372	15.96%	7,448	621	26.60%	0.05 - 1.33%
27	Oregon	21,612	16.37%	4,331	361	20.04%	7,218	602	33.40%	1.67%
28	Idaho	16,116	6.97%	3,868	322	24.00%	6,446	537	40.00%	2.00%
29	Arkansas	15,362	5.00%	3,687	307	24.00%	6,145	512	40.00%	2.00%
30	Virginia	18,000	8.91%	3,672	306	20.40%	6,120	510	34.00%	1.70%
31	Mississippi	10,000	7.25%	3,600	300	36.00%	6,000	500	60.00%	1.00 - 2.00%
32	Utah	n/a	0.00%	3,571	298	n/a	5,952	496	n/a	$24.80/month
33	New Mexico	-	$100/year	3,000	250	0.00%	5,000	417	0.00%	$250 x yrs. of service
34	Missouri	35,915	0.00%	1,496	125	4.17%	2,494	208	6.94%	(monthly pay/24) x yrs. of service
35	Nevada	n/a	15.00%	300	25	n/a	500	42	n/a	$25/yrs. of service

(*) denotes state with full-time legislature.

The following states either did not provide sufficient information or do not provide a defined benefit plan to legislators: Alabama, California*, Kansas, Kentucky, Louisiana, Maine, Michigan*, Montana, Nebraska, New Hampshire, North Dakota, Rhode Island, South Dakota, Vermont, and Wyoming.

Exhibit 30

Medical Insurance for Legislators

(Payroll Ending 8/31/09)

	Health		Prescription		Dental	
	Members	**% of Total Chamber**	**Members**	**% of Total Chamber**	**Members**	**% of Total Chamber**
Participation						
Senate	37	78.7%	33	70.2%	27	57.4%
House	96	68.1%	91	64.5%	82	58.2%
Total	**133**	**70.7%**	**124**	**66.0%**	**109**	58.0%
Coverage Levels						
Senate						
Individual	5	10.6%	3	6.4%	6	12.8%
Two or More	32	68.1%	30	63.8%	21	44.7%
Total	**37**	**78.7%**	**33**	**70.2%**	**27**	**57.4%**
House						
Individual	30	21.3%	28	19.9%	22	15.6%
Two or More	66	46.8%	63	44.7%	60	42.6%
Total	**96**	**68.1%**	**91**	**64.5%**	**82**	**58.2%**
Combined						
Individual	35	18.6%	31	16.5%	28	14.9%
Two or More	98	52.1%	93	49.5%	81	43.1%
Total	**133**	**70.7%**	**124**	**66.0%**	**109**	**58.0%**

Health Subsidy

$290.86 - $347.53 per month for single coverage.
$523.56 - $868.85 per month for 2 or more.

Prescription Subsidy

$158.06 per month for single coverage.
$316.12 per month for 2 or more.

Dental Subsidy

$6.95 - $10.81 per month for single coverage.
$19.57 - $40.50 per month for 2 or more.

Source: Department of Legislative Services, November 2009

Exhibit 31

Health, Dental, and Optical Benefits for State Legislators – 2008

State	Heath Benefits	Dental Coverage	Optical
AK	State pays portion, legislator pays portion.	State pays portion, legislator pays portion.	Optional at legislator's expense; unless included in health insurance.
AL	Same as state employees, optional at legislator's expense.	Same as state employees, optional at legislator's expense.	Not available.
AR	State pays $320; legislator pays balance depending on plan chosen.	Optional at legislator's expense.	Some HMOs provide limited diagnostic coverage.
AZ	State pays portion; legislator pays portion.	Optional at legislator's expense.	Optional at legislator's expense.
CA	State pays portion, legislator pays portion.	State pays full amount for basic dental coverage. Member pays extra for an enhanced plan if they want it.	State pays full amount for basic plan, and the member pays extra for the enhanced plan if they want it.
CO	State pays portion, legislator pays portion; amount differs according to plan selected.	State pays portion, legislator pays portion; amount differs according to plan selected.	Not available.
CT	State pays portion, legislator pays portion.	State pays portion, legislator pays portion.	Some health insurance plans include discounts on eyewear.
DE	State pays portion, legislator pays portion. After three months the state pays entire amount for basic plan.	Optional at legislator's expense.	Optional at legislator's expense.
FL	State pays full amount.	State pays full amount.	Optional at legislator's expense.
GA	Same as State employees plan. State pays portion, legislator pays portion.	Optional at legislator's expense.	Optional at legislator's expense.
HI	State pays portion, legislator pays portion.	State pays portion, legislator pays portion.	State pays portion, legislator pays portion.
IA	State pays portion, legislator pays portion.	State pays portion, legislator pays portion.	Not available.

Exhibit 31 (Cont.)

State	Heath Benefits	Dental Coverage	Optical
ID	State pays portion, legislator pays portion.	State pays portion, legislator pays portion.	Not available.
IL	State pays portion, legislator pays portion.	State pays portion, legislator pays portion.	State pays portion, legislator pays portion.
IN	State pays portion, legislator pays portion.	State pays full amount.	State pays portion, legislator pays portion. Dependent coverage is at legislator expense.
KS	State pays portion, legislator pays portion.	State pays for legislator, legislator pays dependent coverage.	Optional at legislator's expense.
KY	State pays single portion, legislator pays dependent portion.	Optional at legislator's expense.	Optional at legislator's expense.
LA	State pays 50%, legislator pays 50%.	State pays 50%, legislator pays 50%, Senator pays 100%.	Legislator pays 100%.
MA	State pays portion (currently 80%), legislator pays portion.	State pays portion, legislator pays portion.	State pays portion, legislator pays portion.
MD	Same as state employee. State pays 80-85% depending on plan selected. Legislator pays 20% for PPO, 17% for POS, 15% for HMO.	Same as state employee plan. State subsidizes 50%.	Covered under medical plan.
ME	HMO plan is same as provided to State employees. State pays 100% of legislator coverage and 50% of dependent coverage.	Dental plan is same as provided to State employees. State pays 100% of legislator coverage only.	Vision care insurance is offered, but is 100% legislator paid.
MI	Health, vision, life, cancer, prescription, offered via cafeteria plan.	Included in cafeteria plan.	Included in cafeteria plan.
MN	State pays 100% for single coverage and 85% of family coverage.	State pays 90% for single coverage and 50% for family coverage.	The same optional coverages as state employees. STD, LTD, optional life (member, spouse, and child), AD&D, and long-term care.

Exhibit 31 (Cont.)

State	Heath Benefits	Dental Coverage	Optical
MO	State pays portion, legislator pays portion.	Optional at legislator’s expense.	Optional at legislator’s expense.
MS	State pays full amount of legislator-only premiums.	Optional at legislator’s expense.	Not available.
MT	State pays full amount.	State pays full amount.	Optional at legislator’s expense.
NC	State pays full amount for legislator; optional family coverage at legislator’s expense.	Optional at legislator’s expense.	Optional at legislator’s expense.
ND	State pays health insurance premium for legislators choosing the state health plan.	Optional at legislator’s expense.	Optional at legislator’s expense.
NE	Optional at legislator’s expense.	Optional at legislator's expense.	Optional at legislator’s expense.
NH	Optional at legislator’s expense.	Optional at legislator’s expense.	Not available.
NJ	Same as state employees; choice between a PPO and 2 HMOs and cost is 1.5% of salary.	Same as state employees. State pays portion, legislator pays portion.	Same as state employees: minor reimbursement for eye examination and periodic lend purchase.
NM	Not available.	Not available.	Not available.
NV	Optional at legislator’s expense.	Optional at legislator’s expense.	Optional at legislator’s expense.
NY	State pays portion, legislator pays portion.	State pays portion, legislator pays portion.	No cost if participating provider used.
OH	State pays 85%; legislator pays 15%.	State pays full amount.	State pays full amount.
OK	Up to $262.19 allowance per month for all benefits.	State pays full amount.	State pays full amount.
OR	Same as all other state employees.	Same as all other state employees.	Same as all other state employees.

Exhibit 31 (Cont.)

State	Heath Benefits	Dental Coverage	Optical
PA	Medical/hospital coverage, dental, vision, and prescription drugs at cost of 1% of salary.	See column 1.	See column 1.
RI	Legislators receive the same health insurance as state employees.	Legislators receive the same dental insurance as state employees.	Legislators receive same optical insurance as state employees.
SC	State pays portion, legislator pays portion.	State pays portion, legislator pays portion.	Not available.
SD	Not available.	Not available.	Not available.
TN	State pays 80%, legislator pays 20%.	Optional at legislator's expense.	Not available.
TX	State pays full amount.	Optional at legislator's expense.	Included in health coverage.
UT	State pays portion, legislator pays portion.	State pays portion, legislator pays portion.	State pays portion, legislator pays portion.
VA	State pays portion, legislator pays portion.	State pays portion, legislator pays portion.	State pays portion, legislator pays portion.
VT	Optional at legislator's expense.	Not available.	Not available.
WA	State pays portion; legislator pays portion.	State pays full amount.	Included in medical.
WI	Same benefits as state employees. State pays portion, legislator pays portion.	Some HMOs cover.	Optional at legislator's expense.
WV	Optional at legislator's expense.	Optional at legislator's expense.	Optional at legislator's expense.
WY	Not available.	Not available.	Not available.

HMO: health maintenance organization
POS: point of service
PPO: preferred provider organization

Source: National Council of State Legislatures

Exhibit 32

Health, Dental, and Optical Benefits for Legislators in States with Budgets Within $5 Billion of Maryland's Budget

State	Budget[1] ($ in Billions)	Health	Dental	Optical
Virginia	$33.7	State pays portion, legislator pays portion.	State pays portion, legislator pays portion.	State pays portion, legislator pays portion.
Louisiana	29.3	State pays 50%, legislator pays 50%	State pays 50%, legislator pays 50% Senators pay 100%	Legislator pays 100%
Maryland	28.8	Same as state employee plan; state subsidizes 80% to 85% depending on the plan selected; legislator pays 20% for PPO; 17% for POS; or 15% for HMO.	Optional; Same as state employee plan; state subsidizes 50%	Covered under medical plan.
Washington	28.2	State pays portion; legislator pays portion.	State pays full amount.	Included in medical.
Arizona	26.9	State pays portion; legislator pays portion.	State pays portion, legislator pays portion.	Optional at legislator expense.
Minnesota	26.4	State pays 100% for single coverage and 85% of family coverage.	State pays 90% for single coverage and 50% for family coverage.	The same optional coverage as state employees. STD, LTD, Optional Life (Member, Spouse, & Child), AD&D, & Long term care.
Tennessee	24.3	State pays 80%, legislator pays 20%.	Optional at legislator's expense.	Not available.

AD&D: Accidental Death and Dismemberment
HMO: health maintenance organization
LTD: limited
POS: point of service
PPO: preferred provider organization
STD: standard

[1] Based on fiscal 2007 data.

Source: National Association of State Budget Officers, *2007 State Expenditure Report*; National Conference of State Legislatures, November 2009

Exhibit 33

District Office Accounts

Amount – Fiscal 2009

	Total	Staff Minimum
Senate		
Leadership (8)	$19,736	$6,500
Senators (39)	18,265	5,800
House		
Leadership (10)	$19,736	$6,500
Delegation (5)	19,110	5,800
Delegates (126)	18,265	5,800

Use of Funds

1. Office space in district

2. Staff services

3. Communications

    Telephone – limit $2,000 unless approved by presiding officer

    Postage – limit $1,000 for legislator and $2,600 for *Annapolis Report* per district, unless more is approved by presiding officer

    No newsletters except *Annapolis Report*

    Newspapers – limit $300

4. Supplies

5. Utilities

6. Furniture and equipment, including computers; items become property of the State and must be returned or purchased at depreciated value if legislator leaves office

Source: Department of Legislative Services, November 2009

Exhibit 34

History of District Office Account Allowances

Fiscal	Senator		Delegate	
Year	Total	Clerical Minimum	Total	Clerical Minimum
1971	$4,700		$2,000	
1975	5,000		6,000	
1979	5,500		8,488	$2,850
1983	6,615		10,143	3,550
1987	7,770		11,970	4,400
1990	17,395	$6,395	16,197	8,000
1994	16,765	5,800	15,507	7,300
1998	18,265	5,800	17,007	7,300
1999	18,265	5,800	18,265	5,800
2005	18,265	5,800	18,265	5,800
2009	18,265	5,800	18,265	5,800

Source: Department of Legislative Services, November 2009

Exhibit 35

Staff Assistance for Members of the Maryland General Assembly

Funding is included in the fiscal 2010 budget for the Maryland General Assembly to provide staff assistance to senators and delegates as follows.

Senate

Funds are included to permit each senator to hire an administrative aide that is a regular full-time, benefited employee. The current salary range for these positions is $39,000 to $63,000.

Funds are included to permit each senator to hire a secretary for the legislative session. This is generally a benefited employee. For fiscal 2010, each position is budgeted at $7,630.

Each senator is provided with a District Office Allowance of $18,265. Of this amount, $5,800 is restricted to staff assistance. Nine leadership positions are each provided with $19,736, of which $6,500 is restricted to staff assistance.

Each senator is provided with a Supplemental Operating Fund in the amount of $7,500. This amount is intended to supplement the District Office Allowance and may be spent on operating expenses or for staff assistance at the senator's option.

House

Funds are included in the House budget to provide for payment of salaries attributable to specifically budgeted delegation staff positions. These are generally benefited positions which may work either a full-time or a part-time schedule depending on workload. The applicable salary for each budgeted delegation staff position is established based primarily on qualifications, experience, and anticipated workload.

Funds are included to permit each delegate to hire a secretary for the legislative session. Each delegate's secretary is funded at $2,543 for fiscal 2010, which if combined with two other delegates, approximates the amount budgeted for each senator's secretary.

Each delegate is provided with a District Office Allowance of $18,265. Of this amount, $5,800 is restricted to staff assistance. Twelve senior leadership positions are each provided with $19,736, of which $6,500 is restricted to staff assistance. Five delegation chair positions are each provided with $19,110, of which $5,800 is restricted to staff assistance.

Each delegate is provided with a Supplemental Operating Fund in the amount of $3,546. This amount is intended to supplement the District Office Allowance and may be spent on operating expenses or for staff assistance at the delegate's option.

Source: Department of Legislative Services, November 2009

Appendix 1. Minutes

General Assembly Compensation Commission

Minutes – December 8, 2009 Meeting

Commissioners in attendance: Sean Glynn, Chair; Robert Antonetti, Jr.; Adolph Ebersberger; Edward Gilliss; Kathryn Higgins; Thomas Lingan; Margaret Powell; John Sprague; and Gabriel Terrasa.

Staff in attendance: Simon Powell and Dylan Baker.

Mr. Glynn convened the meeting at 10:05 a.m. After introductions and opening remarks, staff presented a brief overview of the charge of the commission as well as a review of the 2006 commission recommendations and the ultimate outcome of those recommendations.

To provide some context for the commission's work, the chair asked staff to update the commission on the State's fiscal situation and immediate budget outlook. Drawing on a larger fiscal update document (see http://mlis.state.md.us/2009RS/misc/2009_Dec3_Briefing.pdf), staff outlined the current fiscal 2010 budget situation and the significant budget reductions and other pending actions which have been taken to keep the fiscal 2010 budget in balance. The significant challenge for fiscal 2011 was also discussed as was an indication of the seriousness of the out-year outlook.

Background Information on State Legislatures Generally and Maryland Specifically

Following the brief budget overview, staff presented data from the Council of State Governments noting that most States utilize a commission or other independent body to establish legislative compensation. Also presented was an overview of the nature of the Maryland legislature. Specifically, information from the Council of State Governments and National Council of State Legislatures was presented that distinguished state legislatures as full-time, citizen, or a hybrid of full-time/citizen legislatures. Maryland is considered a hybrid legislature. There is a strong relationship between the categorization of State legislatures and legislative compensation, *i.e*, full-time legislatures being compensated relatively well, citizen legislatures at the lower end of the compensation spectrum with hybrids between the two. Maryland is second only to Hawaii in terms of relative compensation for a hybrid state. In response to a question from Mr. Gilliss, staff elaborated that one of the factors used to categorize legislatures is the extent of staff. Mr. Gilliss asked for additional information on staffing levels in Maryland. Data was also presented on workload in terms of bill counts. However, it was noted that this data is a poor indicator of the workload of the legislature.

Information was also provided as to the profile of the Maryland legislature in terms of educational background and other occupations. Several questions were asked about occupations and how the data was compiled. Staff indicated that the data was drawn from the personal responses as to a legislator's occupation compiled in the Maryland Manual (see http://www.msa.md.gov/msa/mdmanual/07leg/html/ga.html). Mr. Lingan asked how the profile of the legislature had changed over time in terms of occupational background. Staff noted that there was some difference compared to data presented in the 2006 commission report, in particular with more legislators identifying themselves as full-time legislators in the most recent profile. However, staff also noted that it was difficult to verify how the historical data had been compiled, making comparisons difficult.

Finally, information was presented on election year turnover. In response to a question from Ms. Higgins, staff noted that the turnover data did not appear to provide any insight as to whether compensation was too great or a deterrent to attracting candidates. Indeed, Mr. Sprague noted that open seats typically attract significant competition.

Legislator Salaries and Other Salary Data

Against this backdrop, the commission was given data on the relative standing of legislative salaries. Again, it was noted that Maryland's salary ranks one place lower in 2009 compared to 2006 and remains high among non-full-time legislatures. Data was also provided comparing Maryland's legislative salaries to states with a similar budget size. Again, Maryland compared well.

In order to compare recent activity in legislative salaries (which saw significant growth between 2002 and 2005 but have been unchanged since), data was first presented on State employee compensation increases. In response to a question from Mr. Lingan, staff detailed recent pay actions and the impact on State employee compensation of furloughs. Staff noted that mandatory reduction of legislator salaries akin to a furlough was not permitted although most legislators took voluntary reductions. Additional comparative material was presented including personal income data and the Consumer Price Index. Mr. Antonetti questioned the basis for the relatively healthy projected growth in personal income. Staff noted that this data was derived from official State estimates developed by the Board of Revenues Estimates that in turn utilizes outside consulting services but that it was possible that some write-down in this estimate was likely.

Data was also presented on local government salaries and salary activity. For the information presented on council salary levels, Mr. Terrasa requested clarification as to which councils were considered part-time and full-time. Mr. Lingan also asked about the differentiation in salary between regular members and the presiding officers. Staff explained that this differentiation, which has been in place since the modern commission was established in 1970, is allowed because the Presiding Officers are elected. According to the Attorney General, no other differentiation (for example for committee chairs) is allowed.

Expenses

The next set of presentations concerned expense claims for in-state, out-of-state, as well as in-district travel. In terms of in-state travel, it was noted that 45 states allow some kind of per diem claim, with most tied to an applicable state or federal rate. In this regard, Maryland is little different. When on official business, legislators may claim mileage and meals at the standard travel rate. Lodging may also be claimed at a rate not to exceed the IRS level for lodging. The commission was presented with data on total expenditures for these expenses. Changes appear to be predominantly driven by changes in the standard rate.

Rules for out-of-state travel were detailed, including the maximum allowed amount of \$225 (although exceptions are permitted). Staff compared this amount with two standard rates: the federal General Services Administration schedule and the IRS High-Low methodology. Data on the extent of out-of-state travel expenditures was also presented, although no discernible pattern was revealed.

Finally, it was noted that legislators are eligible for a \$500 in-district travel allowance that is provided as a lump-sum and for which no expense forms are submitted. This allowance was put into place in 1986 and has remained at \$500 since 2002.

There were a range of questions around the expense information. Mr. Lingan clarified that the in-district allowance was provided in lieu of a system of receipted mileage reimbursement for in-district travel. Staff indicated that this was the case and that the allowance was intended to cover travel to the various community meetings that legislators attend on a regular basis. Mr. Antonetti asked for additional information on why meal reimbursements were not receipted. It was noted that in the previous report, receipting such expenses would involve significant paperwork but additional research would be done to clarify why this provision exists. Mr. Sprague noted that the Historic Inns, for example, provide a free breakfast, and did that mean legislators were able to still claim for breakfast. The commission was pointed to data that most legislators claim the full meal allowance. Ms. Higgins wanted to confirm that the meal and lodging reimbursement were claimed separately, which is the case, and not as a single per diem expense (the federal government practice). Mr. Terrasa asked if standard rates changed during a term whether legislator expenses were similarly changed. It was confirmed that this was the case, and indeed was one of the advantages of incorporating such standards by reference in the Resolution.

Benefits

The staff presentation on the benefits for which legislators are eligible focused primarily on health benefits and the cost-sharing arrangements. A specific comparison to states with similar budgets to Maryland was provided. Ms. Powell asked staff to give additional information on the range of health packages available to legislators, which staff provided. Mr. Antonetti also asked about former legislators' eligibility for health insurance. It was explained that former legislators who are not eligible as a retiree to access the health insurance program may do so at cost plus a 2% administrative fee. Thus, for example, a legislator losing an election or choosing not to run, could still access health insurance through the State. A legislator with eight years of service who is a regular retiree can continue to access the health insurance program and would also receive a subsidy equal to one-sixteenth of the State subsidy provided to active legislators for each year of service.

Other Information and Issues

For information purposes, the commission was presented with other data regarding district accounts and other expenditures made by legislators over which the commission does not have jurisdiction. Mr. Sprague noted that the amounts for operating a district office were low. It was noted that it is common for legislators to combine funds to operate those offices.

The commission asked staff to follow up on a number of other issues in addition to the follow-up requests noted in the discussion above. Specifically, Mr. Ebersberger expressed an interest in developing alternative compensation vehicles that might be offered as a way to incentivize legislators to serve. He asked staff to provide certain data that could be used to develop such a proposal. Staff also confirmed that it would confirm with the Office of the Attorney General as to whether there were any limits on the types of compensation that the commission may recommend. Also, Ms. Higgins asked if legislators were able to accept honoraria in addition to salary.

Prior to adjournment, Mr. Glynn confirmed dates for future meetings at the same location: December 15, 2009, and January 5, 2010.

The meeting was adjourned at 11:50 a.m.

General Assembly Compensation Commission

Minutes – December 15, 2009 Meeting

Commissioners in attendance: Sean Glynn, Chair, Robert Antonetti, Jr., Adolph Ebersberger, Kathryn Higgins, Thomas Lingan, Margaret Powell, John Sprague, and Gabriel Terrasa.

Staff in attendance: Simon Powell, Dylan Baker, and Anne Gawthrop.

Mr. Glynn convened the meeting at 10:03 a.m. Mr. Gilliss was not in attendance but had sent advanced notice of his unavailability for this meeting. After the approval of the minutes from the December 8, 2009 meeting, staff began its presentation on legislative pensions.

Overview of Legislative Pension Plan

The pension presentation began with a basic overview of participation, eligibility, and benefits. Key elements of the pension plan include:

- Participation in the plan is optional.
- A member needs to accrue 8 years of service credit to vest in the plan.
- The member contribution rate is 5.0% of the member's annual salary for up to 22 years and three months.
- A member may begin receiving a full service retirement allowance at age 60 if the member has accrued 8 years of service. If the member has accrued 8 years of service by the age of 50, the member may begin receiving a retirement allowance subject to an early retirement reduction equal to 0.5% for each month that a member retires prior to age 60 for a maximum reduction of 60.0%.
- A full service retirement allowance at age 60 with at least 8 years of service equals 3.0% of the salary of a current legislator multiplied by the members total years of service. The maximum allowance that a member can receive is 66.66% of the salary payable to a current legislator.
- Because a retired legislator's retirement benefit is based in part on the salary of a current legislator, the retiree will receive post retirement adjustments whenever current legislators receive an increase to their salaries.

- There are three types of death benefits.

- The Legislative Pension Plan also provides disability benefits if the member is vested and is determined to be totally incapacitated from the further performance of the member's duties. Disability benefits equal a full service retirement allowance regardless of age and salary.

Discussion on the basic plan included a question from Mr. Terrasa on the recommendation of the 2006 commission that proposed increasing the age for early retirement to 55 and regular benefits to 62. Staff noted that discussion at that time centered on aligning eligibility to that for State employees not based on the actuarial health of the system. Ms. Higgins asked how many legislators are not participating. Staff indicated that the State Retirement Agency thinks only five to six are not. It was noted that some do not join initially, but often join subsequently (and have to make up contributions). Mr. Antonetti asked if it was possible to know if the legislator retirement was somebody's only income source. Staff indicated that that information could not be obtained.

Comparing the Legislative Pension Plan to Other State Employee Plans

Staff then presented comparative data on the various State retirement plans noting differences in vesting requirements, contribution rates, eligibility, benefit calculations, annual increases, and disability options. Staff also presented data on some of the older legislative pension plans, but noted that at this point nobody remains a member in the older plans.

This material generated significant discussion among commission members. Mr. Terrasa noted that increasing the legislator salary would increase retirement contributions but also the retiree benefit. Staff confirmed this. Mr. Antonetti asked how many of the current legislators are vested in the plan. Staff noted that 90 of the current legislators are vested and presented other data on plan utilization generally, with the caveat that it was still working to update some of that information.

Ms. Higgins, Mr. Ebersberger, and Mr. Sprague asked separate questions about the management and investment of the retirement funds generally. Staff responded with a basic overview of the retirement oversight structure, as well as the investment vehicles utilized by the retirement agency and recent fund performance.

Comparison of Maryland Legislative Pension to Other States

Staff noted that Maryland has the tenth highest legislative pension benefit. This is a drop from eighth in 2006 and is directly attributable to the salary increases Hawaii and Ohio gave their legislators over the last five years. Of the 10 highest retirement benefits, 4 are states with part-time legislatures (Texas, Oklahoma, Maryland, and Hawaii). Five states with higher retirement benefits than Maryland have increased the salaries of their legislators since 2006. Of these five states, Hawaii was the only part-time legislature to offer a raise. Detail was then provided on how the Maryland plan compared in terms of membership, eligibility, contribution rates, benefit calculation, and the availability of defined contribution plans.

Following this presentation, a variety of questions clarified the information provided. Ms. Higgins asked why data was presented for only 35 states. Staff responded that this related to available information and the ability to calculate a benefit based on that information. Mr. Glynn asked staff to affirm that 22 states have an age eligibility requirement over 60, which is the case.

Mr. Ebersberger asked about the deferred compensation options. Staff noted that members have the option of joining 457 and 401(k) supplemental retirement plans, although in the case of the 401(k) plan, members not eligible for the $600 match. Ms. Powell asked how many members participate in the deferred compensation programs. Staff noted that this information was still being updated, but that an estimated 55-60% of members participate. Ms. Higgins asked if the State had anything like the Thrift Savings Plan at the federal level, with its level of matching contributions. Staff indicated no.

Other Pension Issues

Staff noted that the State Retirement Agency had once again asked the commission to make changes concerning optional allowances. Specifically, the agency requested that Option A be amended and Option C repealed. Currently, a retired member has option to receive the basic allowance (with spouse getting 50% on death). However, the member can protect the spouse by electing certain options that reduce the basic allowance but providing a higher allowance for the surviving spouse. The rationale for repeal was the same as made in 2006 – few members use these options, it would better align with current State Employee options, and the IRS prohibits Option C. Mr. Antonetti indicated that this mainly sounded like clean-up to conform to IRS rules and current practice. Staff agreed.

Staff also noted that, as in prior commission deliberations, the commission had been asked to consider a military service credit addition to the legislator plan, something currently excluded. Staff noted that other systems can claim up to five years credit for pre-employment service provided certain employment conditions are met, plus credit for interrupted service time. However, prior commissions have rejected this change because of the part-time status of legislators compared to full-time employees. Staff, responding to a question from Mr. Sprague concerning local employment credit, noted that the same rationale applies here, with that kind of service time not being applied because it disproportionately impacts service calculations.

Further discussion on the military service credit included a question from Ms. Higgins about any distinction between full-time military service versus the National Guard. Staff noted that there is none. Ms. Higgins also asked if partial credit could be given. Mr. Terrasa asked if any change would apply prospectively or retroactively. In both cases, staff indicated that the commission has the leeway to do as it wished. Staff also said, in response to a question from Mr. Lingan, that it would see what other states do with regard to military service credit.

Mr. Ebersberger noted that it was difficult to make recommendation in the current financial climate, but that the commission might like to look at alternative compensation arrangements including a deferred compensation proposal used by private companies in order to attract and retain key employees. After some additional discussion on the basics of the proposal, Ms. Higgins asked if this kind of proposal can apply to the legislative setting. Mr. Ebersberger believed it could be adapted to that setting. Ms. Higgins further noted that it is true that in a full-time legislature people do leave because of compensation, but it is unclear if that is true in a part-time legislature or, conversely, if people are not able to serve because of the nature of the job and the limitations that the demands of the job place on finding outside employment. Mr. Ebersberger noted that he thought this kind of compensation vehicle could attract higher quality decision makers.

Mr. Terrasa expressed concern that developing this proposal into something that can be implemented by the current commission might be difficult given the time constraints faced by the commission. Mr. Antonetti also asked if bonding for this kind of vehicle was appropriate. Mr. Glynn asked staff to see what additional information could be obtained about this proposal ahead of the next meeting. Staff indicated that they would contact the State Retirement Agency and other individuals to get that information.

Follow-up Items from the December 8, 2009 Meeting

Staff presented information on a number of items open from the December 8, 2009 meeting:

- With regard to information presented on council salaries, of those included in that information, only Montgomery County was considered full-time.

- The legislator/staff ratio in Maryland (support and professional staff) is 1:3, which is consistent with the definition of a "hybrid" legislature used by the National Conference of State Legislatures.

- Legislators in Maryland may not accept honorariums except to the extent that meals, travel, and other appropriate expenses may be provided. These limitations are set in statute.

- The current requirement that meal reimbursements do not need a receipt dates to 1978, when the meal and lodging sublimitations were created (prior to that time there was a per diem to cover both expenses but without a distinction). As a trade-off for creating the meal sub-limitation, the commission at that time adopted the no-receipt policy

Other Discussion

Mr. Sprague asked the commission to discuss making travel to the District of Columbia an in-state rather than out-of-state reimbursement, which require additional approval. Mr. Glynn indicated that this item could be considered at the January 5, 2010 work session. Similarly, other ideas should be forwarded to staff ahead of time in order to develop a decision document. Mr. Lingan asked if that material could be received ahead of the meeting and staff indicated that it would be e-mailed beforehand.

Mr. Glynn adjourned the meeting at 11:55 a.m.