

Department of Legislative Services
Maryland General Assembly

FISCAL NOTE

Revised

House Bill 1336 (Delegate Proctor)

Appropriations

State Retirement and Pension System - Administration and Operation

This bill increases, for fiscal 1999, the additional amount that may be budgeted for administration and operating expenses of the Maryland State Retirement and Pension System (MSRPS) from 0.30% of the payroll of the members to 0.60% for the purposes of a computer system upgrade. Any of the additional funds authorized by this bill that are not spent in fiscal 1999 may be expended in fiscal 2000 or 2001. The bill takes effect July 1, 1998; the provisions relating to funding the computer system upgrade sunset June 30, 2001.

Fiscal Summary

State Effect: Spending authority for the computer system upgrade will increase by \$17.4 million over three years.

Local Effect: Potential minimal increase in employer contributions for local governments that participate in the MSRPS.

Small Business Effect: None.

Fiscal Analysis

State Expenditures: The State Retirement Agency currently has spending authority of \$19.7 million for an upgrade of its data processing systems. This spending authority is based on an additional 30 basis points (0.30%) of the payroll of the members of MSRPS. This is in addition to the standard 20 basis points (0.20%) of MSRPS funds that the Retirement Agency may use to administer the system.

The bill increases to 60 basis points (0.60%) of payroll the additional amount that may be

