

Department of Legislative Services
Maryland General Assembly

FISCAL NOTE
Revised

Senate Bill 176 (The President. *et al.*)(Administration)

Finance

State Government - Department of Aging

This Administration bill removes the Office on Aging from the Executive Department and creates the Department of Aging as a principal department of State government. It provides that the Secretary of Aging is to be appointed by the Governor with the advice and consent of the Senate. The bill requires the department to report to the Governor and General Assembly by July 1, 1999 on a strategic plan to prepare Maryland for the growth of the elderly population over the next 30 years. It is the intent of the General Assembly that there be no increase in the State budget of the Department of Aging for fiscal 1999 or subsequent years directly resulting from the bill's provisions.

The bill takes effect July 1, 1998.

Fiscal Summary

State Effect: General fund expenditures increase by \$17,500 in FY 1999. Future year expenditures decrease due to one-time expenditures in FY 1999 and increase in subsequent years due to inflation. It is the intent of the General Assembly, however, that these costs be absorbed within existing resources. Revenues would not be affected.

(in dollars)	FY 1999	FY 2000	FY 2001	FY 2002	FY 2003
GF Revenues	\$0	\$0	\$0	\$0	\$0
GF Expenditures	17,500	16,600	17,200	17,800	18,400
Net Effect	(\$17,500)	(\$16,600)	(\$17,200)	(\$17,800)	(\$18,400)

Note: () - decrease; GF - general funds; FF - federal funds; SF - special funds

Local Effect: None.

Small Business Effect: The Administration has determined that this bill has minimal or no impact on small businesses (attached). Legislative Services concurs with this assessment. (The attached assessment does not reflect amendments to the bill.)

Fiscal Analysis

State Expenditures: The fiscal 1999 executive pay plan classification of the current director of the Office on Aging is ES 6, step 4 (\$81,088) and the classification of the current deputy director is ES 4, step 4 (\$69,703). Department secretaries are generally classified at ES 9, 10, or 11, with deputy secretaries generally three levels below the secretary.

Fiscal 1999 general fund expenditures could increase by \$17,531, which accounts for the bill's July 1, 1998 effective date. This estimate reflects the cost of increased salary (and associated fringe benefits) for the Secretary and Deputy Secretary and one-time costs to change the department's sign. It assumes that the Secretary of the Department of Aging would be classified at ES 9, base step (\$90,605) and the Deputy Secretary at ES 6, step 1 (\$74,315) and that these compensation levels are approved by the Board of Public Works.

Salaries and Fringe Benefits	\$16.531
New Sign	1.000
Total FY 1999 State Expenditures	\$17.531

Future year expenditures reflect full salaries with 3.5% annual increases and 3% employee turnover.

The bill states that the intent of the General Assembly is that there be no increase in the Department of Aging's budget as a direct result of becoming a principal department of State government. This provision, however, is not binding on the Governor.

Information Source(s): Office on Aging, Department of Legislative Services, Department of Budget and Management

Fiscal Note History: First Reader - February 9, 1998
tlw Revised - Senate Third Reader - March 25, 1998

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