

Department of Legislative Services
 Maryland General Assembly
 1999 Session

FISCAL NOTE
Revised

House Bill 127 (Chairman, Appropriations Committee)
 (Departmental - Transportation)

Appropriations

Maryland Aviation Commission - Powers and Duties

This departmental bill authorizes the Maryland Aviation Commission to determine the qualifications, appointment, compensation, and leave for up to 12 management employees of the Maryland Aviation Administration (MAA). The commission is required to consider the comparative status of employees serving in similar positions at comparable airports or aeronautical agencies. Except for general salary increases approved in the State budget, the commission must submit notice to the Secretary of Budget and Management of any management personnel position salary increase. The Secretary of Budget and Management must review the changes to determine if the changes would adversely affect special fund expenditures.

These management personnel will remain eligible for membership in the State pension system. The commission's annual report must include discussion of these salary actions, including the comparative study. Salary increases for existing employees are limited to 4% in fiscal 2000.

The bill takes effect July 1, 1999.

Fiscal Summary

State Effect: Transportation Trust Fund expenditures could increase by approximately \$47,000 in FY 2000 for expected 4% salary increases and associated fringe benefits. These additional expenditures are not included in the FY 2000 MAA budget. FY 2001 expenditures reflect increases of an additional 4% above projections. Future year expenditures reflect 3.5% salary increases and 3% turnover.

(in dollars)	FY 2000	FY 2001	FY 2002	FY 2003	FY 2004
--------------	---------	---------	---------	---------	---------

SF Revenues	\$0	\$0	\$0	\$0	\$0
SF Expenditures	47,000	94,400	97,700	101,100	104,600
Net Effect	(\$47,000)	(\$94,400)	(\$97,700)	(\$101,100)	(\$104,600)

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

Local Effect: None.

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

Fiscal Analysis

State Expenditures: This bill allows the Maryland Aviation Commission to set salaries for up to 12 current employees of the MAA. MAA advises that it will increase the annual salaries for the 12 positions by approximately \$94,000 (including fringe benefits). It is not known what the distribution of the salary increases will be. On average, salaries and fringe benefits are anticipated to increase by approximately \$7,800 per person, or approximately 8%. There are currently seven MAA positions in the executive pay plan, with fiscal 2000 salaries ranging from \$70,978 to \$112,415.

Limiting the fiscal 2000 increase to 4% would reduce the first-year impact to approximately \$47,000, assuming an even distribution of pay increases. Fiscal 2001 costs would increase by another 4% to reflect the full 8% increase.

MAA estimates that the difference between the increased salaries and current salaries will diminish over time. Legislative Services, however, estimates that the gap is likely to increase over time assuming these employees receive the same general salary increases as other State employees in the out-years.

Information Source(s): Maryland Department of Transportation (Maryland Aviation Administration), Department of Legislative Services

Fiscal Note History: First Reader - February 4, 1999
Inc/jr Revised - House Third Reader - April 1, 1999

Analysis by: Matthew D. Riven

Direct Inquiries to:
John Rixey, Coordinating Analyst
(410) 946-5510
(301) 970-5510