

Department of Legislative Services
Maryland General Assembly
2000 Session

FISCAL NOTE

Senate Bill 204 (The President. *et al.*)
(Administration)

Economic and Environmental Affairs

State Government - Department of Planning

This Administration bill removes the Office of Planning as a separate unit of State government and creates the Department of Planning as a principal department of State government. It provides that the Secretary of Planning is to be appointed by the Governor with the advice and consent of the Senate. It designates the Attorney General as legal advisor and requires the Attorney General to assign assistants to the department and designate one as counsel. It is the intent of the General Assembly that there be no increase in the State budget of the Department of Planning for fiscal 2001 or subsequent years directly resulting from the bill's provisions.

The bill, with the exception of one provision for which the Governor must issue a proclamation, takes effect July 1, 2000.

Fiscal Summary

State Effect: The Office of Planning advises that any costs associated with the establishment of the Department of Planning would be absorbed within existing budgeted resources. The Department of Legislative Services believes any such costs would be less than \$50,000 in FY 2001.

Local Effect: None.

Small Business Effect: A small business impact statement was not provided by the Administration in time for inclusion in this fiscal note. A revised fiscal note will be issued when the Administration's assessment becomes available.

Analysis

Current Law: The Office of Planning is a separate unit of State government. The head of the Office of Planning is the Director of Planning.

Background: Chapter 540 of 1989 established the Office of Planning and abolished the Department of State Planning, a principal department in the Executive Branch. The Governor's proposed fiscal 2001 operating budget includes \$9,157,553 for the Office of Planning.

State Fiscal Effect: The fiscal 2001 executive pay plan classification of the current director of the Office of Planning is ES 8, step 7 (\$108,448). Department Secretaries are generally classified at ES 9, 10, or 11. The Board of Public Works, however, would have to approve any position reclassification. It is conceivable that the new Secretary could be classified at ES 9, step 5 (\$110,353) or step 6 (\$113,583).

The bill would also result in an increase in general fund expenditures related to any grade and salary increases for other executive staff and one-time costs for sign and stationary changes. The Governor's proposed fiscal 2001 executive pay plan classification for the other executive staff of the Office of Planning is as follows:

- Deputy Director: ES 6, step 7 (\$93,355);
- Executive V: ES 5, step 7 (\$86,636);
- Two Executive IVs: ES 4, step 6 (\$78,151 each); and
- Three Executive IIIs: ES 3, step 7 (\$74,655 each).

Legislative Services advises that any costs resulting from this bill will likely be less than \$50,000 in fiscal 2001. The Office of Planning informed the Department of Budget and Management (DBM) that costs related to becoming a department could be as high as \$150,000. DBM advises, however, that the Office of Planning has not submitted plans outlining any changes to employee compensation. In any event, the Office of Planning has advised the budget committees, the Department of Legislative Services, and DBM that all costs associated with the establishment of the Department of Planning would be absorbed within existing budgeted resources. The bill states that the intent of the General Assembly is that there be no increase in the Department of Planning's budget as a result of becoming a principal department of State government. This provision, however, is not binding on the Governor.

Because the Office of the Attorney General already provides counsel to the Office of Planning, the bill's provisions relating to the Attorney General will not result in any additional costs.

Additional Information

Prior Introductions: None.

Cross File: HB 286 (The Speaker) - Commerce and Government Matters.

Information Source(s): Office of Planning, Attorney General's Office, Department of Budget and Management, Department of Legislative Services

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