

Department of Legislative Services

Maryland General Assembly

2000 Session

FISCAL NOTE

Senate Bill 584 (Senator Munson)

Budget and Taxation

State Retirement and Pension System - Board of Trustees - Membership

This bill increases the membership of the Board of Trustees for the State Retirement and Pension System (SRPS) from 14 to 16 members by adding two trustees representing active members and retirees of the Correctional Officers' Retirement System (only one of whom may be a retiree).

The bill takes effect July 1, 2000.

Fiscal Summary

State Effect: Increase in special fund expenditures of approximately \$20,000 annually for trustee elections.

Local Effect: None.

Small Business Effect: None.

Analysis

Current Law: There are currently 14 trustees of the SRPS, as follows: five ex officio members (Secretary of Budget and Management, State Comptroller, State Superintendent of Schools, State Treasurer, Secretary of the State Police), three gubernatorial appointments (one representing participating local governments and two representing the public), and six trustees elected from the SRPS membership.

other SRPS systems, including the Correctional Officers' Retirement System, the Employees' Pension System, the Employees' Retirement System, the Judges' Retirement System, the Legislative Pension Plan, the Local Fire and Police System, and the Law Enforcement Officers' Pension System.

Background: The membership of board of the SRPS was created by the amalgamation of three previously independent pension systems for the employees, teachers, and the State Police. The current relationship between the number of trustees and the number of plan members and retirees is illustrated below:

<u>System</u>	<u># of Elected Trustees</u>	<u>Total Members and Retirees</u>
Teachers' Retirement System and Teachers' Pension System	2	139,888
State Police Retirement System	2	2,962
All Other Systems, including: Correctional Officers' Retirement System, Employees' Retirement System (State - "old" system), Employees' Retirement System (Local - "old" system), Employees' Pension System - State, Employees' Pension System - Local, Judges' Retirement System, Legislative Pension Plan, Local Fire and Police System, Law Enforcement Officers' Pension System	2	149,152

State Expenditures: Each board member's election costs the State Retirement Agency approximately \$40,000 in ballots, postage, and processing. Elections are held every four years. Thus, the annualized cost of two additional elections would be approximately \$20,000.

Additional Information

Prior Introductions: None.

Cross File: None.

Information Source(s): State Retirement Agency, Department of Legislative Services

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