

Department of Legislative Services
 Maryland General Assembly
 2000 Session

FISCAL NOTE
 Revised

House Bill 887 (Delegate Guns. *et al.*)

Appropriations

Public Service Commission and People’s Counsel - Personnel

This bill gives independent salary-setting authority to the Public Service Commission (PSC) and the Office of the People’s Counsel for certain positions in their agencies and includes the People’s Counsel’s budget, with the PSC as a reimbursable general fund agency, to be reimbursed by the public service companies subject to the PSC’s jurisdiction.

The bill takes effect July 1, 2000.

Fiscal Summary

State Effect: Increase in general fund expenditures by the PSC and Office of People’s Counsel of up to \$273,800 in FY 2001 due to increased salaries and fringe benefits. Future year expenditures reflect assumed salary growth and turnover. General fund expenditures of these agencies are reimbursed by assessments on public service companies.

(in dollars)	FY 2001	FY 2002	FY 2003	FY 2004	FY 2005
GF Revenues	\$273,800	\$299,200	\$312,600	\$326,700	\$341,400
GF Expenditures	273,800	299,200	312,600	326,700	341,400
Net Effect	\$0	\$0	\$0	\$0	\$0

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

Local Effect: None.

Small Business Effect: None.

Analysis

Bill Summary: The bill provides that the PSC has the authority to determine the compensation, if possible in accordance with the State pay plan, for: the executive director, the general counsel, special appointment attorneys in the Office of the General Counsel, the executive secretary, the chief hearing examiner, license hearing examiners, commission personnel in the management service, and professional and technical classifications unique to the commission.

The bill also provides that the costs and expenses of the Office of the People's Counsel are to be borne by the public service companies that are subject to the jurisdiction of the PSC, as is currently the case with the PSC. An appropriation for the costs and expenses of the People's Counsel is to be included in the State budget, which is to be reimbursed by the funds collected from the public service companies, as is currently the case with the PSC.

The People's Counsel has the authority to determine the compensation, if possible in accordance with the State pay plan, for: the deputy people's counsel; attorneys that are in the management service or are special appointments; and all positions in management, professional, and technical classifications unique to the office.

Current Law and Background: The PSC can assess each public service company up to 0.17% of the company's gross operating revenue to fund the PSC's operations, and up to 0.05% to fund the operations of the Office of the People's Counsel, for a maximum combined assessment of 0.22%. The maximum total assessment amount has not been necessary to fund the agencies' budgets; the current total assessment stands at 0.1659%.

State Expenditures:

Public Service Commission Compensation

The bill allows the PSC to alter its salary plan and to increase salaries for certain employees. The PSC advises that it intends to increase by 6% the salaries of some of the 64 PSC positions covered by the bill. Enactment of the bill would, at a minimum, allow the PSC to provide this one-time salary increase in fiscal 2001. This salary adjustment would increase personnel expenditures by up to \$218,957 in fiscal 2001, including fringe benefits and the current 9% PSC vacancy rate. The exact increase depends on the number of employees who receive raises and the amount of such raises. Out-year growth reflects assumed increases in salaries of 4.5% per year and 3% turnover. To the extent that salary growth at the PSC exceeds that of the State pay plan in the out-years, PSC expenditures would increase beyond the estimate provided above.

The PSC advises that the bill would require a full-time Grade 14 personnel officer (salary \$31,456 plus fringe benefits) to implement the new salary structure and to monitor

compensation levels of public service commissions in other states. Legislative Services believes that such a position is unnecessary given that the agency was able to perform a thorough compensation study with existing resources.

People's Counsel Compensation

The bill also allows the Office of the People's Counsel to alter its salary plan and to increase employee salaries. The office advises that it intends to increase the salaries of 12 positions by a range of between 6% and 10%. Enactment of the bill would, at a minimum, allow the People's Counsel to enact this one-time salary increase in fiscal 2001. This salary adjustment would increase personnel expenditures by \$54,825 in fiscal 2001, including fringe benefits and the current zero vacancy rate. Out-year growth reflects assumed increases in salaries of 4.5% per year and 3% turnover. To the extent that salary growth at the People's Counsel exceeds that of the State pay plan in the out-years, agency expenditures would increase accordingly.

The People's Counsel advises that the changes to the language regarding its revenue source are technical and do not affect the amount or source of its funding.

Additional Information

Prior Introductions: Similar bills (but which also made these agencies special funded), SB 171 and HB 1012 of 1999, were vetoed by the Governor.

Cross File: None.

Information Source(s): Office of the People's Counsel, Public Service Commission, Department of Legislative Services

Fiscal Note History: First Reader - March 6, 2000
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