

Department of Legislative Services  
 Maryland General Assembly  
 2002 Session

**FISCAL NOTE**

House Bill 323 (Delegate Cadden, *et al.*)  
 Appropriations

**State Personnel - Compensation of Lawyers Employed by the State**

This bill provides that the pay rate for a lawyer in the Standard Pay Plan or the Executive Pay Plan shall be comparable to the pay rate of a lawyer in the Office of the Attorney General.

The bill is effective July 1, 2002.

**Fiscal Summary**

**State Effect:** General fund expenditures could increase by \$4.4 million and special fund (Insurance Regulation Fund) expenditures could increase by \$0.1 million in FY 2003 due to additional personnel costs. Future year estimates reflect salary increases and turnover. No effect on revenues.

(in dollars)	FY 2003	FY 2004	FY 2005	FY 2006	FY 2007
Revenues	\$0	\$0	\$0	\$0	\$0
GF Expenditure	4,405,600	4,516,100	4,674,200	4,837,800	5,007,100
SF Expenditure	51,100	52,300	54,200	56,100	58,000
Net Effect	(\$4,456,700)	(\$4,568,400)	(\$4,728,400)	(\$4,893,900)	(\$5,065,100)

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

**Local Effect:** None.

**Small Business Effect:** None.

**Analysis**

**Current Law:** There is no statutory provision providing salary parity among lawyers in different State agencies.

**Background:** In fiscal 2001, lawyers in the Office of the Attorney General (OAG) received the equivalent of a two-grade increase. Assistant Attorney Generals are compensated at approximately two grades higher in the State Standard Pay Plan than Assistant Public Defenders in the Office of the Public Defender (OPD) performing similar jobs with similar levels of responsibility. For example, OPD entry-level attorney positions are grades 18, 19, and 20, while entry-level Attorney General attorney positions are grades 20, 21, and 22. Similar two-grade disparities exist for attorneys in each agency who serve as supervisors and who are senior or principal attorneys.

Language in the *2001 Joint Chairmen's Report* required the Department of Budget and Management (DBM) to evaluate the appropriateness of salaries for lawyers employed by OPD and Administrative Law Judges (ALJ) employed by the Office of Administrative Hearings (OAH). The budget committee chairmen advised DBM, by letter of October 18, 2001, that this study was to include lawyers at the Office of the State Prosecutor, the State Human Relations Commission, the State Ethics Commission, and the Department of Human Resources Social Services Administration, and hearing examiners at the Department of Labor, Licensing, and Regulation (DLLR).

DBM, in its January 2002 study, noted that there were also small groups of practicing attorneys at the Public Service Commission, the Office of the People's Counsel, and the Unemployment Insurance Administration of DLLR. DBM further noted that all three have independent salary authority, and the Office of the People's Counsel adjusted salaries for its practicing attorneys effective September 1, 2001.

Based upon the study, DBM made the following recommendations relative to salaries for practicing attorneys:

- Entry, intermediate, and full performance levels salaries for practicing attorneys in the Office of the Public Defender, State Human Relations Commission, State Ethics Commission, and the Department of Human Resources Social Services Administrations should be adjusted to Grades 20, 21, and 22 respectively. The pay grades for practicing attorney lead, supervisory, and managerial positions in these agencies should also be adjusted by two grades to maintain internal salary relationships.
- The two staff attorney positions in OAH should be reclassified to administrative titles at the same grades as those for staff attorneys in OAG.

**State Fiscal Effect:** According to DBM, the cost of a comparable pay rate for the more than 420 budgeted Assistant Public Defender positions in OPD is \$3.9 million in general funds for the first full year.

DBM also advises that the cost of a comparable pay rate for the 2 positions in the Office of the State Prosecutor, the 5 positions in the State Human Relations Commission, the 1 position in the State Ethics Commission, the 2 positions in the Office of Administrative Hearings, and the 32 positions in the Department of Human Resources' Social Services Administration would be \$212,000 in general funds for the first full year.

Because DBM, which has the responsibility of deciding what constitutes a comparable pay rate, concluded in its study that full performance ALJs at OAH are now at the same salary level (grade 22) as Assistant Attorneys General, there would be no fiscal impact for the bill associated with raising ALJ salaries. OAH advises that it would cost \$792,900 to provide the ALJs with the two-grade increase required to maintain the current salary consistency between lawyers and the ALJs. **This amount is not included in the fiscal note.**

The Department of Assessments and Taxation (DAT) advises that it has six positions in the Corporate Charter Section (five in the Charter Specialist personnel series and one Program Manager), which are full level performance administrative and legal positions. DAT advises that the cost of providing comparable pay to these positions is \$88,600 in general funds for the first full year.

The Public Service Commission, which has independent salary setting authority, advises that a comparable pay scale for the 20 lawyers working for the commission would cost \$245,000 for the first full year.

The Maryland Insurance Administration, which also has salary setting authority, advises that a comparable pay scale for the four staff attorneys would cost \$51,100 in special funds (Insurance Regulation Fund) for the first full year.

In total, salary expenditures would increase by \$4.5 million fiscal 2002, consisting of \$4.4 million in general funds and \$0.1 million in special funds (Insurance Regulation Fund). Later years would reflect salary increases and turnover. **Exhibit 1** details the first year impact by agency.

**Exhibit 1**  
**First Year Fiscal Impact of House Bill 323 By Agency**

<u>Agency</u>	<u>Positions</u>	<u>Fiscal Impact</u>
<i>Agencies in DBM Study</i>		
Office of the Public Defender	420	\$3,860,000
Human Relations Commission	5	38,000
Office of the Special Prosecutor	2	20,000
Department of Human Resources	32	118,000
State Ethics Commission	1	11,000
Office of Administrative Hearings	2	25,000
Subtotal	462	
<i>Other Agencies</i>		
Department of Assessments and Taxation	6	88,600
<i>Agencies with Independent Salary Authority</i>		
Public Service Commission	20	245,000
Maryland Insurance Administration	4	51,100
<b>Total for House Bill 323</b>	<b>492</b>	<b>\$4,456,700</b>

**Additional Information**

**Prior Introductions:** A similar bill was introduced as HB 1340 in the 2001 session. The sponsor withdrew the bill.

**Cross File:** SB 354 (Senator Baker) – Finance and Judicial Proceedings.

**Information Source(s):** Office of the Public Defender, Office of Administrative Hearings, Maryland Insurance Administration, Public Service Commission, Office of the Attorney General, Department of Budget and Management, Department of Assessments and Taxation, Department of Legislative Services

**Fiscal Note History:** First Reader - February 5, 2002  
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