

**Department of Legislative Services**  
Maryland General Assembly  
2002 Session

**FISCAL NOTE**

House Bill 706  
Ways and Means

(Montgomery County Delegation)  
Education, Health, and Environmental Affairs

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**Montgomery County - Board of Education - Compensation MC 204-02**

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This bill increases the annual salary of elected members of the Montgomery County Board of Education to \$22,500 for the board president and \$18,500 for the other elected members. In addition, board members are entitled to health insurance and other fringe benefits regularly provided to board employees. The bill also provides that a student board member who completes a full one-year term on the board will receive a \$5,000 scholarship to be applied toward the student's higher education costs.

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**Fiscal Summary**

**State Effect:** None.

**Local Effect:** Montgomery County expenditures would increase by an estimated \$34,000 in FY 2003 due to increased compensation for Board of Education members. Future year expenditure increases reflect annualization and, in FY 2005, the eligibility of three additional board members for increased compensation.

**Small Business Effect:** None.

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**Analysis**

**Current Law:** The Montgomery County Board of Education is made up of seven elected members and one student member. The president of the board receives \$14,000 annually, and the other six elected board members receive \$12,000 annually. The members do not receive fringe benefits but are entitled to expense reimbursements. Elected officials in Maryland serving terms of four years or less may not receive

compensation increases (including fringe benefit enhancements) during their terms of office.

**Background:** Thirteen of Maryland's 24 local boards of education are elected and 11 are appointed. According to a recent survey of local boards conducted by the Maryland State Department of Education, 19 local boards provide compensation for board members, up to a maximum of \$14,000 for board presidents/chairs in Howard, Montgomery, and Prince George's counties. Twenty local boards provide either an expense allowance or expense reimbursements for board members. No local boards provide fringe benefits to their members. The Montgomery County Board of Education has the second highest fiscal 2002 budget (\$758,000) for its members and staff.

**Local Expenditures:** Montgomery County expenditures would increase by an estimated \$34,000 in fiscal 2003. Increased costs would escalate to \$56,900 in fiscal 2004, \$78,700 in fiscal 2005, and \$94,300 in fiscal 2006. The following assumptions were used to calculate this estimate:

- The \$5,000 student member scholarship would be granted in fiscal 2003 and in each subsequent year.
- Four board members will be elected in November 2002, and the new salary and compensation schedule would take effect for these members in December 2002.
- The board president in calendar 2003 and 2004 would be one of the four members elected in 2002 and would therefore receive the new annual president salary of \$22,500 beginning in January 2003.
- All eligible members would accept medical insurance coverage through the board.
- Three board members will be elected in November 2004, and the new salary and compensation schedule would take effect for these members in December 2004.

The estimates do not assume inflation for medical insurance, so future year costs could be higher. However, it is unlikely that all board members would elect to receive medical insurance through the board, thereby lowering the estimates shown here.

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### **Additional Information**

**Prior Introductions:** None.

**Cross File:** None.

**Information Source(s):** Montgomery County, Department of Legislative Services

**Fiscal Note History:** First Reader - February 25, 2002  
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