Department of Legislative Services

Maryland General Assembly 2002 Session

FISCAL NOTE

Senate Joint Resolution 6

(The President)

(Governor's Salary Commission)

Budget and Taxation

Governor's Salary Commission - Salary Recommendations for Governor and Lieutenant Governor

This joint resolution adopts the salary recommendations of the Governor's Salary Commission for the Governor and Lieutenant Governor effective January 15, 2003 for the four-year term of office.

Fiscal Summary

State Effect: General fund expenditure increase of \$14,400 for salaries and fringe benefits in FY 2003, increasing to \$57,600 in FY 2007. Future years reflect annualization and statutory salary increases.

(in dollars)	FY 2003	FY 2004	FY 2005	FY 2006	FY 2007
Revenues	\$0	\$0	\$0	\$0	\$0
GF Expenditure	14,400	33,600	43,200	52,800	57,600
Net Effect	(\$14,400)	(\$33,600)	(\$43,200)	(\$52,800)	(\$57,600)

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

Local Effect: None.

Small Business Effect: None.

Analysis

Bill Summary: The joint resolution would increase the salaries of the Governor and Lieutenant Governor for each year of the next four-year term as follows:

Year of Term	<u>Governor</u>	% Over <u>Current Salary</u>	Lieutenant <u>Governor</u>	% Over Current Salary
First	\$135,000	12.5	\$112,500	12.5
Second	\$140,000	16.7	\$116,667	16.7
Third	\$145,000	20.8	\$120,833	20.8
Fourth	\$150,000	25.0	\$125,000	25.0

Current Law: The Governor's salary is \$120,000 per year and the Lieutenant Governor's is \$100,000 per year. These salaries were set in 1990 by the adoption of an amended resolution of the 1989 Governor's Salary Commission recommendations.

Background: The Governor's Salary Commission, created by a constitutional amendment in 1976, has seven members:

- the State Treasurer;
- three persons appointed by the President of the Senate; and
- three persons appointed by the Speaker of the House of Delegates.

Members of the General Assembly and officers and employees of the State or a political subdivision of the State are not eligible to serve on the commission. All members serve a four-year term, and the members of the commission elect the commission chairman.

The commission is to make a written recommendation to the Governor on the salaries for the Governor and Lieutenant Governor within ten days after the beginning of the last regular legislative session of the term. The commission cannot recommend salary changes for the incumbent Governor and Lieutenant Governor. The commission's recommendation is to be introduced as a joint resolution in each House of the General Assembly no later than the fifteenth day of the session. If the commission recommends no change in the salaries, a resolution is not introduced.

The General Assembly may amend the joint resolution to decrease, but not increase, the salaries. If the General Assembly fails to adopt the joint resolution within 50 days of introduction, the salaries recommended by the commission apply. If the General Assembly amends the joint resolution, the salaries of the amended resolution would apply. Any change in salaries takes effect at the beginning of the next ensuing term of office for the Governor and Lieutenant Governor.

The 1989 Governor's Salary Commission recommended a salary of \$135,000 for the Governor and \$115,000 for the Lieutenant Governor for the 1990-1994 term of office. The General Assembly amended the joint resolution to reflect a salary for the Governor

of \$120,000 and a salary of \$100,000 for the Lieutenant Governor. The 1993 Governor's Salary Commission did not recommend an increase. The 1997 Governor's Salary Commission made the same salary recommendations as the 1989 commission. The recommendations were rejected by the General Assembly.

Beginning with the 1981 Governor's Salary Commission, the commission has made recommendations, per the Governor's request, on salaries for four constitutional officers: State Treasurer, Comptroller of the Treasury, Attorney General, and Secretary of State. Governor Glendening requested that the 2001 Governor's Salary Commission review, and provide guidance on, the salaries of the constitutional officers.

The *Report of the 2001 Governor's Salary Commission*, published in January 2002, contains appendices showing the salaries and rankings for each of the constitutional officers in all 50 states. The rankings for Maryland by constitutional office based on current salaries are as follows:

Constitutional Office	<u>Ranking</u>	
Governor	8	
Lieutenant Governor	10	
Treasurer	8	
Comptroller	9	
Attorney General	16	
Secretary of State	30	

State Fiscal Effect: General fund expenditures will increase by \$14,400 in fiscal 2003 for salaries and fringe benefits reflecting the January 15, 2003 effective date, the start of the next term of office. This amount will grow in future years, reflecting annualization and the statutory salary increases, to \$57,600 in fiscal 2007.

Additional Information

Prior Introductions: None.

Cross File: HJ 7 (The Speaker) (Governor's Salary Commission) – Rules and Executive Nominations.

Information Source(s): Department of Legislative Services

Fiscal Note History: First Reader - January 25, 2002

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