

**Department of Legislative Services**  
Maryland General Assembly  
2004 Session

**FISCAL AND POLICY NOTE**

Senate Bill 651           (Senator Kittleman)  
Finance

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**Education - Certificated Employees - Collective Bargaining - Merit Pay Increases**

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This bill authorizes a local board of education to offer merit pay increases to teachers without negotiating the increases in the collective bargaining process. Beginning in fiscal 2005, a local board may allocate 5% of the funds budgeted for increases to teachers' salaries for merit pay increases. Merit pay increases are exempted from the matters subject to collective bargaining agreements for certificated public school employees.

The bill is effective July 1, 2004.

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**Fiscal Summary**

**State Effect:** None.

**Local Effect:** Local school expenditures would not be directly affected. Excluding certain matters from collective bargaining agreements would not affect the overall amount of compensation provided to certificated public school employees.

**Small Business Effect:** None.

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**Analysis**

**Current Law:** The scope of collective bargaining includes all matters that relate to salaries, wages, hours, and other working conditions. Local school boards may provide merit pay increases but only within the scope of their collective bargaining agreements.

**Background:** The number of local school boards that have provided cost-of-living adjustments and merit increases over the last five fiscal years is shown in **Exhibit 1**. As shown in the exhibit, almost all local school systems provide merit increases each year.

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### **Additional Information**

**Prior Introductions:** Bills that would have eliminated merit pay increases from the scope of collective bargaining have been introduced in the last six legislative sessions. SB 217 of 2003 and SB 585 of 2002 received unfavorable reports from the Senate Finance Committee. HB 639 of 2001, HB 815 of 1999, and HB 1141 of 1998 received unfavorable reports from the House Ways and Means Committee, and HB 109 of 2000 was withdrawn.

**Cross File:** None.

**Information Source(s):** Maryland State Department of Education, Department of Legislative Services

**Fiscal Note History:** First Reader - March 2, 2004  
ncs/hlb

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**Exhibit 1**  
**Cost-of-living Adjustments (COLA) and Merit Increases Provided to Teachers**

<u>School System</u>	<u>FY 2000</u>		<u>FY 2001</u>		<u>FY 2002</u>		<u>FY 2003</u>		<u>FY 2004</u>	
	<u>COLA</u>	<u>Merit</u>	<u>COLA</u>	<u>Merit</u>	<u>COLA</u>	<u>Merit</u>	<u>COLA</u>	<u>Merit</u>	<u>COLA</u>	<u>Merit</u>
Allegany	0.0%	Yes	4.0%	Yes	5.0%	Yes	2.0%	Yes	2.0%	Yes
Anne Arundel	3.0%	Yes	5.0%	Yes	5.0%	Yes	3.0%	Yes	1.0%	Yes
Baltimore City	4.8%	Yes	5.0%	Yes	5.0%	No	5.0%	Yes	1.9%	Yes
Baltimore	4.0%	Yes	5.7%	Yes	5.0%	Yes	1.0%	Yes	0.0%	Yes
Calvert	2.0%	Yes	2.5%	Yes	5.3%	Yes	4.0%	Yes	4.0%	Yes
Caroline	2.0%	Yes	1.0%	Yes	6.0%	No	3.3%	Yes	3.0%	Yes
Carroll	3.0%	Yes	5.0%	Yes	5.0%	Yes	2.0%	Yes	4.0%	Yes
Cecil	3.0%	Yes	3.0%	Yes	3.0%	Yes	3.0%	Yes	4.0%	Yes
Charles	3.0%	Yes	5.0%	Yes	5.0%	Yes	3.0%	Yes	2.0%	Yes
Dorchester	2.0%	Yes	5.4%	Yes	1.0%	Yes	5.0%	Yes	6.0%	Yes
Frederick	3.0%	Yes	5.9%	Yes	5.0%	Yes	1.5%	Yes	4.0%	Yes
Garrett	3.0%	Yes	5.0%	Yes	5.0%	Yes	2.0%	Yes	4.0%	Yes
Harford	2.0%	Yes	5.0%	Yes	5.0%	Yes	2.0%	Yes	1.0%	No
Howard	3.0%	Yes	6.0%	Yes	6.0%	Yes	0.0%	Yes	4.0%	Yes
Kent	3.3%	Yes	5.0%	Yes	5.0%	Yes	2.0%	Yes	0.0%	No
Montgomery	3.0%	Yes	5.0%	Yes	5.0%	Yes	4.0%	Yes	4.0%	Yes
Prince George's	3.0%	Yes	6.4%	Yes	5.0%	Yes	5.5%	Yes	2.0%	Yes
Queen Anne's	2.5%	Yes	5.0%	Yes	5.0%	Yes	2.0%	Yes	2.0%	No
St. Mary's	2.5%	Yes	5.0%	Yes	5.5%	Yes	4.0%	Yes	2.0%	Yes
Somerset	3.0%	Yes	5.0%	Yes	5.0%	Yes	3.0%	Yes	2.0%	Yes
Talbot	3.5%	Yes	5.0%	Yes	5.0%	Yes	4.0%	Yes	5.0%	Yes
Washington	4.0%	Yes	5.0%	Yes	5.0%	Yes	3.0%	Yes	2.0%	Yes
Wicomico	1.0%	Yes	4.5%	Yes	5.0%	Yes	2.5%	Yes	2.5%	Yes
Worcester	3.5%	Yes	5.0%	Yes	5.0%	Yes	2.0%	Yes	2.0%	Yes
<b>Number Granting</b>	<b>23</b>	<b>24</b>	<b>24</b>	<b>24</b>	<b>24</b>	<b>22</b>	<b>23</b>	<b>24</b>	<b>22</b>	<b>21</b>