

Department of Legislative Services
Maryland General Assembly
2004 Session

FISCAL AND POLICY NOTE
Revised

House Bill 618
Appropriations

(Howard County Delegation)

Budget and Taxation

**Howard County - Board of Education - Pensions, Health Insurance, and Other
Benefits**
Ho. Co. 6-04

This bill allows members of the Howard County Board of Education to participate in health insurance and other benefit programs sponsored by the board.

The bill specifies that employer contributions to the State Retirement and Pension System (SRPS) on behalf of the chairman and members of the board are not compensation for the purposes of calculating the annual compensation of the chairman and members of the board. For board members in office on the effective date of the bill, eligibility for participation in the health and pension benefits programs will begin at the start of the next term in office.

Fiscal Summary

State Effect: None. This bill would not materially affect State government operations.

Local Effect: Howard County school expenditures could increase by up to \$36,700 or more at full annualization, depending on the number of board of education members who participate in available benefits programs.

Small Business Effect: None.

Analysis

Current Law: The Chairman of the Howard County Board of Education is entitled to receive \$14,000 annually as compensation, and other board members are entitled to receive \$12,000 each annually. In addition, all board members are entitled to allowances for travel and other expenses, as provided in the Howard County budget. The Howard County Board of Education consists of five members elected from the county at large. Members serve staggered four-year terms. The compensation of a public officer may not be increased or decreased during a term of office unless the term is more than four years.

Background: Chapter 78 of 2002 extended fringe benefits to members of the Montgomery County Board of Education. To date, it is the only local school system in Maryland that offers benefits to its board members.

Local Expenditures: Howard County school expenditures could increase by up to \$36,700 annually once all board members qualify for benefits over a full fiscal year. These estimates are based on the following information and assumptions: (1) benefits include a contribution to SRPS equal to 4.73% of the annual compensation level, \$6,500 annually for health insurance, and \$252 annually for life insurance coverage; and (2) the analysis assumes all board members elect to receive all benefits for which they qualify.

Additional Information: The Howard County Delegation has submitted legislation to increase the number of members serving on the Howard County Board of Education from five to seven beginning in December 2006. Using the costs assumed in the analysis above, the annualized cost of providing benefits to seven board members could total up to \$51,300.

Additional Information

Prior Introductions: None.

Cross File: None.

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

Fiscal Note History: First Reader - February 13, 2004
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