

Department of Legislative Services
 Maryland General Assembly
 2005 Session

FISCAL AND POLICY NOTE

House Bill 967 (Cecil County Delegation)
 Environmental Matters Education, Health, and Environmental Affairs

Cecil County - Treasurer - Salary

This bill increases the salary of the Cecil County Treasurer from \$60,000 to \$66,250 for calendar 2007, and by \$6,250 each year beginning in calendar 2008 until the salary reaches \$85,000 in calendar 2010.

Fiscal Summary

State Effect: State general fund expenditures would increase by \$200 in FY 2007 and by \$1,300 in FY 2010 for contributions to the Cecil County Treasurer’s pension. Revenues would not be affected.

(in dollars)	FY 2006	FY 2007	FY 2008	FY 2009	FY 2010
Revenues	\$0	\$0	\$0	\$0	\$0
GF Expenditure	0	200	500	900	1,300
Net Effect	\$0	(\$200)	(\$500)	(\$900)	(\$1,300)

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

Local Effect: Cecil County expenditures would increase by \$3,500 in FY 2007 and by \$28,000 in FY 2011 for increased salary and benefits for the Cecil County Treasurer.

Small Business Effect: None.

Analysis

Current Law: The current salary of the Cecil County Treasurer is \$60,000. Salary adjustments for public officials take effect at the beginning of the next term of office, which would be January 2007 for the Cecil County Treasurer.

Background: The salary of the Cecil County Treasurer was last adjusted by Chapter 23 of 2001, when it increased from \$48,000 to \$60,000, beginning with the current term of office.

State Fiscal Effect: The Cecil County Treasurer is a member of the State retirement system; therefore, increasing the salary of the Cecil County Treasurer would result in increased State expenditures of \$180 in fiscal 2007 and \$1,440 in fiscal 2011 assuming a constant employer contribution rate of 5.76%, the employer contribution rate for fiscal 2006. **Exhibit 1** shows the increase in State expenditures for pension contribution for the Cecil County Treasurer.

Local Fiscal Effect: Cecil County expenditures would increase by \$3,506 for salary (\$3,125) and benefits (\$381) for fiscal 2007, reflecting the six-month period between January and June 2007 and by \$28,048 for salary (\$25,000) and benefits (\$3,048) for fiscal 2010, assuming a constant contribution rate for benefits of 12.2%. **Exhibit 1** shows the increase in Cecil County expenditures for the increased salary and county contributions for the Cecil County Treasurer.

Exhibit 1
Annual Increase in Cecil County Treasure's Compensation
Fiscal 2007 – 2011

<u>Fiscal Year</u>	<u>Salary Increase</u>	<u>Benefits</u>	<u>Subtotal</u>	<u>Pension</u>	<u>Total</u>
2007	\$3,125	\$381	\$3,506	\$180	\$3,686
2008	9,375	1,143	10,518	540	11,058
2009	15,625	1,905	17,530	900	18,430
2010	21,875	2,667	24,542	1,260	25,802
2011	25,000	3,048	28,048	1,440	29,488

Note: Pension contribution is made by the State.

Additional Information

Prior Introductions: None.

Cross File: SB 862 (Cecil County Senators) – Education, Health, and Environmental Affairs.

Information Source(s): Cecil County, State Retirement Agency, Department of Legislative Services

Fiscal Note History: First Reader - March 2, 2005
ncs/hlb

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