

Department of Legislative Services
 Maryland General Assembly
 2006 Session

FISCAL AND POLICY NOTE
Revised

House Bill 1503

(Delegate Goodwin)

Environmental Matters

Judicial Proceedings

Baltimore City - Sheriff's Office - Appointed Positions

This bill increases the maximum number of deputy sheriff sergeants and deputy sheriffs that the Baltimore City Sheriff may appoint from 4 to 7 and 83 to 90, respectively.

Fiscal Summary

State Effect: State general fund expenditures could increase by \$148,200 in FY 2009 and by \$162,100 in FY 2011 for pension contributions for an increased number of Baltimore City deputy sheriffs.

(in dollars)	FY 2007	FY 2008	FY 2009	FY 2010	FY 2011
Revenues	\$0	\$0	\$0	\$0	\$0
GF Expenditure	0	0	148,200	155,000	162,100
Net Effect	\$0	\$0	(\$148,200)	(\$155,000)	(\$162,100)

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

Local Effect: Baltimore City personnel expenditures could increase by \$386,300 in FY 2007 and \$586,900 by FY 2011 associated with creating 10 new positions in the Baltimore City Sheriff's Office. This estimate does not reflect expenditures associated with equipment for the new positions. Revenues would not be affected.

Small Business Effect: None.

Analysis

Current Law: The Baltimore City Sheriff must appoint an undersheriff or chief deputy sheriff, one assistant sheriff, two deputy sheriff majors, two deputy sheriff captains, four

deputy sheriff lieutenants, four deputy sheriff sergeants, one secretary sheriff, and one fiscal clerk sheriff. The sheriff may appoint a total of 83 deputy sheriffs.

Salaries for deputy sheriffs must not be less than the salary equivalent to grade 14 of the State pay scale, and salaries for deputy sheriff sergeants must not be less than the salary equivalent to grade 16 of the State pay scale. In addition to other compensation received, each deputy sheriff must receive an expense allowance of \$200 annually.

State Fiscal Effect: Deputy sheriffs in Baltimore City are members of the Law Enforcement Officers' Pension System (LEOPS) and the State is responsible for making contributions to their pension. Based on the fiscal 2007 contribution rate of 40.6%, general fund expenditures could increase by \$148,190 in fiscal 2009 and \$162,137 in fiscal 2011. **Exhibit 1** shows the effect of increasing the number of Baltimore City deputy sheriff positions under the bill.

Exhibit 1
Increased State Pension Contribution
Fiscal 2007 - 2011

<u>Fiscal Year</u>	<u>Salaries</u>	<u>State Pension Contribution</u>
2007	\$273,750	\$0
2008	381,790	0
2009	399,352	148,190
2010	417,723	155,007
2011	436,938	162,137

Local Fiscal Effect: Baltimore City advises that each new deputy sheriff would each receive a salary of \$35,000; each new deputy sheriff sergeant would receive an annual salary of \$40,000. Baltimore City advises that it does not use a percentage to estimate the employer contribution for fringe benefits for new employees. It uses, rather, a flat fringe benefit contribution amount of \$15,000 for each new position. Assuming that all of the positions created by the bill would be filled by new personnel, Baltimore City expenditures would increase by \$386,250 for creating these 10 new positions as shown below.

3 New Deputy Sheriff Sergeants	\$123,750
7 New Deputy Sheriffs	<u>262,500</u>
Total Local Personnel Expenditures in Fiscal 2007	\$386,250

Exhibit 2 shows the fiscal effect of increasing the number of positions affected by the bill. This estimate takes into account the October 1, 2006 effective date of the bill, and assumes that all 10 positions would be filled on that date. Out-year expenditures reflect annualized salaries and an annual growth in salaries of 4.6%.

Exhibit 2
Effect of Increasing the Number of Baltimore City Deputy Sheriffs
Fiscal 2007 - 2011

<u>Fiscal Year</u>	<u>Salaries</u>	<u>Fringe Benefits</u>	<u>Local Increase</u>
2007	\$273,750	\$112,500	\$386,250
2008	381,790	150,000	531,790
2009	399,352	150,000	549,352
2010	417,723	150,000	567,723
2011	436,938	150,000	586,938

Note: The above estimate accounts for the October 1, 2006 effective date of the bill, and assumes a flat fringe benefits contribution rate of \$15,000 annually per employee as advised by Baltimore City. Out-years reflect a 4.6% increase in salaries for these individuals.

In addition to the increased personnel expenditures, Baltimore City expenditures could increase by \$2,000 annually beginning in fiscal 2007 to pay for the expense allowances for each of the 10 new positions. The amount of any new equipment necessary for the 10 new positions was not provided by Baltimore City, and therefore is not included in the above estimate. The Department of Legislative Services observes, however, that the costs associated with equipment for 10 new positions may be considerable.

Additional Comments: Certain local officials and employees, including Baltimore City deputy sheriffs, are eligible to be members of the State employees' pension system. The employer's share of retirement costs is paid by the State and included in the annual State budget under payments to civil divisions. The proposed fiscal 2007 budget includes \$1.8

million for employer retirement costs associated with these locally paid officials and employees. The fiscal 2007 budget allowance is based on the June 30, 2005 salary base for these employees increased by 5%.

Additional Information

Prior Introductions: None.

Cross File: None.

Information Source(s): Baltimore City, Department of Legislative Services

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