

Department of Legislative Services
 Maryland General Assembly
 2007 Session

FISCAL AND POLICY NOTE

House Bill 52 (Delegates Anderson and Oaks)
 Environmental Matters

Baltimore City - Sheriff's Office - Appointed Positions

This bill increases the number of positions within the Baltimore City Sheriff's Office appointed by the sheriff.

Fiscal Summary

State Effect: State general fund expenditures could increase by \$618,400 in FY 2010 and by \$675,400 in FY 2012 for pension contributions for an increased number of Baltimore City deputy sheriffs. State revenues would not be affected.

(in dollars)	FY 2008	FY 2009	FY 2010	FY 2011	FY 2012
Revenues	\$0	\$0	\$0	\$0	\$0
GF Expenditure	0	0	618,400	646,300	675,400
Net Effect	\$0	\$0	(\$618,400)	(\$646,300)	(\$675,400)

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

Local Effect: Baltimore City personnel expenditures could increase by \$1.6 million in FY 2008 and \$2.2 million by FY 2012 associated with creating 35 new positions in the Baltimore City Sheriff's Office. Revenues would not be affected.

Small Business Effect: None.

Analysis

Bill Summary: The number of positions appointed by the Baltimore City Sheriff under the bill are as follows:

Exhibit 1
Increased Baltimore City Deputy Sheriff Positions

Required Positions (Must Appoint)

<u>Rank</u>	<u>Number of Positions</u>		
	<u>Current Law</u>	<u>HB 52</u>	<u>Increase</u>
Assistant Sheriff	1	2	1
Deputy Sheriff Major	2	5	3
Deputy Sheriff Captain	2	4	2
Deputy Sheriff Lieutenant	4	8	4

Optional Positions (May Appoint)

<u>Rank</u>	<u>Maximum Number of Positions</u>		
	<u>Current Law</u>	<u>HB 52</u>	<u>Increase</u>
Deputy Sheriff Sergeant	7	16	9
Rank-and-file Deputy	90	106	16

Current Law: The Baltimore City Sheriff *must* appoint an undersheriff or chief deputy sheriff, secretary sheriff, and a fiscal clerk sheriff, as well as a specified number of assistant sheriffs, and deputy sheriff majors, captains, and lieutenants. In addition to the required positions, the sheriff *may* appoint up to a certain number of deputy sheriff sergeants and rank-and-file deputy sheriffs.

The Secretary of Budget and Management has the authority to set the salaries for Baltimore City assistant sheriffs, and deputy sheriff majors and captains. Statute sets the salaries for deputy sheriff lieutenants and sergeants, and rank-and-file deputies at State pay grades 18, 16, and 14, respectively. In addition to other compensation received, each deputy sheriff receives an expense allowance of \$200 annually.

Background: Chapter 401 of 2006 increased the maximum number of deputy sheriff sergeants that the Baltimore City Sheriff may appoint from four to seven. Prior to Chapter 401, appointment of a specified number of deputy sheriff sergeants was required. The Act also increased the maximum number of rank-and-file deputy sheriffs that may be appointed from 83 to 90.

The Baltimore City Sheriff's Office is primarily responsible for performing all circuit court arrest warrants, domestic violence protective orders, peace orders, child support warrants and summons, transportation of prisoners, evictions, and the protection of circuit court buildings and their occupants. The sheriff's office has created a bomb sniffing K-9 unit, a tactical high-risk team, a witness protection team, and an Internal Affairs section.

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 2008 contribution rate of 41.74%, general fund expenditures could increase by \$618,443 in fiscal 2010 and \$675,355 in fiscal 2012. **Exhibit 2** shows the State fiscal effect of increasing the number of Baltimore City deputy sheriff positions under the bill.

Exhibit 2
Increased State Pension Contribution
Fiscal 2008-2012

<u>Fiscal Year</u>	<u>Salaries</u>	<u>State Pension Contribution</u>
2008	\$1,411,100	\$0
2009	1,474,600	0
2010	1,540,956	618,443
2011	1,610,300	646,273
2012	1,682,763	675,355

Note: Fiscal 2008 shows the annualized salaries for the new positions. This amount is used when calculating the fiscal 2010 State pension contribution.

Local Fiscal Effect: Baltimore City advises that the new assistant sheriff would receive an annual salary of \$53,000; each new major would receive \$50,000 annually; and each new captain would receive \$47,000 annually. Since the salaries for lieutenants, sergeants, and rank-and-file deputies cannot be less than certain State pay grades, annual salaries for new lieutenants would be \$45,650, sergeants would be \$40,268, and rank-and-file deputies would be \$35,568. Baltimore City advises that it uses a flat fringe benefit contribution amount of \$15,000 for each new position when calculating expenditures.

Therefore, assuming that all 35 positions created by the bill would be filled by new personnel, Baltimore City personnel expenditures (salaries and fringe benefits only) would increase by \$1.5 million in fiscal 2008 as shown below.

1 Assistant Sheriff	\$51,000
3 Majors	146,250
2 Captains	93,000
4 Lieutenants	181,950
9 Sergeants	373,059
16 Rank-and-file Deputies	<u>606,816</u>
Total Local Personnel Expenditures in Fiscal 2008	\$1,452,075

In addition to the increased personnel expenditures, Baltimore City expenditures could increase by \$5,250 in fiscal 2008 and by \$7,000 annually beginning in fiscal 2009 for the expense allowances for 35 new deputies. Equipment would cost \$5,000 for each new position created by the bill; therefore, equipment expenditures would total \$175,000 in fiscal 2008 only.

Based on the above estimates, Baltimore City could realize an expenditure increase of \$1,632,325 in fiscal 2008 for salaries, fringe benefits, equipment, and expense allowances for 35 new deputy sheriff positions. Future year expenditures would include only salaries, fringe benefits, and expense allowances for these positions.

Exhibit 3 shows the local fiscal effect of increasing the number of Baltimore City deputy sheriff positions. This estimate takes into account the bill's October 1, 2007 effective date, and assumes that all 35 new positions would be filled on that date by new personnel. In addition it assumes the fringe benefits contribution of \$15,000 annually per employee would remain constant. Future year expenditures reflect annualized salaries, fringe benefits, and expense allowances, as well as an annual growth in salaries of 4.5%.

Exhibit 3
Increased Expenditures for Baltimore City

<u>Fiscal</u> <u>Year</u>	<u>Salaries</u>	<u>Fringe</u> <u>Benefits</u>	<u>Expense</u> <u>Allowance</u>	<u>New</u> <u>Equipment</u>	<u>Local</u> <u>Increase</u>
2008	\$1,058,325	\$393,750	\$5,250	\$175,000	\$1,632,325
2009	1,474,600	525,000	7,000	0	2,006,600
2010	1,540,956	525,000	7,000	0	2,072,956
2011	1,610,300	525,000	7,000	0	2,142,300
2012	1,682,763	525,000	7,000	0	2,214,763

Additional Comments: The State and local expenditures associated with the bill could be mitigated to the extent that Baltimore City would use existing personnel to fill positions ranking sergeant and above, and not fill nonrequired positions. In addition, local expenditures could also be mitigated to the extent that creating new deputy sheriff positions decrease overtime expenditures for sheriff's office personnel. The Baltimore City Sheriff's Office estimates that overtime expenditures for its personnel will total over \$1 million in fiscal 2007.

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 State will spend \$2.2 million in fiscal 2008 for employer retirement costs associated with these locally paid officials and employees. The fiscal 2008 budget allowance is based on the June 30, 2006 salary base for these employees increased by 5%.

Additional Information

Prior Introductions: None.

Cross File: None.

Information Source(s): Baltimore City, Baltimore City Sheriff's Office, Maryland State Retirement Agency, Department of Budget and Management, Department of Legislative Services

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