

Department of Legislative Services
Maryland General Assembly
2008 Session

FISCAL AND POLICY NOTE

House Bill 1027
Ways and Means

(Prince George's County Delegation)

Prince George's County Board of Education - Salaries
PG 424-08

This bill requires that annual compensation for the members of the Prince George's County Board of Education increase at the same rate as teacher salaries, beginning with the next term of office.

The bill takes effect July 1, 2008.

Fiscal Summary

State Effect: None.

Local Effect: Assuming that board members' compensation increases by 5% annually, total expenditures by the Prince George's County Board of Education increase by \$26,800 in FY 2012 and 2013.

Small Business Effect: None.

Analysis

Current Law: The chairman of the Prince George's County Board of Education earns an annual compensation of \$19,000. The other eight elected members of the board earn annual compensation of \$18,000, so total base compensation for the board is \$163,000. The student member is not compensated.

All members of the board, including the student member, are entitled to reimbursement for travel and other expenses, up to \$7,000 annually.

The Maryland Constitution requires that salary or compensation increases for school board members take effect at the beginning of the next term of office.

Background: For the 2007-08 and 2008-09 school years, the Prince George's County Education Association negotiated 5% annual salary increases for the county's public school teachers.

Local Expenditures: The next term of office for the Prince George's County Board of Education begins December 2010, so no salary increases would take effect until fiscal 2012. Assuming that board members' compensation increases by 5% annually, base compensation for board members increases by a total of \$24,858 in fiscal 2012 and 2013, as shown in **Exhibit 1**. In addition, the employer portion of Social Security and Medicare (FICA) payroll taxes, calculated at the rate of 7.65%, increases by \$1,901. Therefore, total expenditures by the Prince George's County Board of Education increase by \$26,759 over the two years following the salary increases.

Exhibit 1
Compensation for Members of the
Prince George's County Board of Education

	<u>Current</u> <u>Compensation</u>	<u>SB 139</u> <u>Compensation</u>	<u>Net Increase</u>
2011	\$163,000	\$163,000	
2012	163,000	179,708	\$8,150
2013	163,000	188,693	<u>16,708</u>
Subtotal			\$24,858
FICA Increase			\$1,901
Total Increase			\$26,759

Additional Information

Prior Introductions: None.

Cross File: SB 139 (Senator Peters, *et al.*) – Education, Health, and Environmental Affairs.

Information Source(s): Prince George's County, Department of Legislative Services

Fiscal Note History: First Reader - March 2, 2008
ncs/mwc

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