

**Department of Legislative Services**  
Maryland General Assembly  
2009 Session

**FISCAL AND POLICY NOTE**  
**Revised**

Senate Bill 330

(Senator Colburn)

Education, Health, and Environmental Affairs

Ways and Means

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**Dorchester County - Board of Education - Benefits**

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This bill allows voting members of the Dorchester County Board of Education to be provided health insurance and other fringe benefits regularly provided to board employees. Participation in a board-sponsored benefits program may not be considered compensation. The bill does not apply to members whose last election was before November 2010.

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**Fiscal Summary**

**State Effect:** None.

**Local Effect:** Local education expenditures in Dorchester County may increase by a maximum of \$7,100 to \$16,100 in FY 2011 and by a maximum of \$30,600 to \$69,100 annually, beginning in FY 2014. The actual impact depends on the number of board members who take advantage of the benefits and what type of health insurance a board member chooses. Revenues are not affected.

**Small Business Effect:** None.

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**Analysis**

**Current Law:** The Dorchester County Board of Education consists of five elected members who serve four-year terms, as well as nonvoting student members from each of the (currently two) county's high schools who are elected by county public high school students and serve one-year terms. The board must meet at least once per month. Each voting member is entitled to annual compensation as set by the county council, but the

salary of each voting member must be at least \$3,200, except the president whose salary must be at least \$3,600.

Election of Dorchester County Board of Education members is staggered such that two members will be elected in November 2010 and three board members will be elected in November 2012. Members begin service on the first Monday of December following election.

**Local Expenditures:** The local board of education advises that the cost for health insurance coverage ranges from \$6,112 for an individual to \$13,814 for family coverage. The staggered terms will have the effect of phasing in the cost increases over four fiscal years. Without accounting for inflation, and assuming that the two members beginning a board term in December 2010 opt for health insurance coverage, fiscal 2011 costs would range from \$7,130 if both choose individual coverage to \$16,120 if both choose family coverage. By fiscal 2014, the cost of coverage would range from \$30,560 if all five members choose individual coverage to \$69,070 if all choose family coverage.

These additional costs may be lower if a board member opts out of coverage through the board because of existing coverage through another employer, or for other reasons. Further, a board member may already be entitled to health insurance through the board as a result of prior employment. The school board advises that entitlement to fringe benefits other than health insurance will not result in substantial expenditures.

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### **Additional Information**

**Prior Introductions:** None.

**Cross File:** None.

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

**Fiscal Note History:** First Reader - February 16, 2009  
ncs/mwc Revised - Senate Third Reader - March 19, 2009  
Revised - Enrolled Bill - May 15, 2009

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