

Department of Legislative Services
Maryland General Assembly
2010 Session

FISCAL AND POLICY NOTE

Senate Bill 143

(The President)(By Request - Governor's Salary
Commission)

Budget and Taxation

Constitutional Officers - Salaries

This bill implements the salary recommendations of the Governor's Salary Commission for the Attorney General, Comptroller, Secretary of State, and Treasurer for the upcoming term of office.

Fiscal Summary

State Effect: General fund expenditures increase by \$8,800 in FY 2013 for salaries and fringe benefits. General fund expenditures increase to \$35,300 in FY 2015. Future years reflect annualization and statutory salary increases. Revenues are not affected.

(in dollars)	FY 2011	FY 2012	FY 2013	FY 2014	FY 2015
Revenues	\$0	\$0	\$0	\$0	\$0
GF Expenditure	0	0	8,800	26,500	35,300
Net Effect	\$0	\$0	(\$8,800)	(\$26,500)	(\$35,300)

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

Local Effect: None.

Small Business Effect: None.

Analysis

Bill Summary: The bill maintains the salaries of the Comptroller, Treasurer, Attorney General, and Secretary of State at their current levels for the first two years of the next four-year term and increases the salaries in years three and four as depicted in **Exhibit 1**.

The salary increases in years three and four are proportional to the proposed increases in the salaries of the Governor and Lieutenant Governor.

Exhibit 1
Salary Changes for the Attorney General, Comptroller, Secretary of State,
and Treasurer

<u>Year of Term</u>	<u>Calendar Year</u>	<u>Attorney General, Comptroller, and Treasurer</u>	<u>% Increase of Current Salary</u>	<u>Secretary of State</u>	<u>% Increase of Current Salary</u>
First	2011	\$125,000	N/A	\$87,500	N/A
Second	2012	125,000	N/A	87,500	N/A
Third	2013	129,167	3.3	90,417	3.3
Fourth	2014	133,333	6.7	93,333	6.7

Current Law: The Budget Reconciliation and Financing Act of 2002 (Chapter 440) implemented the salary recommendations of the 2001 Governor's Salary Commission for the Attorney General, Comptroller, Secretary of State, and Treasurer and statutorily established the salaries of the four constitutional officers. The Act set the salaries for the Attorney General, Comptroller, and Treasurer at \$112,500 beginning January 2003, and increased the salaries by approximately \$4,167 each year until the salaries reached \$125,000 in 2006. The Secretary of State's salary was set at \$78,750 beginning January 2003 and increased by approximately \$2,917 each year until the salary reached \$87,500 in 2006. The salaries for these constitutional officers are unchanged from the 2006 levels.

The Governor's Salary Commission has seven members, including the State Treasurer, three persons appointed by the President of the Senate, and three persons appointed by the Speaker of the House of Delegates. Appointees serve a four-year term. Members of the General Assembly and officers and employees of the State or a political subdivision of the State are not eligible for appointment to the commission.

The commission must submit salary recommendations for the Governor and Lieutenant Governor to the General Assembly within 10 calendar days after the beginning of the last regular General Assembly session in a four-year term of office.

Beginning with the 1981 Governor's Salary Commission, the commission has also made recommendations, per the Governor's request, on salaries for four constitutional officers: State Treasurer, Comptroller of the Treasury, Attorney General, and Secretary of State.

Governor O'Malley requested that the 2009 Governor's Salary Commission review and recommend compensation for these constitutional officers.

Background:

Recommendations of Past Governor's Salary Commissions

The 1989 Governor's Salary Commission recommended a salary of \$115,000 for the Attorney General, Comptroller, and Treasurer and \$80,000 for the Secretary of State for the 1991-1995 term of office. The General Assembly amended the recommendation to reflect a salary for the Attorney General, Comptroller, and Treasurer of \$100,000 and a salary of \$70,000 for the Secretary of State. The 1993 Governor's Salary Commission did not recommend an increase. The 1997 Governor's Salary Commission made the same salary recommendations as the 1989 commission. The recommendations were rejected by the General Assembly.

In 2005, the Governor's Salary Commission recommended changes as depicted in **Exhibit 2**. The recommendations were rejected by the General Assembly.

Exhibit 2
**2005 Governor's Salary Commission Recommendations for the Attorney General,
Comptroller, Secretary of State, and Treasurer**

<u>Year of Term</u>	<u>Calendar Year</u>	<u>Attorney General, Comptroller, and Treasurer</u>	<u>% Increase of 2005 Salary</u>	<u>Secretary of State</u>	<u>% Increase of 2005 Salary</u>
First	2007	\$129,167	3.3	\$90,417	3.3
Second	2008	133,333	6.7	93,333	6.7
Third	2009	137,500	10.0	96,250	10.0
Fourth	2010	141,667	13.3	99,167	13.3

The *Report of the Governor's Salary Commission*, published in January 2010, contains appendices showing the salaries and rankings for each of the constitutional officers in all 50 states. **Exhibit 3** shows the salary rankings of these constitutional officers compared with the other 49 states.

Exhibit 3
State Ranking of Constitutional Officer Salaries

	<u>2009</u> <u>Salary</u>	<u>2009</u> <u>Ranking</u>	<u>2005</u> <u>Salary</u>	<u>2005</u> <u>Ranking</u>	<u>2001</u> <u>Salary</u>	<u>2001</u> <u>Ranking</u>
Comptroller	\$125,000	17	\$120,833	9	\$100,000	8
Treasurer	125,000	12	120,833	6	100,000	9
Attorney General	125,000	19	120,833	13	100,000	16
Secretary of State	87,500	32	84,583	29	70,000	31

State Expenditures: General fund expenditures increase by \$8,832 in fiscal 2013 for increased compensation and fringe benefits for the constitutional officers. The estimate accounts for the new salary schedule going into effect at the beginning of the January 2011 term of office. Expenditures increase to \$35,313 in fiscal 2015 due to annualization and statutory salary increases.

Additional Information

Prior Introductions: None.

Cross File: HB 184 (The Speaker)(By Request - Governor's Salary Commission) - Appropriations.

Information Source(s): Department of Budget and Management, Maryland State Treasurer's Office, Department of Legislative Services

Fiscal Note History: First Reader - January 29, 2010
ncs/ljm

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