

**Department of Legislative Services**  
2013 Session

**FISCAL AND POLICY NOTE**

House Bill 674  
Ways and Means

(Montgomery County Delegation)

Education, Health, and Environmental Affairs

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**Montgomery County - Board of Education - Compensation**  
**MC 8-13**

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This bill increases the annual salary of the Montgomery County Board of Education by \$6,500 per board member. The board president will receive an annual salary of \$29,000 and other board members will receive an annual salary of \$25,000.

The bill takes effect July 1, 2013.

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**Fiscal Summary**

**State Effect:** None.

**Local Effect:** Montgomery County expenditures increase by \$17,300 in FY 2015 and by \$51,800 in FY 2018, when the full impact of the salary increases takes effect. Revenues are not affected.

**Small Business Effect:** None.

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**Analysis**

**Current Law:** The Montgomery County Board of Education consists of seven elected members (two are elected from the county at large; five from separate board of education districts) as well as one student member. The board president receives an annual salary of \$22,500 and the other elected board members receive \$18,500 annually. Elected board members are entitled to health insurance and other fringe benefits provided to board of education employees. A board member's compensation may not be increased during a term of office.

**Background:** The compensation for Montgomery County Board of Education members was adjusted by Chapter 78 of 2002 (HB 706), when the board president salary was increased by \$8,500 and the salary of other elected board members was increased by \$6,500. Chapter 78 also established a \$5,000 scholarship to be applied toward the student member’s higher education costs. Board of education members in four counties receive annual salaries that are set at or above \$10,000. **Exhibit 1** shows the compensation level for board of education members in selected counties.

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**Exhibit 1**  
**Board Member Salaries in Selected Counties**

<u>County</u>	<u>Board President/Chair</u>	<u>Board Member</u>
Anne Arundel	\$8,000	\$6,000
Baltimore City	0	0
Baltimore	0	0
Frederick	11,000	10,000
Howard	14,000	12,000
Montgomery	22,500	18,500
Prince George’s	19,000	18,000

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**Local Expenditures:** Montgomery County advises that costs for pension contributions and payroll withholding taxes of approximately 13.75% of compensation will be incurred. Montgomery County expenditures will increase by approximately \$51,750 annually once all seven elected members of the board of education become eligible for the compensation increases. This includes a \$45,500 increase for salaries and an additional increase of \$6,250 for fringe benefits (at 13.75% of salary). The Maryland Constitution prohibits increases in the salaries and compensation of board members during a term of office. Currently, the terms of four board members are due to expire following the November 2014 general election (five months into fiscal 2015), and the terms of three board members are due to expire following the November 2016 general election (five months into fiscal 2017).

The staggered terms will have the effect of phasing in the compensation increases over four fiscal years, beginning with an increase of \$17,250 in fiscal 2015. The full expenditure increase of \$51,750 will first be incurred in fiscal 2018 as illustrated in **Exhibit 2**.

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**Exhibit 2**  
**Additional Expenditures under the Bill**

<u>Fiscal Year</u>	<u>Salaries</u>	<u>Benefits</u>	<u>Total</u>
2014	\$0	\$0	\$0
2015	15,167	2,085	17,252
2016	26,000	3,575	29,575
2017	37,375	5,139	42,514
2018	45,500	6,256	51,756

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**Additional Information**

**Prior Introductions:** None.

**Cross File:** None.

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

**Fiscal Note History:** First Reader - February 7, 2013  
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