

Department of Legislative Services
 Maryland General Assembly
 2014 Session

FISCAL AND POLICY NOTE

Senate Bill 236

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

Budget and Taxation

Rules and Executive Nominations

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 \$28,500 in FY 2015 for salaries and fringe benefits. General fund expenditures increase to \$112,200 in FY 2019. Future years reflect annualization and statutory salary increases. Revenues are not affected.

(in dollars)	FY 2015	FY 2016	FY 2017	FY 2018	FY 2019
Revenues	\$0	\$0	\$0	\$0	\$0
GF Expenditure	28,500	66,200	84,600	103,000	112,200
Net Effect	(\$28,500)	(\$66,200)	(\$84,600)	(\$103,000)	(\$112,200)

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 increases the salaries of the Comptroller, Treasurer, Attorney General, and Secretary of State for the next four-year term as depicted in **Exhibit 1**. The salary increases for the Attorney General, Comptroller, and Treasurer are identical to the proposed increases in the salary for the 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	2015	\$137,500	10	\$96,500	10.3
Second	2016	141,500	13.2	99,500	13.7
Third	2017	145,500	16.4	102,500	17.1
Fourth	2018	149,500	19.6	105,500	20.6

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 2013 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 increasing salaries for the Attorney General, Comptroller, and Treasurer by \$16,667 over a four-year period; the salary of the Secretary of State would have increased by \$11,667 during the four-year period. The recommendations were rejected by the General Assembly.

The 2009 Governor's Salary Commission recommended no salary increases during the first two years of the term (calendar 2011 and 2012). It recommended that the salaries of the Attorney General, Comptroller, and Treasurer increase to \$129,167 in 2013 and \$133,333 in 2014, and that the Secretary of State's salary increase to \$90,417 in 2013 and \$93,333 in 2014. These recommendations were rejected by the General Assembly, and salaries remained at the current level.

The *Report of the Governor's Salary Commission*, published in January 2014, contains appendices showing the salaries and rankings for each of the constitutional officers in all 50 states. **Exhibit 2** shows the salary rankings of these constitutional officers compared with the other 49 states.

Exhibit 2
State Ranking of Constitutional Officer Salaries

	<u>2013</u> <u>Salary</u>	<u>2013</u> <u>Ranking</u>	<u>2009</u> <u>Salary</u>	<u>2009</u> <u>Ranking</u>	<u>2005</u> <u>Salary</u>	<u>2005</u> <u>Ranking</u>
Comptroller	\$125,000	21	\$125,000	17	\$120,833	9
Treasurer	125,000	12	125,000	12	120,833	6
Attorney General	125,000	21	125,000	19	120,833	13
Secretary of State	87,500	33	87,500	32	84,583	29

Source: Governor's Salary Commission

State Expenditures: General fund expenditures increase by \$28,513 in fiscal 2015 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 2015 term of office. Expenditures increase to \$112,227 in fiscal 2019 due to annualization and further salary increases.

Additional Information

Prior Introductions: None.

Cross File: HB 230 (The Speaker)(By Request - Governor's Salary Commission) - Rules and Executive Nominations.

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

Fiscal Note History: First Reader - January 27, 2014
mc/kdm

Analysis by: Jennifer K. Botts

Direct Inquiries to:
(410) 946-5510
(301) 970-5510