

Department of Legislative Services  
 Maryland General Assembly  
 2022 Session

FISCAL AND POLICY NOTE  
 Enrolled - Revised

House Bill 1254  
 Appropriations

(Delegate Wilson)

Budget and Taxation

Maryland State Board of Contract Appeals - Board Members and Law Clerks

This bill expands the number of members of the Maryland State Board of Contract Appeals (MSBCA) from three to six and requires MSBCA to employ at least three law clerks, including a graduate of the University of Maryland School of Law, a graduate of the University of Baltimore School of Law, and a graduate of the Howard University School of Law. The bill requires that an appeal before MSBCA be heard by a panel consisting of not more than three members designated by the chairman. The terms of the three new members are staggered as specified. **The bill takes effect June 1, 2022.**

Fiscal Summary

**State Effect:** No effect in FY 2022. General fund expenditures increase by \$797,200 in FY 2023 for staffing and new members. Out-year costs reflect ongoing expenses, termination of one-time costs, and inflation. No effect on revenues.

(in dollars)	FY 2023	FY 2024	FY 2025	FY 2026	FY 2027
Revenues	\$0	\$0	\$0	\$0	\$0
GF Expenditure	797,200	736,300	756,700	776,500	796,400
Net Effect	(\$797,200)	(\$736,300)	(\$756,700)	(\$776,500)	(\$796,400)

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

**Local Effect:** None.

**Small Business Effect:** Potential minimal.

Analysis

**Current Law:** MSBCA is an independent agency in the Executive Branch that consists of three full-time members qualified to serve in a quasi-judicial capacity and possessing thorough knowledge of procurement practices and processes. The chairman and other

members are appointed to five-year terms by the Governor with the advice and consent of the Senate. MSBCA may employ staff in accordance with the State budget (it currently has five positions, which includes the three members of the board). MSBCA adjudicates bid protests and contract disputes between State agencies and contractors or vendors doing business with the State. Matters involved in bid protests include the bidding process and other concerns relating to the formation of procurement contracts. Issues in contract disputes include breach, performance, modification, and termination. MSBCA decisions are subject to judicial review.

**State Expenditures:** General fund expenditures increase by \$797,151 in fiscal 2023, which accounts for a 30-day start-up delay from the bill's June 1, 2022 effective date. This estimate reflects the cost of adding three members to MSBCA and hiring three law clerks as required by the bill. It includes salaries, fringe benefits, one-time start-up costs, and ongoing operating expenses.

Positions	6.0
Salaries and Fringe Benefits	\$741,093
Operating Expenses	<u>56,058</u>
<b>Total FY 2023 State Expenditures</b>	<b>\$797,151</b>

Future year expenditures reflect annual increases and employee turnover as well as annual increases in ongoing operating expenses.

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### Additional Information

**Prior Introductions:** None.

**Designated Cross File:** None.

**Information Source(s):** Maryland State Board of Contract Appeals; University System of Maryland; Department of Budget and Management; Department of Legislative Services

**Fiscal Note History:** rh/ljm  
First Reader - March 4, 2022  
Third Reader - March 21, 2022  
Enrolled - May 3, 2022  
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