Department of Legislative Services

Maryland General Assembly 2025 Session

FISCAL AND POLICY NOTE First Reader

House Bill 1207 Ways and Means (Montgomery County Delegation)

Montgomery County - Board of Education - Compensation MC 7-25

This bill increases the compensation amounts for members of the Montgomery County Board of Education. Once fully phased-in, the compensation amounts for elected board members increase by \$99,000, while the compensation amount for the board president increases by \$105,000. The bill also authorizes a stipend for the student member and adjusts the student member scholarship amount such that, once fully phased-in, the combined scholarship and stipend amount is equal to the increased elected board member compensation (other than the board president). A salary increase for an elected member under the bill must take effect at the beginning of the term of office (and may not increase during the current term of office). **The bill takes effect July 1, 2025.**

Fiscal Summary

State Effect: None.

Local Effect: Montgomery County school expenditures increase by \$6,000 in FY 2026 and by \$798,000 annually beginning in FY 2030 due to the higher compensation amounts provided to board members. Expenditures increase by a further amount (\$54,800 in FY 2027 and by \$163,400 annually beginning in FY 2030) to provide health insurance and other fringe benefits to elected members of the board. Revenues are not affected.

Small Business Effect: None.

Analysis

Bill Summary: As shown in **Exhibit 1**, the compensation for an elected board member increases from \$25,000 to \$62,000 beginning December 1, 2025, and again increases to \$124,000 beginning December 1, 2026. For the board president, the bill increases the annual compensation amount from \$29,000 annually to \$67,000 beginning December 1, 2025, and again increases to \$134,000 beginning December 1, 2026.

The student member compensation is increased over a two-year period. For the term that *ends* in 2026, the scholarship amount must be equal to 40% of the annual compensation of an elected board member and a one-time stipend must be equal to 10% of the annual compensation of an elected board member. Beginning with the term that *starts* in 2026, the scholarship amount must be equal to 80% of the annual compensation of an elected board member and a one-time stipend must be equal to 20% of the annual compensation of an elected board member. The bill also repeals language requiring the student member to submit expense vouchers before the student member may be reimbursed for out-of-pocket expenses incurred in connection with official duties (but retains the reimbursement authorization).

Exhibit 1
Compensation Changes under the Bill
Members of the Montgomery County Board of Education

		Under the Bill Beginning on		
	Current Law	December 2025	December 2026	
Elected Board Members	\$25,000	\$62,000	\$124,000	
Board President	29,000	67,000	134,000	
		Under the Bill for a Term		
	Current Law	Ending in 2026	Beginning in 2026	
Student Member Scholarship	\$25,000	\$24,800	\$99,200	
Student Member Stipend	-	6,200	24,800	
Total Student Member Compensation	\$25,000	\$31,000	\$124,000	

Source: Department of Legislative Services

Current Law: The Montgomery County Board of Education consists of seven elected members and one student member. Elected members serve four-year terms beginning December 1 after the member's election and until a successor is qualified; the student

member serves a one-year term beginning on July 1 after the election of the student member. The board is 1 of 20 elected school boards in the State. There are 4 hybrid boards in the State. The **Appendix – Local Boards of Education Membership** shows the selection methods, terms of office, and membership of the 24 local boards of education.

Staggered Election of Board Members

All elected members of the Montgomery County Board of Education, regardless of residency requirements, must be elected by the voters of the entire county. Board member elections are staggered such that some members are elected in presidential election years and others are elected in gubernatorial election years. Generally, three members are elected in presidential election years and four members are elected in gubernatorial election years. Of the three members elected in 2020 and every four years thereafter, one must reside in district two, one must reside in district four, and one may reside in any part of the county. Of the four members elected in 2022 and every four years thereafter, one must reside in district one, one must reside in district three, one must reside in district five, and one may reside in any part of the county.

Board Member Compensation

An elected member of the Montgomery County Board of Education receives \$25,000 annually as compensation, in addition to reimbursement for travel and other expenses as determined by the Montgomery County Council. The board president receives an additional \$4,000 (i.e., \$29,000 annually). These amounts may also be set through legislation based on recommendations of the Montgomery County Board of Education Compensation Commission in accordance with State law. An elected board member is also entitled to health insurance and other fringe benefits regularly provided to other local school system employees.

Student Member Scholarship

The student member may not receive compensation, but after submitting expense vouchers, may be reimbursed for out-of-pocket expenses incurred in connection with official duties. Chapter 566 of 2022 set the student member scholarship amount to be the lesser of (1) the highest annual resident undergraduate tuition, mandatory fees, and room and board that is charged at specified four-year public institutions of higher education within the University System of Maryland (USM) for the academic year in which the student member serves on the board and (2) the amount that an elected member of the board (other than the board president) is entitled to receive as compensation in that year.

In fiscal 2025, the University of Maryland, College Park Campus (UMCP) had the highest tuition, fees, and room and board among specified USM institutions. Annual resident HB 1207/ Page 3

tuition, fees, average board costs, and costs for a standard double room totaled \$27,408 at UMCP. As this amount is higher than the \$25,000 in compensation for an elected board member set in current law, the student scholarship amount is currently held at \$25,000.

Local Expenditures: Montgomery County school expenditures increase by \$6,000 in fiscal 2026 and by \$798,000 annually beginning in fiscal 2030 due to the higher compensation amounts provided to board members (**Exhibit 2**). This estimate is based on four board members starting new terms in December 2026 and three board members starting new terms in December 2028. The increase in the student member's compensation starts in fiscal 2026.

Exhibit 2
Compensation Expenditures under the Bill and Current Law
Members of the Montgomery County Board of Education
Fiscal 2026-2030

	FY 2026	FY 2027	FY 2028	FY 2029	FY 2030
Proposed Salaries	\$210,000	\$537,500	\$705,000	\$878,250	\$1,002,000
Current Law	204,000	204,000	204,000	204,000	204,000
Net Change	\$6,000	\$333,500	\$501,000	\$674,250	\$798,000

Source: Department of Legislative Services

Montgomery County Public Schools advises that, in addition to the direct compensation amounts listed above, the county expects to offer fringe benefits to non-student board members at a rate of 23.4% of annual compensation. In fiscal 2027, school expenditures therefore increase by an estimated \$54,800 for fringe benefits. By fiscal 2030, school expenditures may increase by an estimated \$163,400 annually for additional fringe benefits. Actual amounts will depend on the fringe benefits rates set in future years and the extent to which board members take advantage of the benefits offered by the board.

Additional Information

Recent Prior Introductions: Similar legislation has not been introduced within the last three years.

Designated Cross File: None.

Information Source(s): Montgomery County; Montgomery County Public Schools;

Department of Legislative Services

Fiscal Note History: First Reader - March 3, 2025

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Appendix – Local Boards of Education Membership

The composition of the local boards of education varies with members serving three- to four-year terms. Twenty counties have elected school boards and four counties have combined appointed and elected school boards. Twenty-two boards have student members; however, only 8 boards allow student members to vote, which generally excludes authority to vote on matters relating to collective bargaining and personnel. Three counties with voting student members also preclude student members from voting on matters relating to operating and capital budgets. **Exhibit 1** shows the selection methods, terms of office, and membership of the 24 local school boards.

Exhibit 1 Local Boards of Education As of January 2025

School System	Number of Members	<u>Term</u>		Means of Selection ¹
Allegany	6	4 years	Е	5 from county at large 1 student (nonvoting, one-year term)
Anne Arundel	8	4 years	E	7 from councilmanic districts 1 student (one-year term)
Baltimore City	12	3 or 4 years	A/E	2 elected from city at large9 appointed by mayor1 student (one-year term)
Baltimore	12	4 years	A/E	4 appointed by Governor from county at large 7 elected from councilmanic districts 1 student (one-year term)
Calvert	6	4 years	Е	2 from county at large 3 from commissioner districts 1 student (nonvoting, one-year term)
Caroline	7	4 years	A/E	3 elected from school board districts 2 appointed by Governor from county at large 2 students (nonvoting, one-year term)
Carroll	11	4 years	Е	5 from county at large 5 commissioners <i>ex officio</i> (nonvoting) 1 student (nonvoting, one-year term)

School System	Number of Members	<u>Term</u>		Means of Selection ¹
Cecil	6	4 years	Е	5 from commissioner districts 1 student (nonvoting, one-year term)
Charles	10	4 years	Е	1 from county at large 8 from commissioner districts 1 student (one-year term)
Dorchester	8	4 years	E	5 from councilmanic districts3 students (nonvoting, one-year term)
Frederick	8	4 years	E	7 from county at large 1 student (nonvoting, one-year term)
Garrett	6	4 years	Е	2 from county at large3 from commissioner districts1 student (nonvoting, one-year term)
Harford	11	4 years	A/E	6 elected from councilmanic districts 3 appointed by County Executive from county at large 1 superintendent <i>ex officio</i> (nonvoting) 1 student (one-year term)
Howard	8	4 years	Е	2 from county at large5 from councilmanic districts1 student (one-year term)
Kent	6	4 years	E	5 from county at large 1 student (nonvoting, one-year term)
Montgomery	8	4 years	Е	2 from county at large5 from school districts1 student (one-year term)
Prince George's	10	4 years	Е	9 from school board districts 1 student (one-year term)
Queen Anne's	7	4 years	Е	1 from county at large4 from commissioner districts2 students (nonvoting, one-year term)
St. Mary's	6	4 years	E	1 from county at large4 from commissioner districts1 student (nonvoting, one-year term)
Somerset	5	4 years	Е	5 from commissioner districts
Talbot	9	4 years	Е	7 from school board districts 2 students (nonvoting, one-year term)
Washington ²	8	4 years	E	7 from county at large 1 student (nonvoting, one-year term)
Wicomico	7	4 years	E	5 from councilmanic districts 2 from county at large

School System	Number of Members	<u>Term</u>		Means of Selection ¹
Worcester	10	4 years	Е	7 from commissioner districts 3 students (nonvoting, one-year term)

¹ E = Elected and A/E = Combined appointed and elected board: (1) in Baltimore County, members are appointed by the Governor from a list of names provided by the Baltimore County School Board Nominating Commission; (2) in Caroline County, members are appointed by the Governor with the advice and consent of the Senate; (3) in Baltimore City, members are appointed by the mayor from a list of names provided by the Baltimore City Public School Board Community Panel; and (4) in Harford County, members are appointed by the county executive with the advice and consent of the county council.

Source: Sections 3-101 through 3-1405 of the Education Article; Local Boards of Education

² Although not in statute, the Washington County Board of Education reports that there is a student member on the board and that the student member can only concur on votes and must abstain from certain matters.