

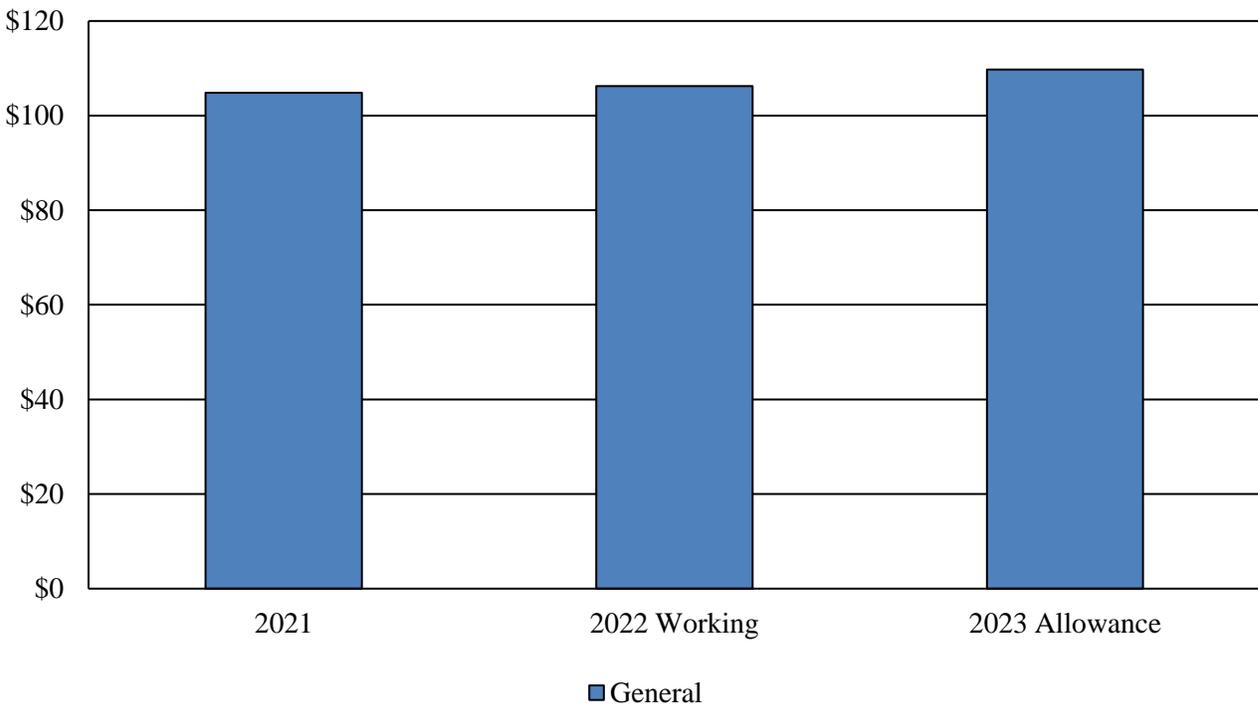
B75A01
General Assembly of Maryland

Program Description

The General Assembly of Maryland is the Legislative Branch of State government. The Department of Legislative Services (DLS) provides nonpartisan staff support to the General Assembly. Separate budgets are provided for the Senate, comprised of 47 members; the House of Delegates, comprised of 141 members; leadership, committee, and member staff support; and general expenses shared by both chambers.

Operating Budget Summary

**Fiscal 2023 Budget Increases \$3.5 Million, or 3.3%, to \$109.7 Million
(\$ in Millions)**

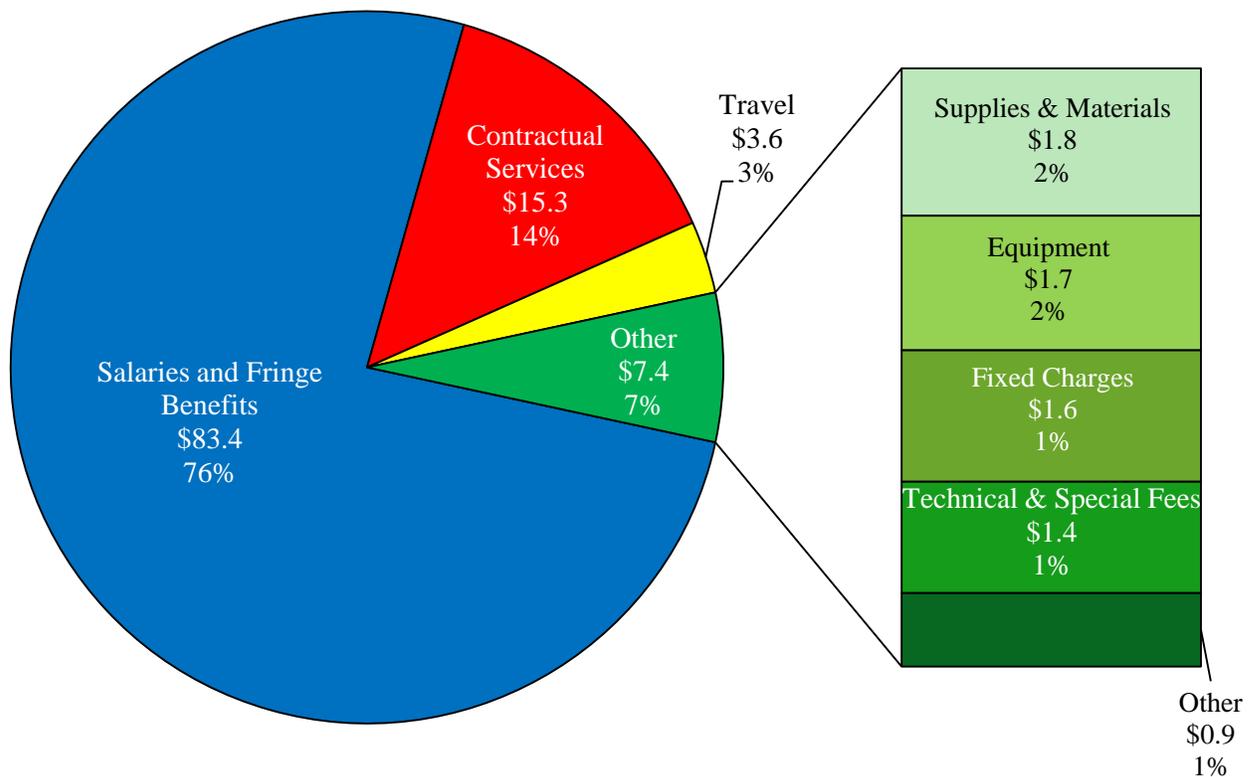


Note: The fiscal 2022 working appropriation and fiscal 2023 allowance do not reflect funding for statewide personnel actions budgeted in the Department of Budget and Management, which include cost-of-living adjustments, increments, bonuses, and may include annual salary review adjustments.

Fiscal 2023 Overview of Agency Spending

Most of the General Assembly and DLS spending supports salaries and fringe benefits. **Exhibit 1** shows that 76% is for salaries and fringe benefits of legislators and regular employees. Salaries for legislators are recommended by the General Assembly Compensation Commission (GACC), which meets every four years to recommend salaries and other compensation for the following term. Legislator salaries and other compensation cannot be increased other than by GACC recommendation. In January 2022, GACC recommended that legislator salaries be increased beginning in calendar 2023. Since this was recommended after the budget was prepared, the fiscal 2023 budget does not include funds for these salary increases. The GACC recommendations are discussed in more detail in Key Observation 1 of this analysis.

Exhibit 1
Overview of Spending by Object
Fiscal 2023 Allowance
(\$ in Millions)



Source: Department of Budget and Management

Proposed Budget Change

Exhibit 2 shows that the budget increases by \$3.5 million, or 3.3%, in fiscal 2023; the budget is comprised entirely of general funds.

**Exhibit 2
Proposed Budget
General Assembly of Maryland
(\$ in Thousands)**

How Much It Grows:	<u>General Fund</u>	<u>Total</u>
Fiscal 2021 Actual	\$104,832	\$104,832
Fiscal 2022 Working Appropriation	106,212	106,212
Fiscal 2023 Allowance	<u>109,744</u>	<u>109,744</u>
Fiscal 2022-2023 Amount Change	\$3,532	\$3,532
Fiscal 2022-2023 Percent Change	3.3%	3.3%

Where It Goes:	<u>Change</u>
Personnel Expenses	
Employee and retiree health insurance	\$1,050
Other changes to salary, pensions, Social Security, and workers' compensation.....	886
Pension costs attributable to an increase in the pension contribution rate	94
New positions.....	0
Nonpersonnel Expenses	
Mainframe, personal computer, and other information technology maintenance.....	457
Office of Legislative Audits (OLA) lease of Stadium Authority office space.....	298
New servers.....	350
Supplies and materials, including copies of the Annotated Code	195
Off-site equipment storage needed due to building renovation	167
Management studies and consultants	151
New Office of Policy Analysis fellows program	137
Personal computers	100
Education and training contracts.....	84
Electric storage units for the Shaw House due to building renovation	72
Duplicating equipment.....	65
Software for OLA	60
Annapolis Data Center costs	40

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Where It Goes:	<u>Change</u>
Adjust contracts to reflect vote boards in the State House, costs for chamber streaming, and prior year adjustments	-714
Other Changes	41
Total	\$3,532

Note: Numbers may not sum to total due to rounding.

Note: The fiscal 2022 working appropriation and fiscal 2023 allowance do not reflect funding for statewide personnel actions budgeted in the Department of Budget and Management, which include cost-of-living adjustments, increments, bonuses, and may include annual salary review adjustments.

Personnel Data

	<u>FY 21</u>	<u>FY 22</u>	<u>FY 23</u>	<u>FY 22-23</u>
	<u>Actual</u>	<u>Working</u>	<u>Allowance</u>	<u>Change</u>
Regular Positions	767.00	772.00	775.00	3.00
Contractual FTEs	<u>0.00</u>	<u>0.00</u>	<u>0.00</u>	<u>0.00</u>
Total Personnel	767.00	772.00	775.00	3.00

Vacancy Data: Regular Positions

Turnover and Necessary Vacancies, Excluding New Positions	12.42	1.63%
Positions and Percentage Vacant as of 12/31/21	33	n/a
Vacancies Above Turnover	20.58	

- Three new positions are added in fiscal 2023 for an information technology analyst in the Office of Operations and Support Services, a policy analyst for the Office of Program Evaluation and Government Accountability, and an attorney for the Attorney General’s Office. Total salary and fringe benefit costs are approximately \$400,000.
- In fiscal 2022, 5 positions were added for DLS to begin preparing racial equity impact notes for selected criminal justice legislation. The Updates section of this analysis discusses this new function.

Key Observations

1. General Assembly Compensation Commission Report

Prior to 1971, the Maryland constitution established legislative salaries. Related allowances, including expense reimbursements and retirement benefits, were specified in statute. The salaries could be changed only through a constitutional amendment ratified by voters in a general election.

A constitutional amendment, approved by the voters in 1970, created the nine-member GACC and specified that the commission submit salary and allowance recommendations to the legislature every four years. The commission includes five persons appointed by the Governor, two persons appointed by the President of the Senate, and two persons appointed by the Speaker of the House of Delegates.

Commission’s 2022 Resolution Changes the Compensation Package

In its January 2022 report, GACC unanimously recommended that legislator salaries increase by 4% in each of calendar 2023 and 2024 and 2% in each of calendar 2025 and 2026. The commission noted that the General Assembly is a part-time legislature but that legislative service takes a substantial commitment, both in Annapolis and with constituent services. The commission expressed concerns that legislators had not received a pay increase since calendar 2018 and that no increase for another four-year term would further diminish the effective salary received by legislators. **Exhibit 3** shows the GACC recommended salaries.

Exhibit 3 Legislator Salaries Calendar 2022-2026

<u>Year</u>	<u>Member</u>	<u>Presiding Officers</u>
2022	\$50,330	\$65,371
2023	52,343	67,986
2024	54,437	70,705
2025	55,526	72,119
2026	56,636	73,562

Source: Report of the General Assembly Compensation Commission, January 2022

DLS estimates that the cost of the salary increases and associated fringe benefits is approximately \$240,000 in fiscal 2023 and \$740,000 in fiscal 2024. These funds are not in the fiscal 2023 budget so a deficiency appropriation will be needed in the fiscal 2024 budget bill.

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Other changes recommended by the commission are:

- updating the years for which the in-district transportation allowance applies to cover the upcoming term without changing the annual benefit but maintaining the annual benefit at \$750;
- updating the years for which membership in the Legislative Pension Plan is mandatory to cover the upcoming term without changing the pension contribution rate (7%), allowance (3% for each year of service), or maximum allowance (66.67% of salary);
- clarifying provisions providing for survivor allowances and lump-sum death benefits;
- clarifying the procedure for changing a designated beneficiary; and
- clarifying provisions providing for an optional allowance and the procedure for changing a designated beneficiary and recalculating the allowance if such a change is made.

The General Assembly may reduce or reject but cannot increase any item in the commission's resolution. If no changes are made, the commission's resolution is effective in calendar 2023.

Operating Budget Recommended Actions

1. Concur with the budget as approved by the Legislative Policy Committee.

Updates

- ***Racial Equity Impact Notes:*** At the request of the Presiding Officers, DLS undertook a demonstration project to produce racial equity impact notes with respect to selected criminal justice-related legislation in the 2021 session and subsequently produced 12 racial equity impact notes. To support this new function, the General Assembly authorized 5 regular positions in the fiscal 2022 budget. Currently 2 of the 5 positions are filled, and DLS plans to recruit for the remaining positions during the 2022 interim.

To produce informative and substantive notes, DLS will need to collect additional demographic data across a variety of decision points, such as calls for service, arrests, bias motivation, victims, and offenders. This data can be used to assess equitable processes and outcomes throughout the operations of law enforcement agencies in Maryland.

During the 2021 session, DLS contracted with Bowie State University and the University of Baltimore’s Schafer Center to assist with research for the demonstration project. DLS further contracted with the Schafer Center over the 2021 interim to make recommendations regarding what criminal- justice-related data should be collected in Maryland to support equity related research. DLS also formed a staff workgroup to collect information regarding the data that various State agencies are currently collecting for both reporting and internal purposes. The workgroup’s findings and the recommendations of the Schafer Center are the basis for SB 785 and HB 1023 of 2022 requiring the collection and transmission of data from the Department of Juvenile Services; the Department of State Police; the Department of Public Safety and Correctional Services; and the Governor’s Office of Crime Prevention, Youth, and Victim Services. This includes periodically reporting demographic data for equity analysis purposes.

- ***Sports Wagering Application Review Commission (SWARC) Begins Its Work:*** DLS staff support SWARC created in Chapter 356 of 2021. The law authorized 17 designated licenses for sports wagering at a physical facility, an additional 30 competitively bid licenses for sports wagering at a physical facility, and 60 mobile sports licenses for online wagering. SWARC awards all sports wagering licenses and must actively seek to achieve racial, ethnic, and gender diversity when awarding licenses. The State Lottery and Gaming Control Agency regulates the operations of sports wagering.

Chapter 356 required DLS to contract with an independent consultant to assist SWARC in its review and analysis of license applications. DLS selected Taft Stettinius & Hollister LLP as the consultant in August 2021. To assist the commission and provide transparency, the commission has prepared the following interactive map, which can be found on SWARC’s website, showing licensed locations: [ArcGIS - Sports Wagering Licenses in Maryland](#).

**Appendix 1
Object/Fund Difference Report
General Assembly of Maryland**

<u>Object/Fund</u>	<u>FY 21 Actual</u>	<u>FY 22 Working Appropriation</u>	<u>FY 23 Allowance</u>	<u>FY 22 - FY 23 Amount Change</u>	<u>Percent Change</u>
Positions					
01 Regular	767.00	772.00	775.00	3.00	0.4%
Total Positions	767.00	772.00	775.00	3.00	0.4%
Objects					
01 Salaries and Wages	\$ 81,168,320	\$ 81,381,015	\$ 83,411,586	\$ 2,030,571	2.5%
02 Technical and Special Fees	1,394,184	1,394,184	1,381,569	-12,615	-0.9%
03 Communication	747,050	650,000	648,700	-1,300	-0.2%
04 Travel	3,598,676	3,592,096	3,596,115	4,019	0.1%
06 Fuel and Utilities	4,500	3,900	76,900	73,000	1871.8%
07 Motor Vehicles	2,419	1,711	1,711	0	0%
08 Contractual Services	13,084,603	15,150,667	15,324,492	173,825	1.1%
09 Supplies and Materials	1,621,146	1,630,620	1,825,135	194,515	11.9%
10 Equipment – Replacement	1,381,321	1,131,599	1,635,212	503,613	44.5%
11 Equipment – Additional	15,790	3,000	32,600	29,600	986.7%
13 Fixed Charges	819,627	1,138,811	1,629,608	490,797	43.1%
14 Land and Structures	994,000	134,000	180,000	46,000	34.3%
Total Objects	\$ 104,831,636	\$ 106,211,603	\$ 109,743,628	\$ 3,532,025	3.3%
Funds					
01 General Fund	\$ 104,831,636	\$ 106,211,603	\$ 109,743,628	\$ 3,532,025	3.3%
Total Funds	\$ 104,831,636	\$ 106,211,603	\$ 109,743,628	\$ 3,532,025	3.3%

Note: The fiscal 2022 working appropriation and fiscal 2023 allowance do not reflect funding for statewide personnel actions budgeted in the Department of Budget and Management, which include cost-of-living adjustments, increments, bonuses, and may include annual salary review adjustments.