

**B00
General Assembly**

Operating Budget Data

(\$ in Thousands)

	<u>FY 07 Actual</u>	<u>FY 08 Working</u>	<u>FY 09 Allowance</u>	<u>FY 08-09 Change</u>	<u>% Change Prior Year</u>
General Fund	\$68,156	\$72,258	\$75,921	\$3,663	5.1%
Special Fund	<u>100</u>	<u>300</u>	<u>100</u>	<u>-200</u>	<u>-66.7%</u>
Total Funds	\$68,256	\$72,558	\$76,021	\$3,463	4.8%

- The budget for the Maryland General Assembly increases by \$3.5 million in fiscal 2009, or 4.8%. However, the increase is distorted by statewide changes in health insurance funding and new appropriations to begin addressing the unfunded liability for Other Post Employment Benefits. Absent these two categories, the budget decreases by -\$226,131, or -0.3%.
- When looking at overall budget change, personnel expenses account for \$3.3 million, which is 95.0% of the increase in fiscal 2009. Nonpersonnel operating expenses increase by \$167,850, which is 1.1% above fiscal 2008 funding levels.

Personnel Data

	<u>FY 07 Actual</u>	<u>FY 08 Working</u>	<u>FY 09 Allowance</u>	<u>FY 08-09 Change</u>
Regular Positions	747.00	747.00	747.00	0.00
Contractual FTEs	<u>0.00</u>	<u>0.00</u>	<u>0.00</u>	<u>0.00</u>
Total Personnel	747.00	747.00	747.00	0.00

Vacancy Data: Regular Positions

Turnover, Excluding New Positions	11.13	1.49%
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- There is no change in the number of regular positions or contractual full-time equivalents in the fiscal 2009 budget.
- The turnover rate is set at 1.49% in the budget, which will require that roughly 11 positions remain unfilled throughout the next fiscal year.

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

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Analysis in Brief

Recommended Actions

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

B00
General Assembly

Operating Budget Analysis

Program Description

The Maryland General Assembly (MGA) is the legislative branch of State government. Separate budgets are provided for the Senate, comprised of 47 members; the House of Delegates, with 141 members; and general expenses shared by both chambers.

The Department of Legislative Services (DLS) furnishes nonpartisan staff support to the legislature. The department has four offices: the Office of the Executive Director; the Office of Legislative Audits; the Office of Legislative Information Systems (OIS); and the Office of Policy Analysis.

Fiscal 2008 Actions

Impact of Cost Containment

The Governor withdrew \$128.4 million through the Board of Public Works in July 2007 as part of statewide cost containment efforts. In his plan, the Governor assumed that MGA would revert \$1.8 million in general funds at the end of fiscal 2008. This assumption is repeated in the budget plan submitted by the Governor in January 2008. Any reversion amounts from MGA would come from a mix of operating and personnel expenses, to the extent available.

Proposed Budget

The fiscal 2009 budget for MGA totals \$76.0 million. This is an increase of \$3.5 million, or 4.8%. General funds increase by \$3.7 million, offset by a reduction of \$0.2 million in special funds. Approximately 95.0% of the growth in spending is tied to personnel-related expenditures, as illustrated in **Exhibit 1**. This includes first time statewide funding to address the unfunded retiree health care liability (a.k.a., Other Post Employment Benefits) which accounts for \$2.5 million of the growth and \$1.2 million for pay-as-you-go health insurance costs for current and retired employees.

Nonpersonnel operating expenses increase by \$167,850, which is 1.1% above fiscal 2008 funding levels. In-state travel for the House and Senate increases by \$180,000 and \$30,000, respectively, placing the fiscal 2009 funding level more in line with actual spending needs but still nearly \$225,000 below actual spending in fiscal 2007. Another \$190,000 is provided in the OIS budget for routine replacement of computer servers. Funding for actuarial studies drops by \$200,000 in special funds, which are received from the Department of Budget Management (DBM) in support of the Blue Ribbon Commission to Study Retiree Health Care Funding. Funds are reduced by \$30,000 based on the number of replacement volumes of the Maryland Annotated Code that are expected to be purchased.

Exhibit 1
Proposed Budget
General Assembly
(\$ in Thousands)

How Much It Grows:	General Fund	Special Fund	Total
2008 Working Appropriation	\$72,258	\$300	\$72,558
2009 Allowance	<u>75,921</u>	<u>100</u>	<u>76,021</u>
Amount Change	\$3,663	-\$200	\$3,463
Percent Change	5.1%	-66.7%	4.8%

Where It Goes:

Personnel Expenses

Health insurance – Other Post Employment Benefits	\$2,451
Increments	-794
Health insurance – pay-as-you-go costs	1,238
Other fringe benefit adjustments	400

Other Changes

Funding for legislator in-state travel closer to actual amounts spent in fiscal 2007.....	210
Replacement computer servers.....	190
Contractual payroll for print shop, document proofing, bill drafting, etc.	140
Print shop paper and supplies	76
Local phone service based on actual expenditure levels	50
Actuarial studies for Blue Ribbon Commission to Study Retiree Health Care Funding Options	-200
Print shop equipment, phone system, and SAP server one-time upgrades.....	-142
Replacement personal computers.....	-122
Reduced need for replacement volumes of the Maryland Annotated Code	-30
Other	-4

Total **\$3,463**

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

Recommended Actions

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

Current and Prior Year Budgets

Current and Prior Year Budgets General Assembly (\$ in Thousands)

	<u>General Fund</u>	<u>Special Fund</u>	<u>Federal Fund</u>	<u>Reimb. Fund</u>	<u>Total</u>
Fiscal 2007					
Legislative Appropriation	\$68,664	\$0	\$0	\$0	\$68,664
Deficiency Appropriation	0	0	0	0	0
Budget Amendments	464	100	0	0	564
Reversions and Cancellations	-971	0	0	0	-972
Actual Expenditures	\$68,156	\$100	\$0	\$0	\$68,256
Fiscal 2008					
Legislative Appropriation	\$71,444	\$100	\$0	\$0	\$71,544
Cost Containment	0	0	0	0	0
Budget Amendments	815	200	0	0	1,015
Working Appropriation	\$72,258	\$300	\$0	\$0	\$72,558

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

Fiscal 2007

The fiscal 2007 budget for the General Assembly experienced a net decrease of \$407,685, which consisted of a decrease of \$507,664 in general funds and an increase of \$100,000 in special funds.

General fund changes during the fiscal year included the addition of \$463,828 by budget amendment from DBM to allocate MGA's share of the cost-of-living adjustment that had been budgeted centrally for all agencies in the DBM budget. This increase was offset by general fund reversions of \$971,492, representing unspent funds across all programs.

Special funds of \$100,000 were added to the MGA budget by amendment from DBM to provide funding for actuarial studies as required by Chapter 433 of 2006. This Act established a Blue Ribbon Commission to Study Retiree Health Care Funding Options, which is staffed by DLS.

Fiscal 2008

The general fund appropriation for MGA increased by \$814,688 in fiscal 2008 to reflect the 2% cost-of-living adjustment that had been budgeted in DBM and subsequently transferred to each agency by budget amendment. Special funds increase by \$200,000 for actuarial studies for the Blue Ribbon Commission. Per statute, funding is provided by DBM and transferred to the MGA budget for actuarial studies as needed.

**Object/Fund Difference Report
General Assembly**

<u>Object/Fund</u>	<u>FY07 Actual</u>	<u>FY08 Working Appropriation</u>	<u>FY09 Allowance</u>	<u>FY08-FY09 Amount Change</u>	<u>Percent Change</u>
Positions					
01 Regular	747.00	747.00	747.00	0	0%
Total Positions	747.00	747.00	747.00	0	0%
Objects					
01 Salaries and Wages	\$ 52,887,349	\$ 57,031,221	\$ 60,326,190	\$ 3,294,969	5.8%
02 Technical and Spec. Fees	1,400,608	1,259,400	1,407,700	148,300	11.8%
03 Communication	595,390	663,200	706,200	43,000	6.5%
04 Travel	2,783,242	2,659,400	2,844,200	184,800	6.9%
06 Fuel and Utilities	6,190	5,400	6,500	1,100	20.4%
07 Motor Vehicles	76,287	66,600	65,500	-1,100	-1.7%
08 Contractual Services	5,459,681	7,747,994	7,583,794	-164,200	-2.1%
09 Supplies and Materials	1,035,172	1,143,700	1,182,800	39,100	3.4%
10 Equip. – Replacement	3,511,226	1,471,600	1,386,650	-84,950	-5.8%
11 Equip. – Additional	4,829	0	0	0	0.0%
13 Fixed Charges	374,677	394,700	403,000	8,300	2.1%
14 Land and Structures	121,458	115,000	108,500	-6,500	-5.7%
Total Objects	\$ 68,256,109	\$ 72,558,215	\$ 76,021,034	\$ 3,462,819	4.8%
Funds					
01 General Fund	\$ 68,156,130	\$ 72,258,215	\$ 75,921,034	\$ 3,662,819	5.1%
03 Special Fund	99,979	300,000	100,000	-200,000	-66.7%
Total Funds	\$ 68,256,109	\$ 72,558,215	\$ 76,021,034	\$ 3,462,819	4.8%

Note: The fiscal 2008 appropriation does not include deficiencies.

**Fiscal Summary
General Assembly**

<u>Program/Unit</u>	<u>FY07 Actual</u>	<u>FY08 Wrk Approp</u>	<u>FY09 Allowance</u>	<u>Change</u>	<u>FY08-FY09 % Change</u>
01 Senate	\$ 10,023,708	\$ 10,479,169	\$ 11,136,494	\$ 657,325	6.3%
02 House Of Delegates	18,886,654	19,330,077	20,340,200	1,010,123	5.2%
03 General Legislative Expenses	965,577	990,100	1,000,940	10,840	1.1%
04 Office Of The Executive Director	9,985,483	11,057,337	11,416,478	359,141	3.2%
05 Office Of Legislative Audits	10,380,083	11,312,713	11,903,731	591,018	5.2%
06 Office Of Legislative Information Systems	4,434,379	4,722,594	5,013,882	291,288	6.2%
07 Office Of Policy Analysis	13,580,225	14,666,225	15,209,309	543,084	3.7%
Total Expenditures	\$ 68,256,109	\$ 72,558,215	\$ 76,021,034	\$ 3,462,819	4.8%
General Fund	\$ 68,156,130	\$ 72,258,215	\$ 75,921,034	\$ 3,662,819	5.1%
Special Fund	99,979	300,000	100,000	-200,000	-66.7%
Total Appropriations	\$ 68,256,109	\$ 72,558,215	\$ 76,021,034	\$ 3,462,819	4.8%

Note: The fiscal 2008 appropriation does not include deficiencies.