

B00
General Assembly

Operating Budget Data

(\$ in Thousands)

| | <u>FY 08</u> <u>Actual</u> | <u>FY 09</u> <u>Working</u> | <u>FY 10</u> <u>Allowance</u> | <u>FY 09-10</u> <u>Change</u> | <u>% Change</u> <u>Prior Year</u> |
|------------------------------|-------------------------------|--------------------------------|----------------------------------|----------------------------------|--------------------------------------|
| General Fund | \$70,838 | \$76,397 | \$76,688 | \$291 | 0.4% |
| Adjusted General Fund | \$70,838 | \$76,397 | \$76,688 | \$291 | 0.4% |
| Special Fund | 228 | 300 | 100 | -200 | -66.7% |
| Adjusted Special Fund | \$228 | \$300 | \$100 | -\$200 | -66.7% |
| Adjusted Grand Total | \$71,066 | \$76,697 | \$76,788 | \$91 | 0.1% |

- The budget for the Maryland General Assembly increases by \$0.1 million, or 0.1%, in fiscal 2010. An increase of \$290,424 in general funds is largely offset by a reduction of \$200,000 in special funds.

Personnel Data

| | <u>FY 08</u> <u>Actual</u> | <u>FY 09</u> <u>Working</u> | <u>FY 10</u> <u>Allowance</u> | <u>FY 09-10</u> <u>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 and Necessary Vacancies, Excluding New Positions | 14.64 | 1.96% |
|---|-------|-------|

- There is no change in the number of regular positions or contractual full-time equivalents in the fiscal 2010 budget.
- The turnover rate is set at 1.96% in the budget, which will require nearly 15 positions to be held 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.

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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, comprised of 141 members; and general expenses shared by both chambers.

The Department of Legislative Services (DLS) provides 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; and the Office of Policy Analysis.

Fiscal 2009 Actions

Impact of Cost Containment

The Governor withdrew \$426.5 million from the fiscal 2009 budget through the Board of Public Works in June and October 2008. The Administration also assumed that MGA would revert \$7.6 million in general funds at the end of fiscal 2009. This reversion comprises \$6.5 million in unneeded prior-year encumbrances and \$1.1 million in unspent contributions toward the unfunded liability for Other Post Employment Benefits (OPEB). This assumption is repeated in the budget plan submitted by the Governor in January 2009. The actual amount of funds that can be reverted will not be known until the fiscal 2009 closeout process is concluded.

By executive order, the Governor announced a statewide furlough plan to reduce personnel costs in the fiscal 2009 budget. MGA voluntarily agreed to implement a comparable plan. Staff of MGA and DLS will see a salary reduction commensurate with those taken by Executive Branch employees, and savings totaling \$580,000 are anticipated. Because the salaries of elected officials cannot be reduced, the Presiding Officers implemented a voluntary plan whereby Senators and Delegates could contribute an equivalent amount to the State treasury or to the charity of their choosing.

Proposed Budget

As shown in **Exhibit 1**, the fiscal 2010 budget for MGA totals \$76.8 million, an increase of \$90,884, or 0.1%, over the fiscal 2009 working appropriation. An increase of \$290,424 in general funds is largely offset by a reduction of \$200,000 in special funds. Nearly 80.0% of the budget is in personnel costs, and several significant changes result in a decrease of \$0.3 million. Increases for employee and retiree health insurance (\$1.3 million) and employee retirement (\$0.6 million) are more than offset by the elimination of funding for OPEB (-\$2.1 million) and an increase in turnover expectancy (-\$0.3 million).

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

| How Much It Grows: | General Fund | Special Fund | Total |
|----------------------------|-------------------------|-------------------------|---------------|
| 2009 Working Appropriation | \$76,397 | \$300 | \$76,697 |
| 2010 Allowance | <u>76,688</u> | <u>100</u> | <u>76,788</u> |
| Amount Change | \$291 | -\$200 | \$91 |
| Percent Change | 0.4% | -66.7% | 0.1% |
| Contingent Reductions | \$0 | \$0 | \$0 |
| Adjusted Change | \$291 | -\$200 | \$91 |
| Adjusted Percent Change | 0.4% | -66.7% | 0.1% |

Where It Goes:

Personnel Expenses

| | |
|--|---------|
| Employee and retiree health insurance | \$1,271 |
| Employee retirement..... | 609 |
| Increments and other compensation | 64 |
| Reduction Other Post Employment Benefits' unfunded liability | -2,086 |
| Turnover adjustments | -274 |
| Other fringe benefit adjustments | 72 |

Other Changes

| | |
|--|------|
| Funding for legislator in-state travel to conform to fiscal 2008 actuals | 600 |
| Contractual payroll for print shop, document proofing, MGA page program, etc. | 79 |
| Increased costs for purchase of Annotated Code volumes | 30 |
| Costs to host the Eastern States Legislative Fiscal Officers meeting | 25 |
| Dues to National Conference of State Legislatures | 21 |
| Vehicle purchases in Office of Legislative Audits in fiscal 2009 | -22 |
| Reduction in consultant fees and management studies throughout DLS..... | -100 |
| Consultant expenses for the Blue Ribbon Commission to Study Retiree Health Care Funding Options | -200 |
| Other | 2 |

Total **\$91**

DLS: Department of Legislative Services

MGA: Maryland General Assembly

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

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Other operating expenses increase \$0.4 million, or 2.7%, overall. The fiscal 2010 allowance includes \$100,000 in special funds for consultant services for the Blue Ribbon Commission to Study Retiree Health Care Funding Options. These funds are transferred to MGA from the Department of Budget and Management. In both fiscal 2008 and 2009, an initial appropriation of \$100,000 has been increased by \$200,000 by budget amendment. In-state travel expenses increase for the Senate and House of Delegates by \$150,000 and \$450,000, respectively, to bring the appropriations closer in line to the fiscal 2008 actual spending. Travel for the Office of Legislative Audits increases slightly, by \$40,000, to allow the office to meet statutory obligations. As a general cost constraint, funds for management studies and consultants throughout DLS were reduced by \$100,000.

Impact of Cost Containment

Consistent with the treatment of Executive Branch agencies, no funds are provided for employee merit raises or cost-of-living adjustments. The fiscal 2010 budget would also reduce, contingent on enactment of legislation, the State's matching contribution to employees' supplemental retirement plans. The budget for MGA includes \$284,700 for this purpose; DLS is recommending budget bill language in the budget analysis for the Department of Budget and Management that would apply the Executive Branch reductions to the Legislature and Judiciary as well.

Recommended Actions

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

Current and Prior Year Budgets

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

| | <u>General Fund</u> | <u>Special Fund</u> | <u>Federal Fund</u> | <u>Reimb. Fund</u> | <u>Total</u> |
|----------------------------------|--------------------------------|--------------------------------|--------------------------------|-------------------------------|---------------------|
| Fiscal 2008 | | | | | |
| Legislative Appropriation | \$71,444 | \$100 | \$0 | \$0 | \$71,544 |
| Deficiency Appropriation | 0 | 0 | 0 | 0 | 0 |
| Budget Amendments | 815 | 200 | 0 | 0 | 1,015 |
| Cost Containment | 0 | 0 | 0 | 0 | 0 |
| Reversions and Cancellations | -1,420 | -72 | 0 | 0 | -1,492 |
| Actual Expenditures | \$70,838 | \$228 | \$0 | \$0 | \$71,066 |
| Fiscal 2009 | | | | | |
| Legislative Appropriation | \$75,556 | \$100 | \$0 | \$0 | \$75,656 |
| Cost Containment | 0 | 0 | 0 | 0 | 0 |
| Budget Amendments | 841 | 200 | 0 | 0 | 1,041 |
| Working Appropriation | \$76,397 | \$300 | \$0 | \$0 | \$76,697 |

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

Fiscal 2008

The fiscal 2008 budget for MGA closed \$477,514 less than the legislative appropriation. A general fund budget amendment to distribute employee cost-of-living adjustments added \$814,688. A budget amendment of \$200,000 in special funds, a transfer from the Department of Budget and Management, provided the necessary funding for actuarial studies to support the work of the Blue Ribbon Commission to Study Retiree Health Care Funding Options. A portion of this fund, \$72,211, was cancelled at the end of the year.

Reversions of \$1,419,990 were made as part of statewide cost containment efforts. In addition, \$380,010 budgeted for employee health insurance was removed from the MGA budget during the statewide closeout process. In total, MGA reverted \$1.8 million in general funds.

Fiscal 2009

The fiscal 2009 budget has been increased by two budget amendments to date. General funds totaling \$840,700 were added for the employee cost-of-living adjustments, and again \$200,000 in special funds were added to support the work of the Blue Ribbon Commission.

**Object/Fund Difference Report
General Assembly**

| <u>Object/Fund</u> | <u>FY08 Actual</u> | <u>FY09 Working Appropriation</u> | <u>FY10 Allowance</u> | <u>FY09 - FY10 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 | \$ 54,619,264 | \$ 60,801,890 | \$ 60,458,969 | -\$ 342,921 | -0.6% |
| 02 Technical and Spec. Fees | 1,556,596 | 1,407,700 | 1,495,050 | 87,350 | 6.2% |
| 03 Communication | 549,169 | 706,200 | 674,400 | -31,800 | -4.5% |
| 04 Travel | 3,084,024 | 2,844,200 | 3,467,500 | 623,300 | 21.9% |
| 06 Fuel and Utilities | 5,414 | 6,500 | 7,000 | 500 | 7.7% |
| 07 Motor Vehicles | 68,585 | 65,500 | 43,200 | -22,300 | -34.0% |
| 08 Contractual Services | 5,710,215 | 7,783,794 | 7,605,486 | -178,308 | -2.3% |
| 09 Supplies and Materials | 1,115,045 | 1,182,800 | 1,190,700 | 7,900 | 0.7% |
| 10 Equipment – Replacement | 3,915,172 | 1,386,650 | 1,305,900 | -80,750 | -5.8% |
| 13 Fixed Charges | 398,339 | 403,000 | 435,413 | 32,413 | 8.0% |
| 14 Land and Structures | 44,190 | 108,500 | 104,000 | -4,500 | -4.1% |
| Total Objects | \$ 71,066,013 | \$ 76,696,734 | \$ 76,787,618 | \$ 90,884 | 0.1% |
| Funds | | | | | |
| 01 General Fund | \$ 70,838,224 | \$ 76,396,734 | \$ 76,687,618 | \$ 290,884 | 0.4% |
| 03 Special Fund | 227,789 | 300,000 | 100,000 | -200,000 | -66.7% |
| Total Funds | \$ 71,066,013 | \$ 76,696,734 | \$ 76,787,618 | \$ 90,884 | 0.1% |

Note: The fiscal 2009 appropriation does not include deficiencies. The fiscal 2010 allowance does not include contingent reductions.

**Fiscal Summary
General Assembly**

| <u>Program/Unit</u> | <u>FY08 Actual</u> | <u>FY09 Wrk Approp</u> | <u>FY10 Allowance</u> | <u>Change</u> | <u>FY09 - FY10 % Change</u> |
|--|------------------------|----------------------------|---------------------------|------------------|---------------------------------|
| 01 Senate | \$ 10,224,111 | \$ 11,170,264 | \$ 11,247,623 | \$ 77,359 | 0.7% |
| 02 House of Delegates | 18,976,255 | 20,357,350 | 21,053,606 | 696,256 | 3.4% |
| 03 General Legislative Expenses | 990,100 | 1,000,480 | 1,018,527 | 18,047 | 1.8% |
| 04 Office of the Executive Director | 10,735,845 | 11,689,858 | 11,328,651 | -361,207 | -3.1% |
| 05 Office of Legislative Audits | 11,039,813 | 12,044,411 | 11,975,199 | -69,212 | -0.6% |
| 06 Office of Legislative Information Systems | 4,608,694 | 5,051,932 | 5,010,422 | -41,510 | -0.8% |
| 07 Office of Policy Analysis | 14,491,195 | 15,382,439 | 15,153,590 | -228,849 | -1.5% |
| Total Expenditures | \$ 71,066,013 | \$ 76,696,734 | \$ 76,787,618 | \$ 90,884 | 0.1% |
| General Fund | \$ 70,838,224 | \$ 76,396,734 | \$ 76,687,618 | \$ 290,884 | 0.4% |
| Special Fund | 227,789 | 300,000 | 100,000 | -200,000 | -66.7% |
| Total Appropriations | \$ 71,066,013 | \$ 76,696,734 | \$ 76,787,618 | \$ 90,884 | 0.1% |

Note: The fiscal 2009 appropriation does not include deficiencies. The fiscal 2010 allowance does not include contingent reductions.