SB 628

Department of Legislative Services

Maryland General Assembly
2011 Session

FISCAL AND POLICY NOTE

Senate Bill 628 (Senator Miller)
Budget and Taxation

State Health and Retirement Benefits - Public Employees and Retirees

---

This bill increases eligibility requirements for retiree health care benefits provided to retired State employees; restructures pension benefits for current and future members of the State Retirement and Pension System (SRPS); and requires local school boards, community colleges, and libraries to pay one-half of the total retirement costs for their employees. Additional State education aid is provided on a wealth equalized basis to offset one-half of the cost to be paid by local school boards but not other local employers.

The bill takes effect July 1, 2011.

Fiscal Summary

State Effect: It is assumed that the intent of the bill is for the sharing of employer costs with local employers for members of the Teachers' Retirement System (TRS) and Teachers' Pension System (TPS) and restructuring of SRPS benefits to begin in FY 2012. General fund expenditures decrease by $64.6 million in FY 2012 due to the shifting of a portion of retirement costs for TRS/TPS members to local governments that employ them. In FY 2013, State pension contributions decrease by even more as the effects of the benefit restructuring for SRPS members are recognized and additional costs are shared with local employers, stabilizing in FY 2015. Those savings increase according to actuarial assumptions and are assumed to be allocated 84% general funds, 8% special funds, and 8% federal funds. Special fund expenditures by the State Retirement Agency increase significantly to implement the bill's provisions; a reliable estimate is not available but is likely in the millions of dollars. State liabilities for Other Post Employment Benefits (OPEB) decrease by $6.5 billion.

($ in millions)	FY 2012	FY 2013	FY 2014	FY 2015	FY 2016
Revenues	$0	$0	$0	$0	$0
GF Expenditure	(64.6)	(266.3)	(399.7)	(404.0)	(398.7)
SF Expenditure	-	(5.5)	(5.5)	(5.5)	(5.5)
FF Expenditure	0	(5.5)	(5.5)	(5.5)	(5.5)
Net Effect	$64.6	$277.2	$410.8	$414.9	$409.8

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

Local Effect: Local expenditures increase by $64.6 million in FY 2012 due to the shifting of a portion of TRS/TPS pension costs to local employers after accounting for increases in State education aid to offset a portion of the pension costs. Local expenditures increase by larger amounts in FY 2013 and 2014 as additional costs are shared before stabilizing in FY 2015. For participating governmental units (PGUs), the actuarial accrued liability increases by $39.3 million, and the normal cost decreases by $9.8 million, both due to the increase in member contributions and the benefit restructuring. Amortizing the increase in liabilities over 25 years and factoring in the normal cost decrease results in PGU contributions decreasing by $7.5 million in FY 2013. Those savings increase annually according to actuarial assumptions and are divided among approximately 120 PGUs. **This bill imposes a mandate on a unit of local government.**

Small Business Effect: None.

Analysis

Bill Summary:

Retiree Health Care Benefits

The bill changes eligibility requirements for retiree health benefits for State employees who are (1) hired on or after July 1, 2011; or (2) currently employed by the State with less than 15 years of creditable service as of July 1, 2010, and younger than age 55 on July 1, 2011. With the exception of disability retirees, who qualify automatically, State employees who meet either of the above criteria must meet the following conditions to qualify to participate in the State health plan as retirees:

- retire directly from the State and receive a retirement allowance from SRPS or the Optional Retirement Program (ORP); and
- have at least 15 years of creditable service (up from 5).

In addition, the bill requires these employees to have at least 25 years of service credit (up from 16) to receive the maximum premium subsidy available to State employees and

retirees (currently between 80% and 85% of the premium cost). Retirees with between 15 and 25 years of service receive a prorated premium subsidy under the bill. Former State employees who left State employment before July 1, 2011, with at least 16 years of service credit may still participate in the State's health plan and receive the maximum premium subsidy when they would otherwise qualify under current law.

The bill requires the State to discontinue providing prescription drug benefits to Medicare-eligible State retirees under the State health plan no later than fiscal 2020.

Pension Benefit Restructuring

Changes Affecting Multiple Plans

For all SRPS plans except the Legislative Pension Plan (LPP) and the Judges' Retirement System (JRS), eligibility for a vested pension benefit is increased from 5 to 15 years for new and nonvested members as of July 1, 2011. This change also applies to employees of PGUs.

Also for all systems currently open to new members except LPP and JRS, cost-of-living adjustments for new retirees as of July 1, 2012, are capped at 3.0% in years when the SRPS investments meet their targeted 7.75% return, and 1.0% in years when returns are less than 7.75%.

Employees' and Teachers' Pension Systems

The bill restructures pension benefits for current and future members of the Employees' Pension System (EPS) and TPS; employees of PGUs are excluded from the benefit restructuring. Current EPS and TPS members must make a one-time irrevocable selection from among four benefit options. Current members who do not make a selection by the deadline are automatically enrolled in the Stable Benefit selection, which is not available to EPS and TPS members hired on or after July 1, 2012. The four benefit options are:

- **Stable Benefit:** The benefit multiplier remains 1.8% of average final compensation (AFC) for each year of creditable service for all future service beginning July 1, 2012, in exchange for an increase in the member contribution rate from 5% to 8% of compensation.

- **Stable Contribution:** The benefit multiplier is reduced to 1.6% of AFC for all future service beginning July 1, 2012, and the member contribution remains 5% of compensation.

- **Reduced Member Contribution Rate:** The benefit multiplier is reduced to 1.4% of AFC for all future service beginning July 1, 2012, and the member contribution is reduced to 3% of compensation.

- **Cash Balance:** The employer contribution is 10% of a member's compensation, paid into an account on behalf of the member, and the member contribution is 5%. Members earn 5% interest compounded annually on their account balance. SRPS is responsible for implementing the cash balance plan, but it is assumed that all accrued benefits for current members who choose this option are converted to a cash equivalent and deposited on their behalf.

Retirement eligibility requirements are increased for new and current nonvested members of EPS/TPS. To qualify for a normal service retirement, a member must either be age 62 with 10 years of service (up from 5) or have at least 92 years of combined age and years of eligibility service. To qualify for an early retirement, a member must be at least age 57 (up from 55) and have at least 20 years of eligibility service (up from 15). Retirement eligibility requirements for vested members are not affected.

Deferred Retirement Option Program (DROP)

For members of the State Police Retirement System (SPRS) and the Law Enforcement Officers' Pension System (LEOPS) who enroll in DROP, the interest rate paid on DROP account balances is changed from 6% compounded monthly to 4% compounded annually.

Pension Funding

The bill requires that, through fiscal 2023, any savings in annual employer contributions resulting from the restructuring of pension benefits be paid to the SRPS trust fund in the form of contributions above the actuarially required employer contributions, up to the amount that is projected to be necessary each year for the trust fund to achieve 80% funding on an actuarial basis by fiscal 2023. Beginning in fiscal 2024, the employer contribution is the actuarially required rate.

The bill phases in a requirement that local boards of education, community colleges, and libraries pay one-half of total employer retirement costs for their employees who are members of TPS over three years, assumed to begin in fiscal 2012. By fiscal 2014 and for each year thereafter, community colleges and libraries must pay approximately 50% of the sum of the TPS employer contribution for their employees and the employer share of Social Security costs for their employees. Local school boards also pay 50% of the sum of the TPS employer contribution and the employer share of Social Security costs beginning in fiscal 2014, but the funding mechanism differs for them. Initially, local

school boards pay twice the contribution rate as other local employers, but State education aid payments to local schools are increased on a wealth equalized basis. In this manner, local school systems pay only 50% of the total retirement cost on a statewide basis, but wealthier counties pay a higher share of the cost than less wealthy counties.

Local employers who fail to make their payments on time are subject to financial penalties.

During the three-year cost shift phase-in period, counties that do not receive a waiver from the State Board of Education must make the required Maintenance of Effort (MOE) payments to the local school systems. The State Comptroller is authorized to withhold any money due a county that does not meet MOE and does not receive a waiver up to the amount owed by the county to the school board.

Current Law:

Retiree Health Benefits

A retired State employee may enroll in the State's Health and Welfare Benefits Program and receive the same health insurance benefits and premium subsidies provided to a State employee if the retiree:

- retired directly from State service with a State retirement allowance on or after July 1, 1984, and had at least 5 years of creditable service;
- ended State service with at least 16 years of creditable service;
- ended State service with at least 10 years of creditable service and within 5 years before the age at which he/she would be eligible to retire;
- ended State service on or before June 30, 1984; or
- retired directly from State service with a State disability retirement allowance on or after July 1, 1984.

Spouses and dependent children of eligible retirees may also participate, and surviving spouses or dependent children of deceased retirees may also participate in the program as long as the spouse or child receives a regular survivor's pension payment from the State. Depending on the health plan selected, the State subsidizes 80% or 85% of the premium for all retirees with at least 16 years of service credit; retirees with between 5 and 16 years receive a prorated subsidy.

Pension Benefits

SRPS manages multiple contributory defined benefit retirement and pension plans on behalf of State employees and teachers. **Exhibit 1** displays basic benefit structures and membership information for each of the major plans administered by SRPS; because it is not affected by this bill, the Legislative Pension Plan is not included. Also, the Employee's Retirement System and Teachers' Retirement System, which were closed to new members in 1980 and replaced by EPS and TPS, respectively, are not included because they are not affected by the bill.

Exhibit 1
Key Characteristics of State Retirement and Pension Plans

	Employees and Teachers	State Police	Correctional Officers' System	Law Enforcement Officers' System	Judges
Participation	Condition of employment	Condition of employment	Condition of employment	Condition of employment	Condition of employment
Vesting	5 years of service	5 years of service	5 years of service	5 years of service	Immediate
Employee Contribution	5% of salary	8% of salary	5% of salary	4% of salary	6% of salary (for 16 years)
Service Retirement Conditions	Age 62 or 30 years (Age 55 with 15 years reduced benefit)	Age 50 or 22 years of service	20 years service, with at least the last 5 years as correctional officer	Age 50 or 25 years of service	Age 60
Allowance	1.8% per year of service after 7/1/98; plus 1.2% per year of service prior to 7/1/98	2.55% per year of service	1.8% per year of service	2.0% per year if subject to the LEOP's modified pension benefit; otherwise 2.3% for first 30 years and 1.0% for each year thereafter	2/3 of active judge's salary at 16 years
Post Retirement Adjustments	Limited to 3% annual COLA	Unlimited annual COLA	Unlimited annual COLA	Limited to 3% annual COLA	Based on salary of active judges
Membership*	156,139	1,354	7,899	1,535	294

*Reflects State-only membership as of June 2010
COLA = cost-of-living adjustment
Source: Department of Legislative Services

Local governments are eligible to participate in EPS, LEOPS, and the Correctional Officers' Retirement System (CORS) as PGUs, and pay the full employer cost for their employees. In order to participate, the governing body of a PGU must make an active selection to join one of the State plans.

Pension Funding

The State pays the full employer contribution to SRPS for all TRS/TPS members employed by local governments, including teachers, principals, librarians, community college faculty, and other school-related staff specified in statute. Local school boards, community colleges, and libraries pay the full employer share of Social Security and Medicare costs for all of their employees (currently 7.65% of compensation), including TRS/TPS members.

Background:

Retiree Health Benefits

In 2004, the Governmental Accounting Standards Board (GASB) issued new standards that require state and municipal governments to recognize liabilities for Other Post Employment Benefits on their balance sheets as they accrue rather than on a pay-as-you go (PAYGO) basis. In effect, the new standards require public employers to account for OPEB benefits (typically health insurance coverage for retirees) in the same way that they treat pension benefits. The standards require Maryland to conduct an actuarial valuation of its OPEB liabilities at least every two years, and to reflect any unfunded portion of those liabilities on its annual balance sheet.

GASB does not have the authority or means to enforce its standards, but state compliance with the standards is considered by the bond rating agencies. All three major rating agencies have indicated that they will examine states' compliance with the GASB standards during their reviews. However, they have all acknowledged that they will give states several years to devise a strategy to comply with the new standards before there are any rating implications. Moreover, they acknowledge that OPEB liabilities, like pension liabilities, are considered "soft" debt and will be treated differently than bonded debt.

Like almost all states, Maryland previously accounted for and funded its retiree health benefits on a PAYGO basis. Current PAYGO costs, based on medical claims data, are estimated by the actuary to be $379 million. In 2006, largely in response to the looming GASB requirement, the State conducted its first actuarial valuation of its OPEB liability, and has conducted OPEB valuations each year since then. The 2010 valuation of the State's OPEB liabilities put the unfunded liabilities at $15.9 billion, with an annual required contribution (ARC) of $1.2 billion. The ARC represents the sum of the 30-year

amortization payment of the accrued liabilities and the normal cost, or the liabilities accrued by active employees in the current year. If the State funds the ARC by paying the full amount into an irrevocable trust for the purpose of paying future retiree health care costs, it will have no net OPEB obligation under the GASB standards. Any portion of the ARC that is not funded on an annual basis appears as a liability on the State's balance sheet and accrues interest. To the extent that the State's unfunded OPEB liability multiplies at a rapid pace in the absence of a plan to restrain its growth, rating agencies may ultimately downgrade the State's AAA bond rating.

If the State fully funds the ARC, GASB allows it to use a higher discount rate in projecting its liabilities. The unfunded discount rate used by the actuary is 4.25%; the full funding discount rate is the same rate used by the State pension fund, or 7.75%. Under the full-funding scenario, the State's OPEB liabilities drop to $9.2 billion, with an ARC of $809 million.

In an effort to begin prefunding its OPEB liabilities, the State began setting aside funds in fiscal 2007, 2008, and 2009. The fiscal 2007 budget set aside $100.0 million into the Dedicated Purpose Account, which was later transferred to the OPEB trust fund once it obtained the necessary IRS clearance as an irrevocable trust. The fiscal 2008 budget as enacted also set aside $100.0 million in general funds in the Dedicated Purpose Account toward prefunding the State's liabilities. During the 2008 legislative session, however, the General Assembly cut that figure in half. The Governor's fiscal 2009 allowance included a $210.0 million contribution, all funds, to the OPEB trust fund. As enacted, the fiscal 2009 budget contained half that amount. In October 2009, the Board of Public Works cancelled the remaining $46.0 million that had yet to be paid into the trust fund as a cost containment measure. The State made no additional contributions to the trust fund in fiscal 2010 or 2011. As of September 2010, the OPEB trust fund held $186.9 million, which represents approximately 1.2% of the State's total OPEB liability.

Benefit Sustainability Commission

The Budget Reconciliation and Financing Act of 2010 (Chapter 484) created the Public Employees' and Retirees' Benefit Sustainability Commission to study and make recommendations with respect to State-funded health care benefits and pensions provided to State and public education employees and retirees. The commission's establishment was driven by the recent and projected growth in employer liabilities and costs for retiree health and pension benefits. Among the key concerns were that the funding level for SRPS had dropped to 64.1%, well below the 80% standard for health pension plans, and that the State had no plan to address its growing unfunded OPEB liabilities. The commission's January 2011 report included multiple recommendations for restructuring pension and retiree health benefit for State retirees and teachers. The commission also recommended that the State embrace the following goals:

- the State should achieve actuarial funding levels for SRPS of 80% within 10 years and 100% within 30 years; and

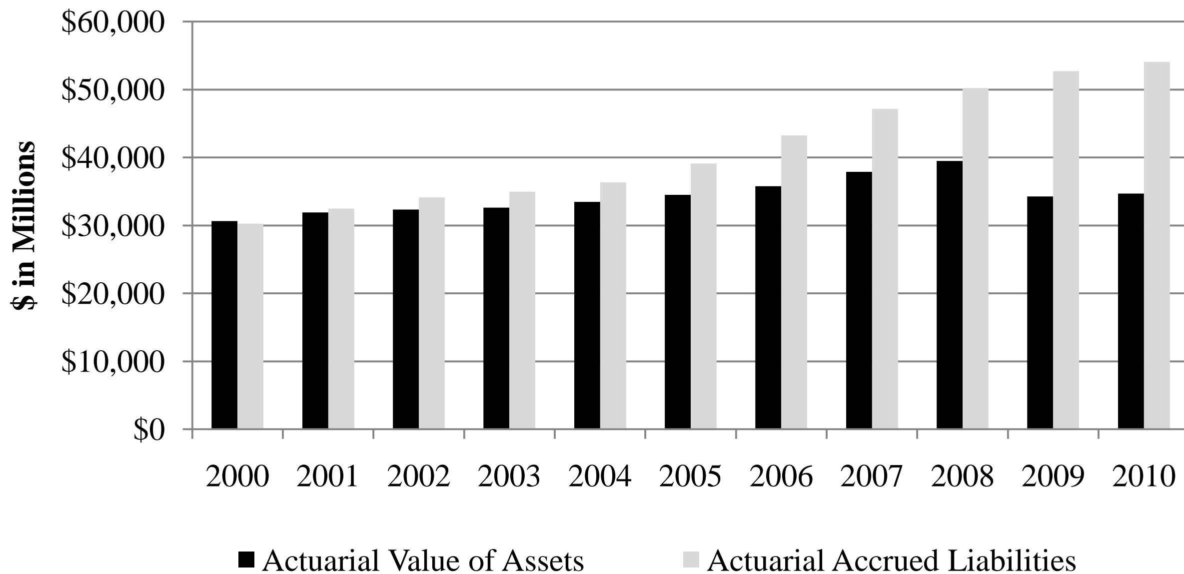
- the State should reduce its unfunded OPEB liability by 50% and commit to fully funding its ARC within 10 years.

This bill incorporates the commission's overall framework for restructuring pension and retiree health benefits to achieve those goals, and most of the commission's specific recommendations.

As the commission pointed out in its report, State costs for employee benefits are growing at unsustainable rates. In total, they have grown as a percentage of the total State budget, from 7.1% in fiscal 2002 to 9.0% in fiscal 2011. In particular, pension costs have grown, and are projected to continue to grow, faster than State revenues. From fiscal 2002 to 2011, general fund revenues grew by 39.0%, but State employee fringe benefits grew 59.0% and the cost of pensions for local employees (teachers, etc.) grew 159.0%.

There are multiple contributing factors for the increase in pension costs, in particular. The largest contributing factor has been the poor performance of domestic and global financial markets over the past 10 years. With recessions in 2001-2002 and 2008-2009, equity returns were generally flat for the decade. Other contributing factors have been the 2006 pension enhancement (Chapter 110 of 2006), which added about $1.9 billion to the system's unfunded liabilities; rapid growth in member payroll, especially in the middle of the decade; the corridor funding method adopted at the start of the decade; and demographic factors such as rising life expectancy. **Exhibit 2** shows the growing gap between the State's pension assets and liabilities, on an actuarial basis, which has been driving the increase in State pension contribution rates.

Exhibit 2
SRPS Actuarial Assets and Liabilities



Source: State Retirement and Pension System

State Fiscal Effect:

OPEB Liabilities

The bill's provisions reduce the State's OPEB liabilities by $6.5 billion, bringing the total liabilities to $9.4 billion. Also, the ARC decreases by $690.0 million, to $535.1 million. **Exhibit 3** shows the breakdown of the effect of the bill's two major OPEB components on the State's unfunded OPEB liability and ARC.

Exhibit 3
Effect of SB 628 on the State's OPEB Liability

	Unfunded Liability	ARC
Baseline Valuation Results	**$15,915,214**	**$1,225,206**
a. Change Eligibility Requirements for Current and New Members	(1,010,000)	(270,000)
b. Shift All Medicare-eligible Retirees to Medicare Part D in 2020	(5,504,000)	(420,100)
Valuation Results After Implementing A-B	**$9,401,214**	**$535,106**

Source: Gabriel, Roeder, Smith

Pension Benefit Changes

Based on its calculation of the net present value of benefits for current members under each of the four options presented, the General Assembly's consulting actuary advises that the vast majority of EPS/TPS members receive the highest benefit at retirement if they select the Reduced Member Contribution Rate Option. According to the actuary, that option provides the highest benefit level at retirement for 66% of EPS members and 83% of TPS members. The Cash Balance Plan Option provides the greatest benefit at retirement for 33% of EPS members and 15% of TPS members. The few remaining members of each plan are best off with the Stable Contribution Option; compared to the other three options, the Stable Benefit Option does not benefit any current members, according to the actuary. These determinations are based on current actuarial assumptions; to the extent that individual circumstances vary from those assumptions, the results may vary and/or members may select alternative options from those identified by the analysis.

Nevertheless, based on the actuary's findings and assuming that current members select the option that provides the highest benefit at retirement, the actuary estimates that, before any changes in funding or cost sharing are implemented, the benefit changes reduce State pension contributions by $323 million in fiscal 2013. Those savings are presumed to grow annually according to actuarial assumptions, and to be allocated 84% general funds, 8% special funds, and 8% federal funds.

Pension Savings and Cost Sharing

Of the $323 million saved in State pension costs due to eligibility and benefit changes in fiscal 2013, the actuary estimates that $255 million of that amount is contributed to the pension trust fund in excess of the required contribution toward achieving 80% funding in fiscal 2023. Therefore, the total savings in fiscal 2013 is $68 million. The share of that savings allocated to TRS/TPS (roughly $41.0 million annually) is included in the cost-sharing analysis below. The remainder (roughly $27.0 million) is allocated to State employee plans and is assumed to be allocated 60% general funds, 20% special funds, and 20% federal funds. Like the total savings, the amount of the additional contribution required to achieve 80% funding by fiscal 2023 also grows annually according to actuarial assumptions.

In the absence of the additional contributions, the pension fund is projected to achieve 73.6% funding in fiscal 2023 after the implementation of the benefit restructuring, but with the additional contributions, it is projected to reach 80% funding by that time.

The State recognizes additional savings due to the cost-sharing proposals in the bill, which require local school systems, community colleges, and libraries to pay a portion of

retirement costs for their employees in TRS/TPS. This analysis begins the cost-sharing provisions in fiscal 2012 and assumes that they have a dampening effect on local school system payrolls because resources that might otherwise be used to give salary increases are instead used to help cover the local share of retirement costs. Similar assumptions are not made for libraries and community colleges because of the smaller effect on their expenditures and the assumption that local governments can raise tuition, fees, and fines to make up much of the additional cost.

The local school system share of TRS/TPS pensions cost is designed to be wealth equalized, so that wealthier counties pay a larger share of the cost than less wealthy counties. The mechanism by which that occurs involves local school systems initially paying double the contribution rate as community colleges and libraries, and then having a portion of the excess contribution refunded to them in the form of increased education aid, which is based on wealth-equalized formulas. Therefore, for example, the employer contribution rates for local school systems established by the bill are 2%, 6%, and 10% in the first three years, while employer contributions for community colleges and libraries are 1%, 3%, and 5%, with corresponding reductions to the State's contribution rates for those years. However, local school systems are reimbursed by the State for much of their excess contribution, on a wealth-equalized basis. After four years, the local employer contribution "floats" so that it equals 50% of total retirement costs each year.

Exhibit 4 summarizes the effect of the bill on State general fund expenditures for retirement costs for members of TRS/TPS employed by local governments. The "additional contribution" shown under SB 628 reflects the State's share of the savings that is reinvested in TRS/TPS. The State and local contribution rates for fiscal 2013 through 2016 do not add up to the corresponding rates under current law because of the reduction in employer contribution rates due to the benefit restructuring savings.

Local Fiscal Effect: As shown in Exhibit 4, local expenditures for TRS/TPS members initially increase by $122.9 million in fiscal 2012. Of that, $119.5 million is paid by the local boards of education, one-half of which is reimbursed to them in the form of increased State aid for education on a wealth equalized basis. The remaining $3.4 million is for employees of community colleges and libraries, for which no reimbursement is paid. Therefore, total local expenditures increase by $64.6 million in fiscal 2012. Local expenditures increase more significantly in fiscal 2013, but again a significant portion is reimbursed to local school systems in the form of increased State aid. **Exhibit 5** shows the net effect on county governments for fiscal 2012 through 2016.

Exhibit 4
General Fund Savings Due to SB 628
Fiscal 2012-2016
($ in Millions)

	FY 2012	FY 2013	FY 2014	FY 2015	FY 2016
Current Law					
State Rate	15.45%	16.57%	17.72%	18.76%	19.61%
State Contribution	$975.60	$1,056.40	$1,153.40	$1,236.20	$1,312.30
SB 628					
State Rate[1]	13.45%/14.45	7.26%/10.26%	4.46%/9.46%	5.55%/10.55%	7.65%/12.04%
Local Rate[2]	2%/1%	6%/3%	10%/5%	10%/5%	8.79%/4.40%
State Contribution	$852.70	$473.40	$306.80	$378.30	$509.20
Additional Contribution		$152.70	$157.50	$163.50	$168.90
Local Contribution Before State Aid	$122.90	$372.00	$629.00	$629.10	$554.40
Total Contribution	$975.60	$998.10	$1,093.30	$1,170.90	$1,232.50
State Savings from TRS/TPS	**$122.90**	**$430.30**	**$689.10**	**$694.40**	**$634.20**
Additional State Education Aid	**$58.30**	**$180.40**	**$306.00**	**$306.80**	**$269.20**
Net Local Expenditure	**$64.60**	**$191.60**	**$323.00**	**$322.30**	**$285.20**
Net State Savings	**$64.60**	**$249.90**	**$383.10**	**$387.60**	**$365.00**

[1]The figures represent the State Rate for Local School Boards/State Rate for Community Colleges and Libraries.
[2]The figures represent the Local Rate for Local School Boards/Local Rate for Community Colleges and Libraries.

Source: Department of Legislative Services

Exhibit 5
Increased Expenditures for County Governments from TRS/TPS Cost Sharing
Fiscal 2012-2016

	FY 2012	FY 2013	FY 2014	FY 2015	FY 2016
Allegany	$566,418	$1,728,911	$2,635,315	$2,502,306	$2,129,625
Anne Arundel	6,640,943	20,389,467	34,627,985	34,686,284	30,167,925
Baltimore City	1,646,355	5,588,057	9,183,603	8,672,985	7,672,885
Baltimore	7,327,030	22,089,235	37,376,023	37,315,457	32,943,590
Calvert	1,421,254	4,373,900	7,198,901	7,201,088	6,520,321
Caroline	221,368	656,664	872,272	816,862	921,583
Carroll	1,903,902	5,592,103	9,554,887	9,847,242	8,838,707
Cecil	943,815	2,886,342	4,529,898	4,672,189	4,210,829
Charles	1,651,778	4,833,897	8,189,204	8,232,990	7,466,336
Dorchester	226,458	705,593	1,080,973	1,112,712	1,103,123
Frederick	2,572,065	7,314,295	12,251,562	12,744,234	11,866,820
Garrett	380,846	1,179,911	1,851,703	1,849,248	1,633,374
Harford	2,342,912	7,277,301	12,056,783	12,191,459	11,008,529
Howard	5,971,046	18,504,477	31,172,142	30,752,624	26,715,939
Kent	247,351	724,109	1,208,571	1,176,423	1,015,841
Montgomery	18,023,114	53,730,123	94,971,961	93,493,633	80,817,349
Prince George’s	7,666,008	19,857,239	30,501,981	31,165,969	28,499,427
Queen Anne’s	604,131	1,810,105	3,090,130	3,085,960	2,799,637
St. Mary’s	1,014,792	3,004,968	4,869,656	4,836,890	4,307,143
Somerset	149,665	458,839	747,928	723,301	654,147
Talbot	436,429	1,323,052	2,212,094	2,194,685	1,911,816
Washington	981,376	2,947,950	5,161,764	5,423,989	5,193,412
Wicomico	683,798	1,783,767	3,021,025	2,987,904	2,822,228
Worcester	921,619	2,776,175	4,641,000	4,504,741	3,885,160
Regional Libraries	10,162	31,554	54,430	56,336	47,112
Net Local Expenditures	**$64,554,636**	**$191,568,034**	**$323,061,792**	**$322,247,508**	**$285,152,857**

Source: Department of Legislative Services

Additional Information

Prior Introductions: None.

Cross File: None.

Information Source(s): Baltimore, Cecil, Carroll, Harford, Montgomery, Queen Anne's, and St. Mary's counties; Baltimore City Community College; Department of Budget and Management; Maryland State Department of Education; Maryland Higher Education Commission; Comptroller's Office; Department of Labor, Licensing, and Regulation; Mercer Human Resources Consulting; Maryland Association of Counties; Maryland Municipal League; Department of State Police; Morgan State University; Maryland State Retirement Agency; Department of Public Safety and Correctional Services; Maryland Association of Boards of Education; Maryland Supplemental Retirement Plans; St. Mary's College; Maryland Department of Transportation; University System of Maryland; Gabriel, Roeder, Smith; Department of Legislative Services

Fiscal Note History: First Reader - March 1, 2011
mc/rhh

Analysis by: Michael C. Rubenstein

Direct Inquiries to:
(410) 946-5510
(301) 970-5510