



BOARD OF COUNTY COMMISSIONERS FREDERICK COUNTY, MARYLAND

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www.frederickcountymd.gov

February 28, 2012

The Honorable David R. Brinkley
Chairman, Frederick County Delegation
Senate of Maryland
Senate Office Building
Annapolis, Maryland 21401

COMMISSIONERS

Blaine R. Young
President

C. Paul Smith
Vice President

Billy Shreve

David P. Gray

Kirby Delauter

David B. Dunn
County Manager

**Re: OPPOSITION – Senate Bill 152/House Bill 87, Budget
Reconciliation and Financing Act of 2012**

Dear Chairman Brinkley:

The Frederick County Commissioners wish to convey its formal opposition to the proposed teacher pension shift in the Governor's proposed Budget Reconciliation and Financing Act of 2012 onto the local governments.

On Tuesday, February 28, the Board of County Commissioners was joined at a press conference in opposition to this local shift by the Superintendent of Frederick County Public Schools, the Acting President of Frederick Community College, the Director of Frederick County Public Libraries, the leadership of the Frederick County Teachers Association, the Frederick County Deputy Sheriff's Office Lodge of the Fraternal Order of Police, and the Frederick County local of the International Association of Fire Fighters, among others to oppose the pension shift.

If the shift is enacted in this legislation, between fiscal year s2013 through 2017, Frederick County would be adversely impacted annually anywhere between nearly \$1.5 million to potentially more than \$15 million.

The implications and impact to Frederick County would be:

- Without the offsets, \$10.3 million in FY 2013 and escalates to \$15.3 million by Fiscal Year 2017.
- In FY 13, Frederick County would have to pay the state as much as we spend on Transit, courts and the Board of Elections, and by 2017 it would include all these agencies and the Parks and Recreation Division.
- The county's FY 13 payment would equal the salaries of:
 - 163 teachers, or
 - 93 principals, or
 - 203 law enforcement officers, or
 - 208 career fire fighters, or
 - 245 correctional officers.
- By FY 17, the \$15.3 million loss in pension payment to the state would equal:
 - 34 furlough days, or
 - 210 employee layoffs

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February 28, 2012
Page 2.

Additionally, while the Frederick County fiscal year 2013 base budget is at \$454 million, most of those expenditures are on mandated spending. Our Discretionary Budget is much smaller, in the amount of \$187,880,249.

Therefore, a \$10.3 million shift would transfer out to a required cut of 5.32% of the discretionary budget; and \$15.3 million shift would transfer out to a required cut of 7.98% of the discretionary budget.

After several years of frugal budgeting we have made a much smaller and leaner but more efficient government in Frederick County. Our workforce today is approximately the size it was in 2004. A 5-8% budget cut would result in drastic program reductions and personnel actions.

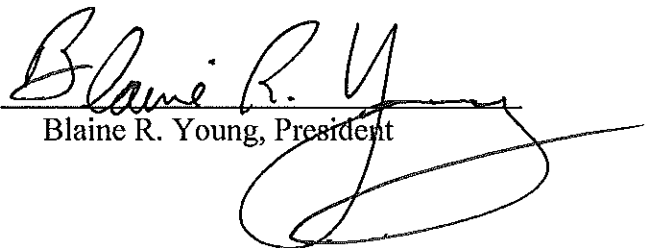
Additionally, we would note that local government has no control over teacher pension costs. Maryland law dictates the pension benefits and the local boards of education set the teacher salaries on which these benefits are based.

While we understand the fiscal constraints upon the state budget, we do not believe it would serve the citizens of Frederick County to make this fiscal shift. The state pension system is not a sustainable program at this time, and a local financial obligation with the current program would prove detrimental to the public good.

We respectfully call upon the membership of the Frederick County Legislative Delegation to oppose the teacher pension shift in SB 152 and HB 87.

Sincerely,

BOARD OF COUNTY COMMISSIONERS
OF FREDERICK COUNTY, MARYLAND

By: 
Blaine R. Young, President

Attachment

cc: Frederick County Legislative Delegation
Board of County Commissioners
David Dunn, County Manager
John Mathias, County Attorney
Joyce Grossnickle, Administrative Officer
Ragen Cherney, Legislative Coordinator
File