

Press Release

HARFORD COUNTY GOVERNMENT

Office of the County Executive



PUBLIC SAFETY
"Ensuring a Safe
Harford"

EDUCATION
"Preparing Now,
Building for the Future"

EFFICIENCY IN
GOVERNMENT
"Governing Smarter"

ECONOMIC
OPPORTUNITY
"Growing and Sustaining
Harford's Prosperity"

ENVIRONMENTAL
STEWARDSHIP
"Protecting Our
Environment"

QUALITY LIVING
"Safeguarding What is
Important to Harford
County Citizens"

FOR IMMEDIATE RELEASE: February 27, 2012

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Harford Officials, Public Employee Unions, and Non-Profits Urge General Assembly Not to Shift Teacher Pension Obligation to Counties *Transfer would cripple all counties financially*

(Bel Air, MD) - - Harford County Executive David R. Craig, joined by the Superintendent of Schools, members of the Board of Education, the Sheriff of Harford County, the director of the Public Library System, fire service leaders, public employee union representatives, and leaders of non-profit organizations, today urged the Maryland General Assembly not to adopt the recommendation of Governor Martin O'Malley to shift the cost of teacher pensions from the State to county governments. The potential first year cost to Harford County would be approximately \$9.8 million, which would have dire consequences for the county budget and for every entity that depends upon county funds.

"The Governor frequently reminds us that there are three cost drivers affecting teacher pensions: pension benefits, salary increases, and investment returns. None of these things, however, are controlled by county governments," County Executive Craig stated. "Rather than forcing counties to share in the funding of a system that is broken and by the state's own admission unsustainable, the Governor and the General Assembly should address the long-term sustainability of the pension system before asking others to fund it," the County Executive remarked.

To demonstrate the dramatic difference in cost of such pension matters, County Executive Craig advised Harford County currently pays \$7,605,312 for pensions of its civilian personnel. If the legislature decides to shift the cost of teacher pensions to the counties, the new obligation would more than double the amount Harford County spends on pensions.

"The State budget problems were caused by the State, not by the counties. Failure to the State to properly address their fiscal problems instead of passing the buck to the counties is unconscionable," County Executive Craig stated.

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Harford County is joined by counties throughout Maryland, as well as the Maryland Association of Counties (MACo) and the state's numerous public employee and teachers unions in opposing the governor's proposal to shift the cost of teacher pensions from the State to the counties. If approved by the Maryland General Assembly, the abrupt shift of teacher pensions would end an 80 year practice and would have dire fiscal consequences to the counties.

In a February 15, 2012 letter to Harford County's Delegation to the Maryland General Assembly, County Executive Craig urged the delegates and senators to oppose the governor's proposal. County Executive Craig advised that should the State pass along the cost of teacher pensions to the counties, the immediate impact to Harford County could result in the elimination of non-educational services in the county budget, layoffs of personnel, and/or an increase in taxes to meet the challenge of this new mandate.

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“Preserving Harford's past; promoting Harford's future