

House Plan
Shift of Retirement Costs to School Boards with Offsets/Maintenance of Effort (MOE)
 "Normal Cost" of Teachers Retirement Shifted to Locals with 3 Year Phase-in

	<u>FY 2013</u>	<u>FY 2014</u>	<u>FY 2015</u>
Normal Cost Shifted (School Boards) - 50/75/100% Offset by:	(136.6)	(199.8)	(260.7)
Relieve Reimbursement for Federally Funded Teachers	0.0	0.0	37.8
Net Pension Costs Shifted to School Boards	(136.6)	(199.8)	(222.8)
Counties Increase in MOE due to Shift³	136.6	199.8	222.8
Annual Increase in MOE due to Shift		63.2	23.0
Offset by:			
Additional Local Income Tax Revenues	31.5	21.6	21.8
Teachers' Retirement Supplemental Grant ¹	27.6	27.6	27.6
Recordation Tax Indemnity Mortgages	35.7	35.7	35.7
Local Income Tax Reserve Relief	36.7	36.7	36.7
Restore Local Police Aid	0.0	22.1	22.8
Health Dept Grants	<u>0.0</u>	<u>2.2</u>	<u>3.0</u>
Total County Offsets	131.5	145.9	147.6
Net Impact of Shift on Counties	(5.2)	(53.9)	(75.2)
Net Impact on State General Fund (Savings)/Cost²	(146.1)	(185.0)	(203.4)
Remaining State-Paid Pension Costs (Non-Normal)	768.4	839.8	830.9
Net Impact of Shift on School Boards	0.0	0.0	0.0
State Direct Aid Increase Current Law ²	113.2	88.4	113.6

Note: Includes school boards only; Governor's proposal also included community colleges and libraries

¹Includes Miscellaneous Grant for Baltimore City

²Includes increase in Guaranteed Tax Base program due to increased MOE

³Fiscal 2015 county MOE increase is included in per pupil MOE amount for fiscal 2016

Pension Cost by School System

Normal Cost*	4.62%	4.46%	4.32%
Phase-In	50.00%	75.0%	100.00%

<u>School System</u>	<u>FY 2013</u>	<u>FY 2014</u>	<u>FY 2015</u>
Allegany	\$1,487,742	\$2,175,870	\$2,838,194
Anne Arundel	11,493,684	16,809,886	21,926,724
Baltimore City	12,922,862	18,900,106	24,653,196
Baltimore	15,755,802	23,043,371	30,057,650
Calvert	2,835,938	4,147,651	5,410,174
Caroline	793,934	1,161,155	1,514,604
Carroll	4,005,782	5,858,585	7,641,907
Cecil	2,459,819	3,597,564	4,692,644
Charles	3,936,516	5,757,283	7,509,769
Dorchester	656,543	960,215	1,252,500
Frederick	5,893,461	8,619,378	11,243,071
Garrett	664,714	972,166	1,268,088
Harford	5,529,741	8,087,426	10,549,195
Howard	9,821,066	14,363,628	18,735,839
Kent	366,147	535,502	698,506
Montgomery	27,227,553	39,821,180	51,942,533
Prince George's	19,554,579	28,599,207	37,304,652
Queen Anne's	1,105,527	1,616,869	2,109,035
St. Mary's	2,485,697	3,635,413	4,742,013
Somerset	480,124	702,197	915,942
Talbot	628,456	919,138	1,198,918
Washington	3,094,113	4,525,240	5,902,699
Wicomico	2,173,593	3,178,951	4,146,607
Worcester	1,271,561	1,859,699	2,425,781
Total	\$136,644,952	\$199,847,679	\$260,680,236

* Normal cost estimates from Gabriel Roeder Smith

Note: Cost by school system is based on school system payrolls with 1% annual growth

County Increases in Maintenance of Effort Due to Pension Shift

<u>County</u>	<u>FY 2013</u>	<u>FY 2014</u>	<u>FY 2015</u>
Allegany	-\$1,487,742	-\$2,175,870	-\$2,272,982
Anne Arundel	-11,493,684	-16,809,886	-19,219,485
Baltimore City	-12,922,862	-18,900,106	-18,522,464
Baltimore	-15,755,802	-23,043,371	-25,571,286
Calvert	-2,835,938	-4,147,651	-4,882,636
Caroline	-793,934	-1,161,155	-1,219,022
Carroll	-4,005,782	-5,858,585	-6,883,123
Cecil	-2,459,819	-3,597,564	-4,056,774
Charles	-3,936,516	-5,757,283	-6,768,811
Dorchester	-656,543	-960,215	-963,685
Frederick	-5,893,461	-8,619,378	-10,125,066
Garrett	-664,714	-972,166	-986,295
Harford	-5,529,741	-8,087,426	-9,058,054
Howard	-9,821,066	-14,363,628	-17,719,601
Kent	-366,147	-535,502	-549,906
Montgomery	-27,227,553	-39,821,180	-45,600,931
Prince George's	-19,554,579	-28,599,207	-30,547,361
Queen Anne's	-1,105,527	-1,616,869	-1,814,204
St. Mary's	-2,485,697	-3,635,413	-4,128,731
Somerset	-480,124	-702,197	-633,323
Talbot	-628,456	-919,138	-972,589
Washington	-3,094,113	-4,525,240	-4,985,107
Wicomico	-2,173,593	-3,178,951	-3,341,320
Worcester	-1,271,561	-1,859,699	-2,011,770
Unallocated			
Total	-\$136,644,952	-\$199,847,679	-\$222,834,528

Note: MOE increases reflect the shifted pension cost in fiscal 2013 and 2014 and in fiscal 2015, net of each county's historical level of reimbursement to the State for retirement costs for federally funded

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