

Montgomery County Council Statement on Proposed Shift of Teacher Pension Costs

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- Release Date: 2/23/2012
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- From: Council Office

ROCKVILLE, Md., February 23, 2012—The Montgomery County Council today issued the following statement regarding Maryland Governor Martin O'Malley's proposal to shift half the cost of teacher and other pensions from the state to the counties. The Council also is urging residents to see the "Stop the Shift" web site at www.stoptheshiftmd.com/ to learn more about the issue—and how they can get involved in this critical quality of life issue for our County.

Statement of the Montgomery County Council:

Maryland's counties and school systems face a serious problem in Annapolis right now. Governor O'Malley has proposed shifting half the cost of teacher and other pensions from the state to the counties. The County Council, County Executive Ike Leggett, and Montgomery County Public Schools (MCPS), as well as our employee organizations and our counterparts throughout the state, strongly oppose this shift. As Board of Education President Shirley Brandman said on Feb. 14, the shift "will have an immediate negative impact on the important services that our local governments provide."

For Montgomery County, the proposed pension shift would cost \$47 million in Fiscal Year 2013 and \$315 million over the next five years. The measures proposed to help counties pay the cost are inadequate and may not be enacted in any event.

How much is \$47 million? It pays for the jobs of nearly 500 teachers, firefighters, police officers, and other vital County personnel. It is more than the County's general fund budgets for housing, transportation, and environmental protection combined. Our entire budget for libraries is less than \$30 million.

The recessionary County budgets of the past three years required painful cuts that have seriously affected our residents and employees alike. For the coming year we face a further budget gap of \$135 million and more hard decisions. If we now have to absorb another large burden from the state, there will be real damage to all our vital services—our schools, college, police, fire and rescue, safety net, libraries, parks, housing, transportation, recreation, and many others.

We understand that the state too must balance its budget and faces hard choices. But it is the state that sets the basic structure of pension benefits. In 2006 the state raised pension benefits by 29 percent, retroactive to 1998, but failed to provide sufficient funding. In fact, the state's financial support for the pension fund has fallen short for many years. Counties should not be asked to assume financial responsibility for costs not of their making. We have cut services to the bone, and we have reached our limit on taxes.

Elected officials and concerned organizations throughout the state, including the Maryland Association of Counties, the school community, and employee organizations, have joined together to convey this message to the Governor and the General Assembly. The coalition's web address is www.stoptheshiftmd.com/.

There you can learn how you can make a difference. The General Assembly will make its decision on the pension shift soon, probably by mid-March. The stakes for all our County residents are very high.

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Montgomery Council to Receive Briefing, Followed by News Conference, On Efforts to Stop Shift of Teacher Pension Costs On Tuesday, Feb. 28,

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- Contact: Neil Greenberger 240-777-7939 or Delphine Harriston 240-777-7931
- From: Council Office

ROCKVILLE, Md., February 27, 2012—The Montgomery County Council at 10:30 a.m. on Tuesday, Feb. 28, will receive a briefing on the impact on the County if the Maryland General Assembly approves Governor Martin O'Malley's proposal to shift half the cost of teacher and other pensions from the state to the counties. Immediately following the briefing, stakeholders from around the County will participate in a news conference pledging that their organizations are aligned in urging the General Assembly to stop the pension shift.

The briefing will conclude the morning portion of the Council's regular Tuesday session, which will begin at 9:30 a.m. in the Third Floor Council Hearing Room of the Council Office Building at 100 Maryland Ave. in Rockville. The news conference will be held in the Council Hearing Room shortly after the end of the Council session. The session and the news conference will both be televised live by County Cable Montgomery (CCM—Cable Channel 6 on Comcast and RCN, Channel 30 on Verizon). The broadcast also will be available via streaming through the County Web site at www.montgomerycountymd.gov. It will be rebroadcast on Friday, March 2, starting at 9 p.m.

At the Council session and news conference, advocates for County organizations and services will outline the serious damage that would result from the pension shift. In a statement released last week, the Council said: "The recessionary County budgets of the past three years required painful cuts that have seriously affected our residents and employees alike. For the coming year we face a further budget gap of \$135 million and more hard decisions. If we now have to absorb another large burden from the state, there will be real damage to all our vital services—our schools, college, police, fire and rescue, safety net, libraries, parks, housing, transportation, recreation, and many others."

Among those expected to participate in the panel discussion are DeRionne Pollard, President, Montgomery College; Shirley Brandman, President, Montgomery County Board of Education; Gino Renne, President, UFCW Local 1994/MCGEO; Tom Israel, Executive Director, MCEA; Larry Friend, Treasurer, Friends of the Library; and Arva Jackson, Health and Children's Services Advocate.

Among those expected to join in the ensuing news conference are Dave Rodich, Executive Director, SEIU Local 500; Edye Miller, Executive Director, MCAAP; Kristin Tribble, President, MCCPTA; Suzan Jenkins, CEO, Arts and Humanities Council; Debbie Rankin, Executive Director, Montgomery Parks Foundation; Art Brodsky, Past President, Library Board; Charlie Crawford, Vice Chair, Commission on People with Disabilities; and Marion Ein Lewin, Vice Chair, Primary Care Coalition.

For Montgomery County, the proposed pension shift would cost \$47 million in Fiscal Year 2013 and \$315 million over the next five years. "The measures proposed to help counties pay the cost are inadequate and may not be enacted in any event," the Council said.

The Council also is urging residents to go to the "Stop the Shift" web site at www.stopheshiftmd.com/ to learn more about the issue—and how they can get involved in this critical quality of life issue for our County.

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