

Climate Assessment

Office of Legislative Oversight

Bill 28-24: Employees' Retirement System and Other Post Employment Benefits – Administration – Powers and Duties

SUMMARY

The Office of Legislative Oversight (OLO) anticipates Bill 28-24 will have no impact on the County's contribution to addressing climate change as it proposes changes to the governing structures and responsibilities of the Boards and Chief Administration Officer.

BACKGROUND AND PURPOSE OF BILL 28-24

As described by Montgomery County Employee Retirement Plans (MCERP), "MCERP is responsible for the administration of over nearly \$7.3 billion in assets for approximately 9,500 active employees and 6,500 retirees."¹ Along with the Chief Administration Officer (CAO), two trustees administer and invest MCERP funds:^{2,3}

- **Board of Investment Trustees – Employee Retirement Plans (ERP):** manages trust that funds the County's retirement system.⁴
- **Consolidated Retiree Health Benefits Trust – Board of Trustees (CRHBT):** manages trust that funds benefits provided under County retiree benefit plans, including health and life insurance benefits.⁵

The purpose of Bill 28-24 is "to alter and clarify the governing structures and responsibilities of the Boards and the CAO." If enacted, Bill 28-24 would move the following responsibilities from the CAO to the Board for ERP:⁶

- To select and retain an actuary for the retirement system; and
- To determine the actuarial cost method, and the mortality, turnover, interest rates, and other assumptions to be used in actuarial and other computations for the retirement system.

According to a lead sponsor for the bill, the change would be consistent with "fiduciary best practices, aligning risk with long-term actual assumptions rather than short-term budget constraints."⁷

The Council introduced Bill 28-24 on December 3, 2024.

ANTICIPATED IMPACTS

As the bill proposes changes to the governing structures and responsibilities of the Boards and Chief Administration Officer, OLO anticipates Bill 28-24 will have no impact on the County's contribution to addressing climate change, including the reduction and/or sequestration of greenhouse gas emissions, community resilience, and adaptative capacity.

RECOMMENDED AMENDMENTS

The Climate Assessment Act requires OLO to offer recommendations, such as amendments or other measures to mitigate any anticipated negative climate impacts.⁸ OLO does not offer recommendations or amendments as Bill 28-24 is likely to have no impact on the County's contribution to addressing climate change, including the reduction and/or sequestration of greenhouse gas emissions, community resilience, and adaptative capacity.

CAVEATS

OLO notes two caveats to this climate assessment. First, predicting the impacts of legislation upon climate change is a challenging analytical endeavor due to data limitations, uncertainty, and the broad, global nature of climate change. Second, the analysis performed here is intended to inform the legislative process, not determine whether the Council should enact legislation. Thus, any conclusion made in this statement does not represent OLO's endorsement of, or objection to, the bill under consideration.

PURPOSE OF CLIMATE ASSESSMENTS

The purpose of the Climate Assessments is to evaluate the anticipated impact of legislation on the County's contribution to addressing climate change. These climate assessments will provide the Council with a more thorough understanding of the potential climate impacts and implications of proposed legislation, at the County level. The scope of the Climate Assessments is limited to the County's contribution to addressing climate change, specifically upon the County's contribution to greenhouse gas emissions and how actions suggested by legislation could help improve the County's adaptative capacity to climate change, and therefore, increase community resilience.

While co-benefits such as health and cost savings may be discussed, the focus is on how proposed County bills may impact GHG emissions and community resilience.

CONTRIBUTIONS

OLO staffer Kaitlyn Simmons drafted this assessment.

¹ [About Montgomery County Employee Retirement Plans](#), Montgomery County Employee Retirement Plans.

² [Introduction Staff Report for Bill 28-24](#), Montgomery County Council, introduced December 3, 2024, PDF pg. 3.

³ [Trustees](#), Montgomery County Employee Retirement Plans.

⁴ [Montgomery County Code § 33-58 and 33-59](#)

⁵ [Montgomery County Code § 33-159 and 33-160](#)

⁶ Introduction Staff Report for Bill 28-24, PDF pg. 3.

⁷ Video: Dec. 3, 2024 - Council Session (am), [Councilmember Friedson remarks circa 2:05:36](#), MoCoCouncilMD YouTube, December 3, 2024.

⁸ Bill 3-22, Legislative Branch – Climate Assessments – Required, Montgomery County Council, Effective date October 24, 2022