
Measuring Local Fiscal Conditions in Maryland Composite Index

**Department of Legislative Services
Office of Policy Analysis
Annapolis, Maryland**

November 2017

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Measuring Local Fiscal Conditions in Maryland

Introduction

Local governments in Maryland maintain a key role in developing public policy and providing public services throughout the State. Public spending at the local level totaled \$29.9 billion in fiscal 2014. As a key provider of public services, local governments are responsible for employing approximately 250,000 individuals, representing 10% of employment in the State and over 50% of public-sector employment.

To assist local governments in funding public services, the State provided counties and municipalities with \$6.9 billion in fiscal 2014. State support for local governments accounts for over 25% of State-funded expenditures and approximately 40% of general-funded expenditures. To a large extent, State funding to local governments is based on local need, whereby less affluent jurisdictions receive relatively more funding. This policy recognizes the wide variation in the ability of local governments to fund public services through locally generated revenues.

Due to the leading role that counties play in providing public services and the significant reliance on the State government to fund these services, maintaining the overall sound fiscal condition of local governments is a key State policy objective. The sound financial condition of a jurisdiction depends on its ability to balance the demands for public services with available financial resources.

To provide insight into the fiscal well-being of local governments in Maryland, the Department of Legislative Services (DLS) has identified a series of key indicators that measure the fiscal health of local governments over time and provide warning signals of potential fiscal stress. These key indicators represent demographic and fiscal trends in five categories: operating position, debt structure, unfunded liabilities, community needs and resources, and fiscal constraints. The selected indicators incorporate a time-series analysis illustrating a jurisdiction's fiscal health over time, which the report refers to as trend indicators, as well as a comparison with other jurisdictions in the State for fiscal 2014, which the report refers to as static indicators.

Using the selected indicators, DLS evaluated the financial condition of Maryland's local governments against national benchmarks of fiscal stress and relative to each other. Indicators were selected based upon an academic and professional literature review and best practices among governmental agencies. Fiscal information primarily comes from the *Local Government Finances in Maryland* report and local *Comprehensive Annual Financial Reports* (CAFR). Demographic information comes primarily from the U.S. Census Bureau and the Maryland Department of Planning.

Indicators

Financial health is impacted by many factors, including the economy, population changes, job market shifts, governmental growth, long-term financial commitments, demands from various interest groups, and fiscal discipline. DLS selected a mix of fiscal and social indicators to monitor financial health.

The indicators selected incorporate a broad range of social, economic, fiscal, and financial management factors to include operating deficit or surplus, fund balances, debt percentage, debt service, unfunded pension obligations, Other Post Employment Benefit (OPEB) obligations, population growth, median household income, tax capacity, and tax effort.

The selection criteria were based on an extensive literature review of local government fiscal conditions and recommendations from the International City/County Management Association (ICMA) and the Government Finance Officers Association (GFOA). Additionally, the department consulted with academia and the Maryland Association of Counties, and it also reviewed local governmental financial analysis documents of other states. The selected indicators were chosen on the basis of their usefulness, the availability of data needed to measure them, and the relative ease of calculation required.

Along with examining indicators in the most recent year that data was available, DLS used a trend analysis to compare the change in indicators over a period of time. These indicators are used to determine which jurisdictions are experiencing the most financial stress on the basis of data collected in the past five years. By using five years of data, trends can be identified and analyzed to determine if an indicator is changing in the right direction, how fast the indicator is changing, and if there are correlations with other jurisdictions. ICMA recommends using three to five years of historical data for an initial analysis of the government's fiscal condition. GFOA believes that a government's past performance is the most relevant context for analyzing current-year financial data and recommends using at least five years of data for effective trend analysis. Since trend information eventually loses relevancy over time, the analysis of the indicators does not focus on longer timeframes.

Exhibit 1 shows the indicators by category, and **Exhibit 2** lists the formula and the general desired outcome of each indicator. Static and trend performance for each indicator is presented in **Exhibits 3 and 4**. **Appendices 1 through 10** plot trend and static performance graphically for each indicator.

Exhibit 1
Local Fiscal Indicators by Category

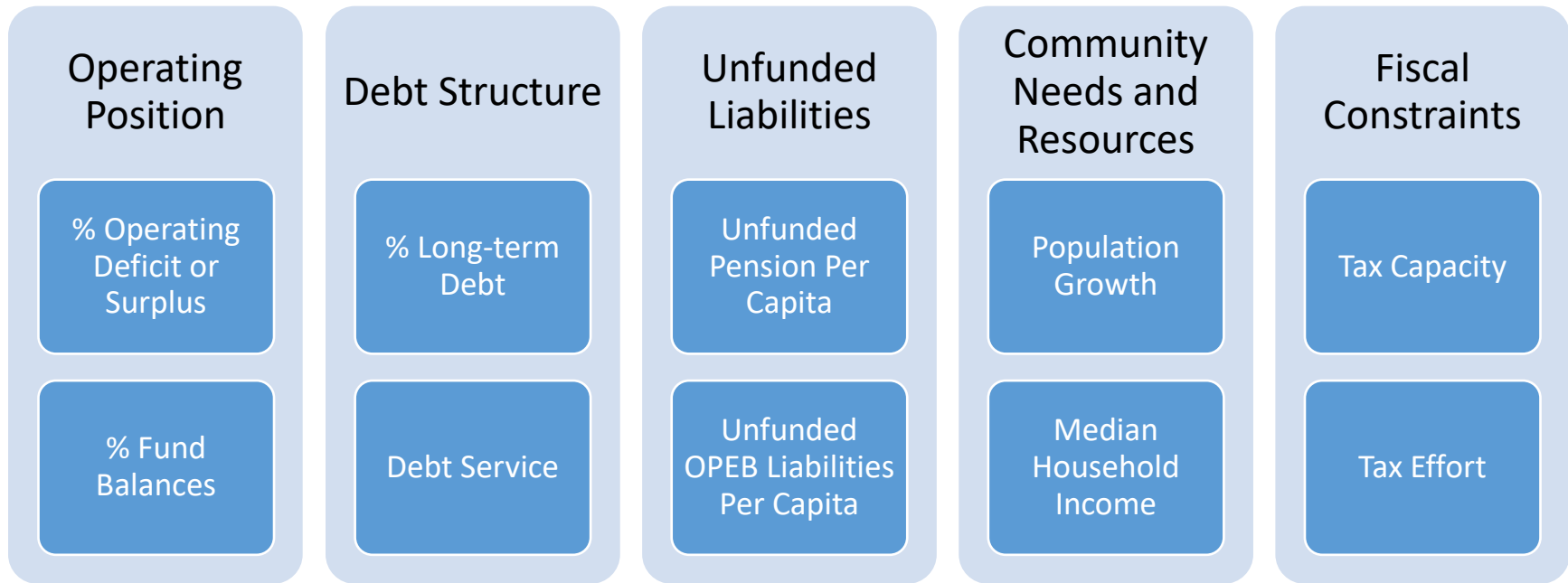


Exhibit 2
Local Fiscal Indicators
Formula and Desired Indicator Outcome

Operating Deficit or Surplus	<ul style="list-style-type: none"> • Net Operating Deficit or Surplus/Net Operating Revenues • Warning is deficit of more than 5%
Fund Balances	<ul style="list-style-type: none"> • Unrestricted General Fund Balance/General Fund Revenues • Increasing trend desired • Warning is a ratio below 5%
Debt Percentage	<ul style="list-style-type: none"> • Outstanding Debt/Assessable Base • Rating agency benchmark is for debt not to exceed 6% of assessable base
Debt Service	<ul style="list-style-type: none"> • Net Operating Debt Service/Net Operating Revenues • Credit industry benchmark is for debt not to exceed 20% of operating revenues
Pension Obligations	<ul style="list-style-type: none"> • Pension Obligations/Population • Decreasing trend desired
Unfunded OPEB Liabilities	<ul style="list-style-type: none"> • Unfunded OPEB Liabilities/Population • Decreasing trend desired
Population Growth	<ul style="list-style-type: none"> • Change in Population • A stable or growing population desired
Median Household Income	<ul style="list-style-type: none"> • Median Household Income • Increasing trend desired
Tax Capacity	<ul style="list-style-type: none"> • Measures the potential tax base of a local government using State average tax rates • High score desired
Tax Effort	<ul style="list-style-type: none"> • Measures the extent to which the local tax base is actually taxed • Low score desired as it means there is available capacity

Exhibit 3 – Summary of Static Indicator Results

County	Operating Surplus (Deficit) Percentage	Quartile 4 (Top)		Quartile 3		Quartile 2		Quartile 1 (bottom)		
		Fund Balances As a % of GF Revenues	Debt Percentage	Debt Service %	Unfunded Pension Per Capita	Unfunded OPEB Liabilities Per Capita	% Change in Population	Median Household Income	Tax Capacity	Tax Effort
Allegany	6.2%	25.8%	1.3%	5.8%	-\$1	\$239	-0.6%	\$39,808	48.0	116.1
Anne Arundel	2.7%	8.1%	1.6%	9.4%	783	1,543	1.0%	86,654	119.3	80.2
Baltimore City	-0.9%	18.2%	9.3%	6.6%	2,546	2,139	0.1%	41,895	51.9	154.0
Baltimore	1.0%	22.6%	3.8%	6.8%	1,213	1,645	0.6%	67,766	92.4	95.0
Calvert	-0.5%	23.2%	1.2%	7.2%	219	569	0.5%	92,446	114.1	96.8
Caroline	-0.2%	13.7%	1.4%	7.7%	204	1	-0.3%	49,573	65.7	93.8
Carroll	-2.0%	14.1%	1.9%	11.5%	62	637	0.1%	84,500	101.0	98.2
Cecil	-1.1%	17.2%	2.3%	9.0%	119	75	0.3%	62,198	80.1	98.9
Charles	-2.4%	11.8%	2.0%	11.1%	481	1,006	1.3%	86,703	93.0	106.3
Dorchester	2.0%	17.1%	0.9%	7.6%	0	521	0.0%	42,279	71.3	106.3
Frederick	-1.1%	15.6%	2.6%	11.6%	81	465	1.1%	83,698	98.4	101.5
Garrett	3.1%	26.5%	0.9%	1.7%	329	461	-0.3%	47,441	110.8	93.3
Harford	-1.5%	14.3%	2.4%	11.4%	111	485	0.5%	79,403	95.7	100.3
Howard	-1.5%	13.6%	3.2%	11.0%	513	2,353	1.7%	106,871	136.8	105.8
Kent	12.4%	20.4%	1.0%	6.2%	0	445	-0.3%	53,288	116.8	98.8
Montgomery	2.5%	19.5%	3.1%	9.4%	807	922	1.4%	97,279	147.8	95.8
Prince George's	-7.7%	17.8%	3.4%	10.2%	1,373	1,721	1.1%	71,904	73.0	114.0
Queen Anne's	4.3%	15.3%	1.5%	9.4%	0	1,952	0.5%	80,650	126.6	83.4
St. Mary's	1.2%	21.6%	1.1%	6.5%	453	441	1.3%	84,686	95.8	82.0
Somerset	-22.5%	37.8%	2.3%	28.9%	0	456	-0.6%	38,376	43.6	101.9
Talbot	2.4%	27.0%	0.5%	0.4%	0	92	0.0%	54,836	173.8	55.0
Washington	2.2%	18.2%	1.5%	7.4%	199	50	0.3%	54,606	71.6	97.2
Wicomico	3.1%	35.9%	1.7%	9.1%	-17	200	0.7%	51,927	56.1	111.8
Worcester	-2.1%	29.4%	0.9%	6.5%	-30	537	0.1%	55,691	188.6	88.5

Exhibit 4 – Summary of Trend Indicator Results

	Quartile 4 (Top)			Quartile 3			Quartile 2	Quartile 1 (bottom)		
	FY 2011-2014	FY 2011-2014	FY 2009-2014	FY 2009-2014	FY 2009-2014	FY 2009-2014	2009-2014	CY 2009-2014	FY 2009-2014	FY 2009-2014
County	Operating Surplus (Deficit) % Point Change	Fund Balances As a % of GF Revenues % Point Change	Debt Percentage Point Change	Debt Service % Point Change	Unfunded Pension Per Capita % Change	Unfunded OPEB Per Capita % Change	% Change in Population	% Change in Median Household Income	Tax Capacity % Point Change	Tax Effort % Point Change
Allegany	7.8	6.3	-0.7	-2.3	N/A	-6.9%	-0.6%	1.4%	5.6	-5.5
Anne Arundel	4.9	2.7	0.6	-3.0	15.1%	-8.8%	1.0%	1.7%	-0.3	5.2
Baltimore City	-1.9	3.9	0.6	1.2	15.3%	-11.1%	0.1%	1.7%	5.1	-10.2
Baltimore	3.1	7.6	1.8	1.7	13.9%	-3.9%	0.6%	1.0%	4.2	-4.8
Calvert	-6.1	-1.8	0.1	-0.3	-11.4%	14.2%	0.5%	1.4%	2.8	2.0
Caroline	10.0	6.5	0.0	-1.1	6.8%	-62.4%	-0.3%	0.2%	2.1	2.8
Carroll	-2.0	0.1	0.3	0.9	15.8%	-5.0%	0.1%	1.5%	4.4	-0.9
Cecil	-4.5	-4.0	0.5	0.3	1.9%	4.8%	0.3%	0.5%	0.6	-0.1
Charles	-1.9	-0.9	0.1	3.5	-2.1%	-1.9%	1.3%	0.2%	-3.8	9.8
Dorchester	3.8	5.7	0.3	2.8	N/A	2.0%	0.0%	-0.7%	1.8	0.2
Frederick	-5.8	1.6	0.7	2.1	-20.9%	-7.9%	1.1%	0.3%	-4.6	-1.0
Garrett	-3.2	-3.1	0.1	-4.2	2.4%	3.8%	-0.3%	2.3%	18.6	-5.5
Harford	-3.4	-4.4	0.5	-0.9	1.4%	0.4%	0.5%	1.0%	6.9	-5.5
Howard	-1.7	2.3	1.2	1.1	15.1%	-0.6%	1.7%	1.1%	-1.6	4.6
Kent	32.0	8.7	0.0	1.3	N/A	38.8%	-0.3%	1.0%	17.9	-5.8
Montgomery	2.1	12.0	0.9	-6.9	-7.0%	-5.0%	1.4%	0.7%	-7.9	1.7
Prince George's	-10.1	-5.7	1.1	-0.5	11.1%	13.9%	1.1%	0.7%	-4.1	-1.5
Queen Anne's	16.2	9.7	0.6	2.0	N/A	13.3%	0.5%	1.4%	1.2	3.7
St. Mary's	-6.9	-1.5	-0.2	-1.2	10.3%	-2.5%	1.3%	3.5%	5.7	0.8
Somerset	-18.2	-2.2	0.6	4.6	N/A	2.7%	-0.6%	1.5%	0.1	-6.2
Talbot	15.5	-12.0	-0.1	-0.6	N/A	-23.9%	0.0%	-1.7%	10.3	-6.2
Washington	-3.1	-0.4	0.1	0.7	13.9%	-13.6%	0.3%	2.2%	-0.2	-3.4
Wicomico	-1.7	11.5	0.2	-0.1	-181.6%	-1.8%	0.7%	2.3%	-3.5	1.0
Worcester	-6.8	4.8	0.3	1.7	-3.0%	21.6%	0.1%	3.1%	-34.4	0.4

Benchmarks

After selecting the indicators, DLS evaluated each local government's performance against national benchmarks designed to flag signs of financial distress. Generally, the benchmarks set a low bar. For example, the benchmark for operating surplus/deficit is a deficit of 5% or more, while the benchmark for debt service is debt service exceeding 20% of net operating revenues.

Benchmarks were not identified for all of the indicators selected by DLS due to the lack of nationally recognized standards (OPEB liability, tax capacity, and tax effort). Other indicators were modified to align with national benchmarks. For example, the funded status of pension systems substituted for per capita pension obligations in the benchmarking exercise.

If a jurisdiction is below a benchmark, more attention should be given to the indicator. While an indicator below the benchmark may be a warning signal of financial stress, it is important to examine the indicator. Upon further review, other factors may impact the measure, which is why credit rating agencies use analytical judgement when evaluating a jurisdiction. For example, Somerset County has a high operating deficit, but it stems from refinancing its debt, which is not a negative factor.

Exhibit 5 shows benchmarks for the selected indicators, and **Exhibit 6** presents jurisdiction-specific performance on each measure. The results signal the strong collective financial health of Maryland's counties and Baltimore City. For each measure, 19 or more of the 24 jurisdictions outperformed the benchmark. Every jurisdiction exceeded the benchmark standard for the majority of measures, with 11 jurisdictions exceeding the benchmark on every measure. Only 2 counties, Prince George's and Somerset, fell short of the benchmarks on three or more of the measures. A potential sign of future challenges for some local governments is a growing debt burden. Four jurisdictions reported debt as share of assessable base increasing by more than 50% since 2010. This trend may dissipate as property values recover from the losses during the recession but should be closely monitored. A more detailed discussion of benchmark selection and a review of performance against each benchmark are provided below.

Exhibit 5 Benchmarks of Selected Fiscal Indicators

Operating Deficit or Surplus	<ul style="list-style-type: none"> •Warning is deficit of more than 5% •Prince George's = -7.7% •Somerset = -22.5%
Fund Balances	<ul style="list-style-type: none"> •Warning is a ratio of less than 5% •No county has a ratio below 5%
Long-term Debt	<ul style="list-style-type: none"> •Warning is a ratio of at least 6% or an increase of 50% from 4 years ago •Baltimore City = 9.3% •Increase of over 50%: Baltimore (88.7%), Howard (59.0%), Prince George's (74.2%), and Worcester (59.8%)
Debt Service	<ul style="list-style-type: none"> •Warning is a ratio of 20% or higher •Somerset = 28.9%
Pension Obligations	<ul style="list-style-type: none"> •Warning is less than 60% funded •Prince George's = 52.6% •St. Mary's = 55.8%
Population Growth	<ul style="list-style-type: none"> •Warning is a decline in population over a 5-year period •Allegany (-0.6%), Caroline (-0.3%), Garrett (-0.3%), Kent (-0.3%), and Somerset (-0.6%)
Median Household Income	<ul style="list-style-type: none"> •Warning is less than 75% of the national median household income or a decline •Less than 75%: Allegany (74.2%) and Somerset (71.5%) •Declines: Dorchester (-0.7%) and Talbot (-1.7%)

Source: Department of Legislative Services

Exhibit 6
Counties That Fall Below the Benchmarks

County	Operating Surplus (Deficit) Percentage	Fund Balances As a % of GF Revenues	Long-term Debt Percentage	Debt Change from FY 2010 to 2014	Debt Service %	Funded Pension Liabilities	% Change in Population	MHI as a % of U.S. MHI	% Change in MHI
Warning Benchmark	< -5%	< 5%	≥ 6%	> 50%	> 20%	< 60%	Decreasing	≤ 75%	Decreasing
Allegany	6.2%	25.8%	1.3%	-22.3%	5.8%	112.1%	-0.6%	74.2%	1.4%
Anne Arundel	2.7%	8.1%	1.6%	46.3%	9.4%	78.2%	1.0%	161.5%	1.7%
Baltimore City	-0.9%	18.2%	9.3%	21.3%	6.6%	71.7%	0.1%	78.1%	1.7%
Baltimore	1.0%	22.6%	3.8%	88.7%	6.8%	71.7%	0.6%	126.3%	1.0%
Calvert	-0.5%	23.2%	1.2%	13.8%	7.2%	86.7%	0.5%	172.3%	1.4%
Caroline	-0.2%	13.7%	1.4%	-0.2%	7.7%	71.1%	-0.3%	92.4%	0.2%
Carroll	-2.0%	14.1%	1.9%	14.9%	11.5%	87.3%	0.1%	157.5%	1.5%
Cecil	-1.1%	17.2%	2.3%	21.9%	9.0%	72.2%	0.3%	115.9%	0.5%
Charles	-2.4%	11.8%	2.0%	14.9%	11.1%	85.9%	1.3%	161.6%	0.2%
Dorchester	2.0%	17.1%	0.9%	-14.1%	7.6%	N/A	0.0%	78.8%	-0.7%
Frederick	-1.1%	15.6%	2.6%	22.6%	11.6%	95.9%	1.1%	156.0%	0.3%
Garrett	3.1%	26.5%	0.9%	20.8%	1.7%	74.7%	-0.3%	88.4%	2.3%
Harford	-1.5%	14.3%	2.4%	5.3%	11.4%	68.8%	0.5%	148.0%	1.0%
Howard	-1.5%	13.6%	3.2%	59.0%	11.0%	79.8%	1.7%	199.2%	1.1%
Kent	12.4%	20.4%	1.0%	-22.3%	6.2%	N/A	-0.3%	99.3%	1.0%
Montgomery	2.5%	19.5%	3.1%	40.1%	9.4%	85.9%	1.4%	181.3%	0.7%
Prince George's	-7.7%	17.8%	3.4%	74.2%	10.2%	52.6%	1.1%	134.0%	0.7%
Queen Anne's	4.3%	15.3%	1.5%	29.6%	9.4%	N/A	0.5%	150.3%	1.4%
St. Mary's	1.2%	21.6%	1.1%	-12.0%	6.5%	55.8%	1.3%	157.8%	3.5%
Somerset	-22.5%	37.8%	2.3%	27.8%	28.9%	N/A	-0.6%	71.5%	1.5%
Talbot	2.4%	27.0%	0.5%	-10.3%	0.4%	N/A	0.0%	102.2%	-1.7%
Washington	2.2%	18.2%	1.5%	12.1%	7.4%	75.9%	0.3%	101.8%	2.2%
Wicomico	3.1%	35.9%	1.7%	16.9%	9.1%	102.2%	0.7%	96.8%	2.3%
Worcester	-2.1%	29.4%	0.9%	59.8%	6.5%	127.1%	0.1%	103.8%	3.1%

Note: GF = General Fund; MHI = median household income

Operating Deficit or Surplus

The operating deficit or surplus ratio equals the general fund operating deficit or surplus divided by net operating revenues. An operating surplus occurs when current revenues are greater than current expenditures, and an operating deficit is the reverse. An operating surplus helps to build reserves, which can provide a safeguard against any decrease in revenue or unanticipated expenditure. A trend of operating deficits may be one of the first signs of an imbalance between revenue structure and expenditures. Credit rating firms consider a current-year operating deficit as only a minor warning signal, while the following are considered more negative factors: (1) two consecutive years of operating fund deficits; (2) a current operating fund deficit greater than that of the prior year; (3) an operating fund deficit in two or more of the last five years; or (4) an abnormally large deficit of more than 5% to 10% in one year. For purposes of this report, DLS uses a deficit of more than 5% as a benchmark.

While half of the counties had a surplus, Prince George's County with -7.7% and Somerset County at -22.5% surpass the benchmark of having an operating fund deficit of more than 5%. Prince George's and Somerset counties also have an operating fund deficit percentage that is greater than the prior year. Jurisdictions with the best operating surplus ratio include Kent, Allegany, and Queen Anne's counties.

Fund Balances

The fund balance indicator equals the unrestricted general fund balance divided by the general fund revenue. The fund balance may affect a government's ability to withstand financial emergencies. A declining unreserved fund balances as a percentage of general fund revenues is considered a warning signal because it could indicate that the government may not be

able to meet a future need. GFOA recommends that, at a minimum, local governments should maintain unrestricted fund balance in their general fund of no less than two months of regular general fund operating revenues. If revenue sources are subject to unpredictable fluctuations or if operating expenditures are highly volatile, then a higher fund balance may be necessary. However, too large of a fund balance could also be a red flag, indicating that revenues are not being used to provide services to taxpayers. Debt-rating agencies consider a ratio of below 5% as a red flag indicating potential fiscal stress, while a ratio of 15% or more is considered strong.

Eighteen counties reported balances in excess of 15%. None of the local jurisdictions had a fund balance ratio below the 5% benchmark. Anne Arundel County had the lowest ratio at 8.1%. Somerset and Wicomico counties had the highest ratio at over 30%. Ten counties had a decline in their fund balance ratio compared to fiscal 2011, but only Charles and Harford counties had declines and had a fund balance ratio of under 15%. Montgomery and Wicomico counties realized the largest increases in their fund balance ratio, with the increase exceeding 10%.

Long-term Debt

The long-term debt ratio equals net direct bonded long-term debt divided by the assessable base. Net direct debt means debt that the local government has pledged its full faith and credit, minus any debt that the local government has pledged to repay from a source separate from its general tax revenues. The ratio is divided by assessable base because property tax revenues are the largest source of own-source revenues for county governments. Increasing long-term debt as a percentage of assessable base is a warning trend because it indicates that the government's ability to repay its debt is diminishing. A high ratio may mean that the government is

overburdened with debt; however, a low ratio may indicate that the government is underinvesting in public infrastructure. Credit industry benchmarks cite the following as warning signals for overall net debt: (1) overall net debt exceeding 10% of the assessable base; (2) an increase of 20% from the prior year; (3) an increase of 50% of the ratio from four years earlier; and (4) net direct debt exceeding 90% of the amount authorized by State law. Standard & Poor's and Fitch IBCA consider a ratio of 6% or higher as high, so DLS uses this as a benchmark.

Baltimore City, with a debt ratio of 9.3% in fiscal 2014, is the only jurisdiction with a ratio above 6%. For the trend indicator, Baltimore, Howard, Prince George's, and Worcester counties have increased by more than 50% of the ratio from fiscal 2010.

Debt Service

The debt service ratio equals the net direct debt service divided by net operating revenues. Debt service includes the amount of principal and interest that a government must pay back on long-term debt, plus the interest on short-term debt, in a year. Increasing debt service limits a government's ability to reduce expenditures. The credit industry benchmark warns against having a ratio of 20% or higher, and an increasing ratio is a warning trend. Somerset County is the only jurisdiction with a ratio over the 20% benchmark in fiscal 2014.

Unfunded Pension Liabilities

An unfunded liability is a liability that occurs during the current year or a prior year that does not need to be repaid until some future year, and for which reserves have not been set aside. Since unfunded liabilities present a legal commitment to pay at some time in the future, unfunded liabilities can have a significant effect on a government's financial condition. For the benchmarking exercise, DLS used percent funded to compare

Maryland jurisdictions to the nation, as it is a readily available and commonly accepted metric. Only Prince George's and St. Mary's counties are funded below 60%.

A per capita unfunded pension liability is utilized for the Maryland local composite index. The per capita figure rather than the percent funded metric was selected as there is wide variation in the share of local employees who are covered in locally managed pension systems (many local governments provide pension benefits for a large share of their employees by joining the Maryland State Retirement and Pension System with any unfunded liability for these employees reported on the State's books). As the result of the variation, the dollar value of the unfunded liability for two county governments of identical size that have both funded 70% of their liabilities may vary significantly.

OPEB Liabilities

Many government entities have committed to supplementing pension benefits with retiree health insurance. Like pensions, local governments collect and report this information with their financial statements. Since no national benchmark was identified, OPEB was excluded from the benchmarking analysis.

OPEB is included in the local composite index as OPEB liabilities are reported on local financial statements and represent a significant liability in some counties. Like pensions, DLS calculated the per capita unfunded liability for each local jurisdiction. Large or rapidly increasing per capita unfunded liabilities are potential signs of future financial stress.

Population Growth

Changes in population can affect tax collections and the cost of services. An increase in population is viewed favorably because normally the additional revenue from tax collections rises faster than the demand for more services. While a stable or increased population is viewed as favorable, an increase in population may put pressure for new capital projects and demand higher levels of service. A decline in population is viewed negatively, because it seldom permits the jurisdiction to reduce expenditures in proportion to the population loss due to a high percentage of fixed costs. Additionally, a population decline has a negative impact on revenue; the larger the decline, the more adverse the effects on employment, income, housing, and business activity. A loss of population may be a result of a weakening local economy or a loss of a major employer. The strongest population growth during the five-year period occurred in Howard, Montgomery, Charles, and St. Mary's counties. The largest declines occurred in Allegany and Somerset counties.

Median Household Income

Median household income is an indicator of a jurisdiction's ability to pay taxes. The higher the median household income, the more revenue the jurisdiction is able to generate. Median household income rather than average personal income is used because it provides a more representative picture of income levels in the jurisdiction. Additionally, ICMA states that the need for government services is more directly related to household income than to personal income per capita. Credit rating firms compare income per capita to expenditures per capita to determine if growth in income is keeping pace with growth in expenditures. A decline in the growth rate of median household income is considered a warning trend. Only Talbot and Dorchester counties realized a decrease during this period.

Moody's Investors Service generally considers 150% of median household income as a percentage of the national median as strong while a ratio of less than 75% is considered poor. Only Allegany and Somerset counties have a median household income below 75% of the national median of \$53,657.

Local Composite Index

While researchers have studied fiscal conditions of local governments for decades, there is no single accepted measure of fiscal condition. Given that there is no universally accepted measure of fiscal condition, DLS has created an index in an attempt to measure and rank the relative fiscal condition of local governments. The index attempts to capture the fiscal condition of the local jurisdictions by examining five components of fiscal conditions: operating position, debt structure, unfunded liabilities, community needs and resources, and fiscal constraints. All components are given an equal weight. While revenues and expenditures are often examined to gauge fiscal conditions of local jurisdictions, DLS opted not to use those components, as jurisdictions provide various levels of service that citizens demand, so revenues and expenditures may be an expression of citizens' level of preference for tax and services.

To measure the relative performance of each jurisdiction, DLS calculated how far the jurisdiction is from the statewide average for each indicator using a statistical method called Z scores. A Z score of zero means that the value of the indicator is equal to the mean. **Appendix 11** provides more technical information on Z scores.

The index measures only relative performance, so it indicates which counties have better or worse fiscal conditions than other counties. The index does not indicate whether a

county is in good or bad fiscal condition. Thus, it is possible for a county to be in poorer condition than other counties in the State, but the county may not be in poor fiscal condition overall. As such, it is important to examine performance against the various benchmarks established for each fiscal indicator.

Local Ranking on Composite Index

Talbot County had the highest static score of 0.89, while Baltimore City ranked the lowest with a score of -1.57. For reference, a score of 0.0 is equal to the mean of the jurisdictions. Wicomico County had the highest trend score of 0.67, while Worcester County had the lowest trend score of -0.67. Maps showing the static and trend ranks are shown on page 15. Details on the Z score for each measure are presented in **Appendices 12** through **15**.

Ranking by Category

Operating Position

Allegany, Kent, and Wicomico counties received high scores for static operating position, while Kent and Queen Anne's counties received high scores for improved operating position. Kent County's exceptional net operating surplus is primarily attributable to a 39% (\$4.0 million) increase in income tax revenue in fiscal 2014.

Jurisdictions with low static operating position scores include Charles and Prince George's counties, and jurisdictions with low trend operating position scores include Prince George's and Somerset counties. Prince George's County experienced a \$130.5 million net operating deficit, which was the largest in the State. Prince George's County's net operating deficit was due to multiple factors. On the revenue side, Prince George's

County's income tax revenues decreased \$16.4 million (3.1%) in fiscal 2014. In addition, the county incurred a \$44.6 million expenditure to redeem Dimension Health Corporation revenue bonds. Other factors contributing to the county's net operating deficit include rising interest payments from three large debt issuances made in fiscal 2013 and rising public safety salary and fringe benefits costs. See Appendices 1 and 2 for graphs.

Debt Structure

Garrett and Talbot counties received high scores for static debt structure, while Allegany County received the highest trend debt structure score. Baltimore City and Somerset County had the lowest static rankings for debt structure, while Baltimore and Somerset counties had the lowest trend rankings for debt structure. The high debt to assessable base ratio in Baltimore City can be attributed to financing urban renewal and development projects, transportation projects, water projects, and wastewater facilities. Somerset County's high ratio of debt service payments to net operating revenues in fiscal 2014 was a function of the way in which the county recorded its debt refinancing that year. The method in which Somerset County refinanced its debt saw it record a one-time debt service expenditure on its financial statements that was considerably higher than in preceding years. For example, in fiscal 2013, Somerset County's debt service payments were just 7.5%, which was below the State average at that time. Somerset County periodically refinances its debt, which results in large increases in debt service expenditures in fiscal years in which the refinancing occurs. Prior to fiscal 2014, Somerset County underwent a large debt refinancing in fiscal 2009, which resulted in debt service payments being 24.3% of net operating revenues that year. See Appendices 3 and 4 for graphs.

Unfunded Liabilities

Talbot County had the highest scores for static unfunded liabilities. Caroline and Wicomico counties show the most

favorable trends. Jurisdictions with low rankings include Baltimore City for static indicators and Kent, Worcester, and Prince George's counties for trend unfunded liabilities.

Baltimore City's negative performance in this indicator is due to its having a total unfunded pension liability of nearly \$1.6 billion in fiscal 2014. In fiscal 2014, the Baltimore City Fire and Police Employees' Retirement System had an unfunded pension liability of \$880.6 million and was actuarially determined to be 73.9% funded. The Baltimore City Employees' Retirement System had an unfunded pension liability of \$711.1 million and was just 67.8% funded.

Dorchester, Kent, Queen Anne's, Somerset, and Talbot counties do not sponsor their own defined benefit plans (they each participate in the Maryland State Retirement and Pension System) which is why they perform better by default in this static indicator than counties with unfunded pension liabilities. If unfunded pensions were not included in the index, Anne Arundel, Baltimore, and Charles counties would be ranked several positions better while Carroll and Harford counties would be ranked several positions worse for static rankings. Wicomico's ranking would worsen significantly for trend rankings if unfunded pension liabilities were excluded from the index. See Appendices 5 and 6 for graphs.

Community Needs and Resources

Charles, Howard, Montgomery, and St. Mary's counties received high static scores for community needs and resources. These counties have high median household income and have experienced population gains. St. Mary's County also received a high trend score for community needs and resources. Jurisdictions with the lowest rankings include Allegany and Somerset counties for static indicators and Caroline, Dorchester, and Talbot counties for trend indicators. See Appendices 7 and 8 for graphs.

Fiscal Constraints

Fiscal constraint captures relative performance with respect to tax effort and tax capacity indices.

The tax capacity index measures the potential tax base of a local government using State average tax rates. The tax capacity index is highly influenced by the property tax and income tax, the two largest taxes at the local level. Those jurisdictions with high property valuations and income wealth tend to be among those with the highest capacity.

The tax effort index measures the extent to which the local tax base is actually taxed. Tax effort is not a measure of what the tax level should be, and it should not be used to determine whether local governments are taxing too little or too much. Tax effort is affected by a jurisdiction's wealth base, available revenue sources, demand for local services, tax limitation measures, acceptance of higher taxes, and fees. The tax effort index is also affected by the fact that jurisdictions with high capacity can raise higher revenues with lower rates.

Talbot and Worcester counties received the highest static points for fiscal constraints. Worcester County had the highest tax capacity in both fiscal 2009 and 2014 due to the large property assessable base and hotel/motel room rentals in the resort town of Ocean City. Garrett and Kent counties received the highest trend points for fiscal constraints.

Jurisdictions with the lowest static rankings for fiscal constraints include Baltimore City and Allegany County, while Worcester County had the lowest trend ranking for fiscal constraints. Allegany and Somerset counties had the lowest tax capacities due to their low income levels and property assessable base.

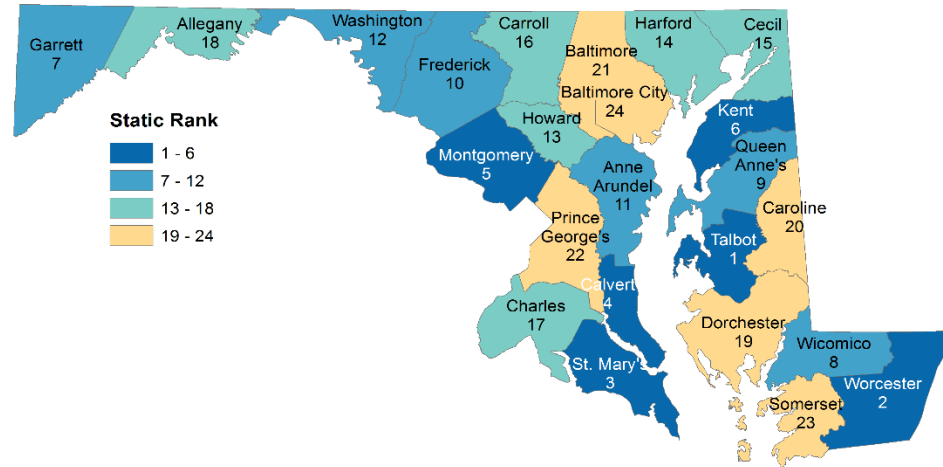
The low ranking for Worcester County is due to the sharp decline in the county's assessable base resulting from the housing market downturn; however, the county still has the highest assessable base amount in the State when measured on a per capita basis. The tax effort index is skewed by the very high value for Baltimore City, which has both the State's highest property tax rate and highest tax effort.

The tax effort index is also affected by the fact that jurisdictions with high capacity can raise higher revenues with lower rates. Thus, it is not surprising that some of the jurisdictions with high capacities have low effort (Anne Arundel, Queen Anne's, Talbot, and Worcester), while some of the State's less affluent jurisdictions have high effort (Allegany, Baltimore City, and Wicomico). See Appendices 9 and 10 for graphs.

Overall Score

Talbot, Worcester, St. Mary's, and Calvert counties had the highest static composite scores, whereas Baltimore City, Somerset, Prince George's, and Baltimore counties had the lowest scores. When comparing performance over a five-year period, Wicomico, Allegany, Kent, and Garrett counties had the highest trend scores, which indicates the best improvement in fiscal health. Worcester, Somerset, Prince George's, and Charles counties realized the lowest trend scores, which indicates the least improvement. **Exhibit 7** explains the factors resulting in the static and trend scores for the highest and lowest performing counties.

Local Composite Index – Static Score



Local Composite Index – Trend Score

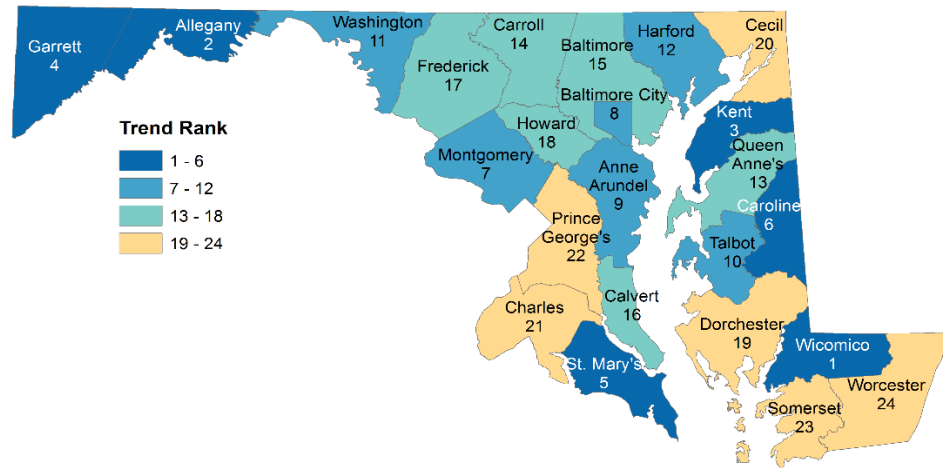


Exhibit 7
Factors Resulting in Highest and Lowest Composite Index Rankings

Static Score

Highest Performing	Reasons for Ranking	Lowest Performing	Reasons for Ranking
Talbot	High Fund Balance, Low Debt, Low Per Capita Liabilities, High Tax Capacity, Low Tax Effort	Baltimore City	High Debt Levels, High Per Capita Liabilities, Low Median Household Income, Low Tax Capacity, High Tax Effort
Worcester	High Fund Balance, Low Debt, Low Pension Liabilities, High Tax Capacity, Low Tax Effort	Somerset	High Operating Deficit, High Debt Service, Population Decline, Low Median Household Income, Low Tax Capacity
St. Mary's	Low Debt, Strong Population Growth, High Median Household Income, Low Tax Effort	Prince George's	High Operating Deficit, High Debt Level, High Per Capita Liabilities, High Tax Effort
Calvert	High Median Household Income	Baltimore	High Debt Level, High Per Capita Liabilities

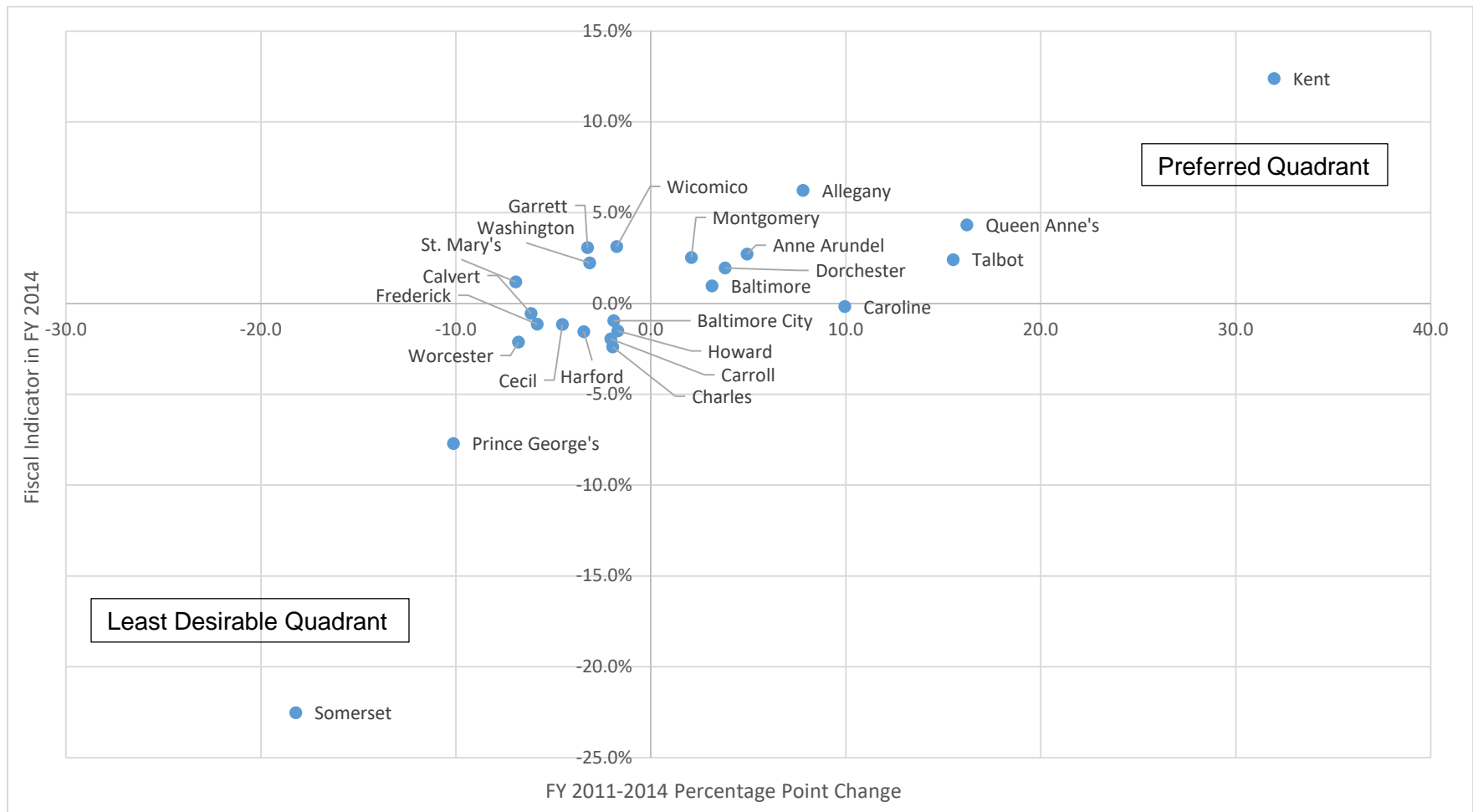
Trend Score

Highest Performing	Reasons for Ranking	Lowest Performing	Reasons for Ranking
Wicomico	Higher Fund Balance, Increase in Median Household Income	Worcester	Higher Operating Deficit, Higher Debt Level, Increase in Per Capita OPEB Liabilities, Decrease in Tax Capacity
Allegany	Operating Surplus, Lower Debt Levels, Improvements in Fiscal Capacity	Somerset	Higher Operating Deficit, Lower Fund Balance, Higher Debt Level, Population Decline
Kent	Operating Surplus, Higher Fund Balance, Improvements in Fiscal Capacity	Prince George's	Higher Operating Deficit, Lower Fund Balance, Higher Debt Level, Increase in Per Capita OPEB Liabilities, Lower Tax Capacity
Garrett	Low Debt Level, Increase in Median Household Income, Improvements in Fiscal Capacity	Charles	Higher Debt Level, Low Median Household Income Growth, Lower Tax Capacity, Higher Tax Effort

Appendices

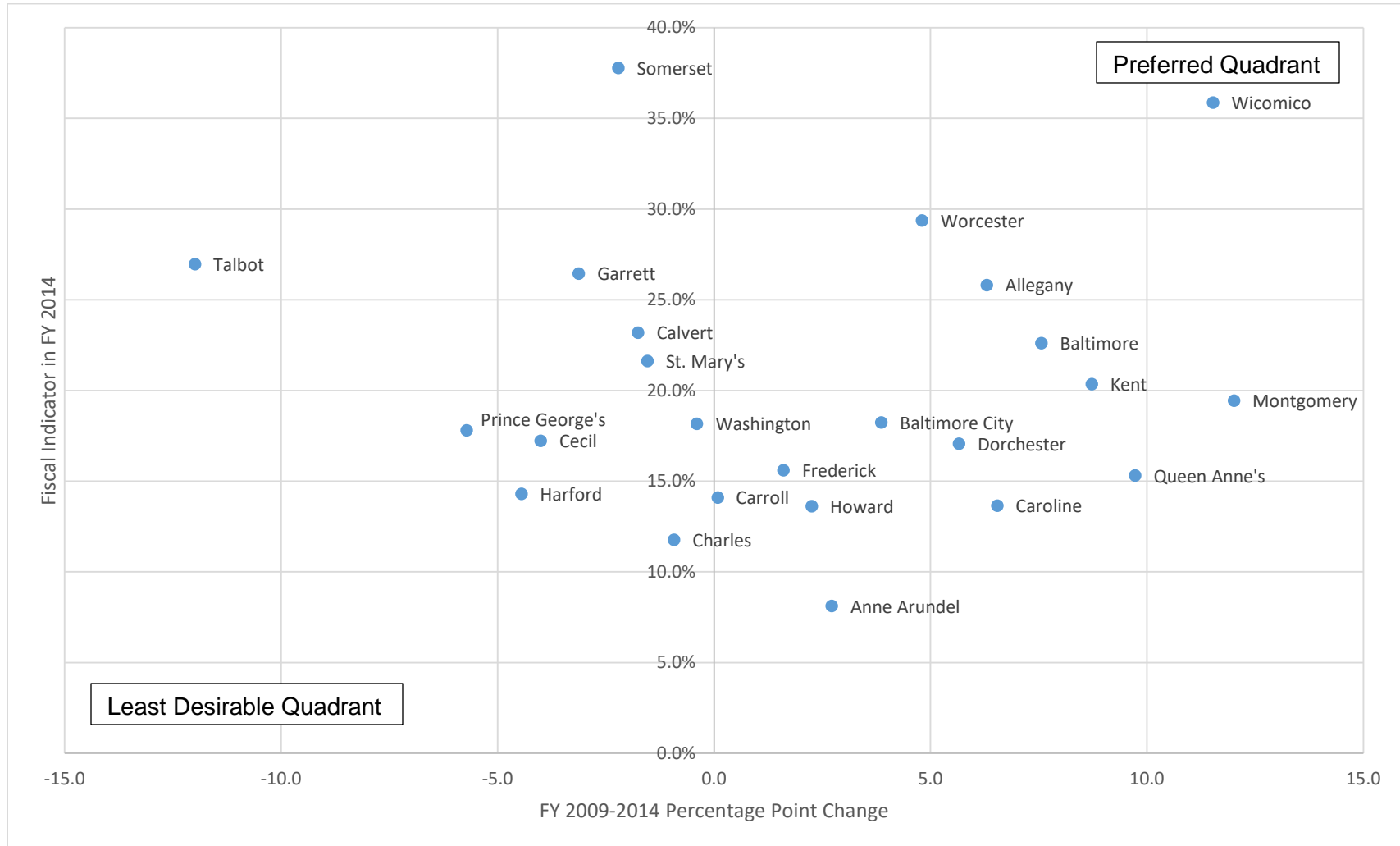
Appendix 1. Net Operating Surplus (Deficit)

As a Percentage of Net Operating Revenues in Fiscal 2014



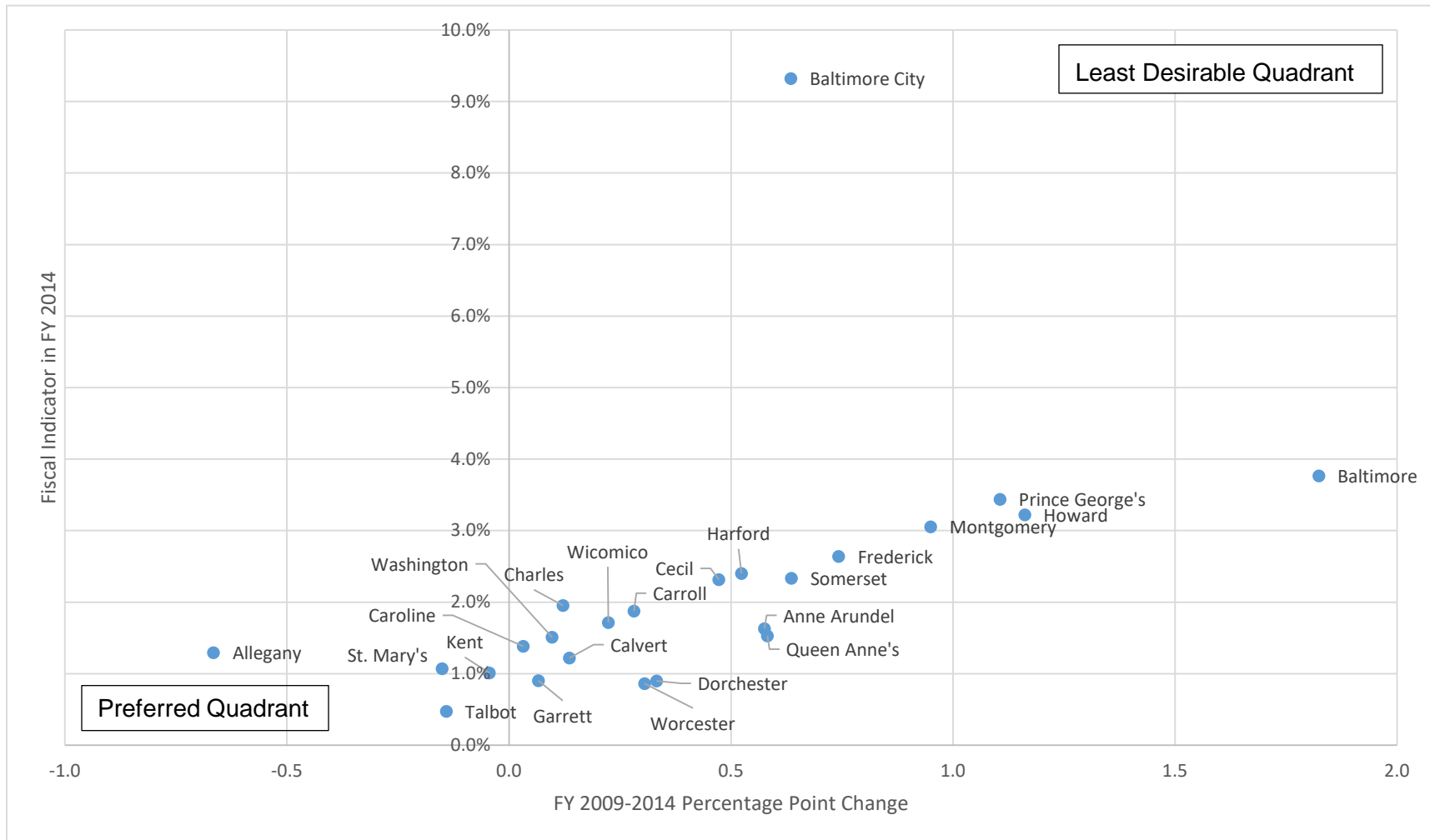
Appendix 2. Unrestricted General Fund Balance

As a Percentage of General Fund Revenues in Fiscal 2014



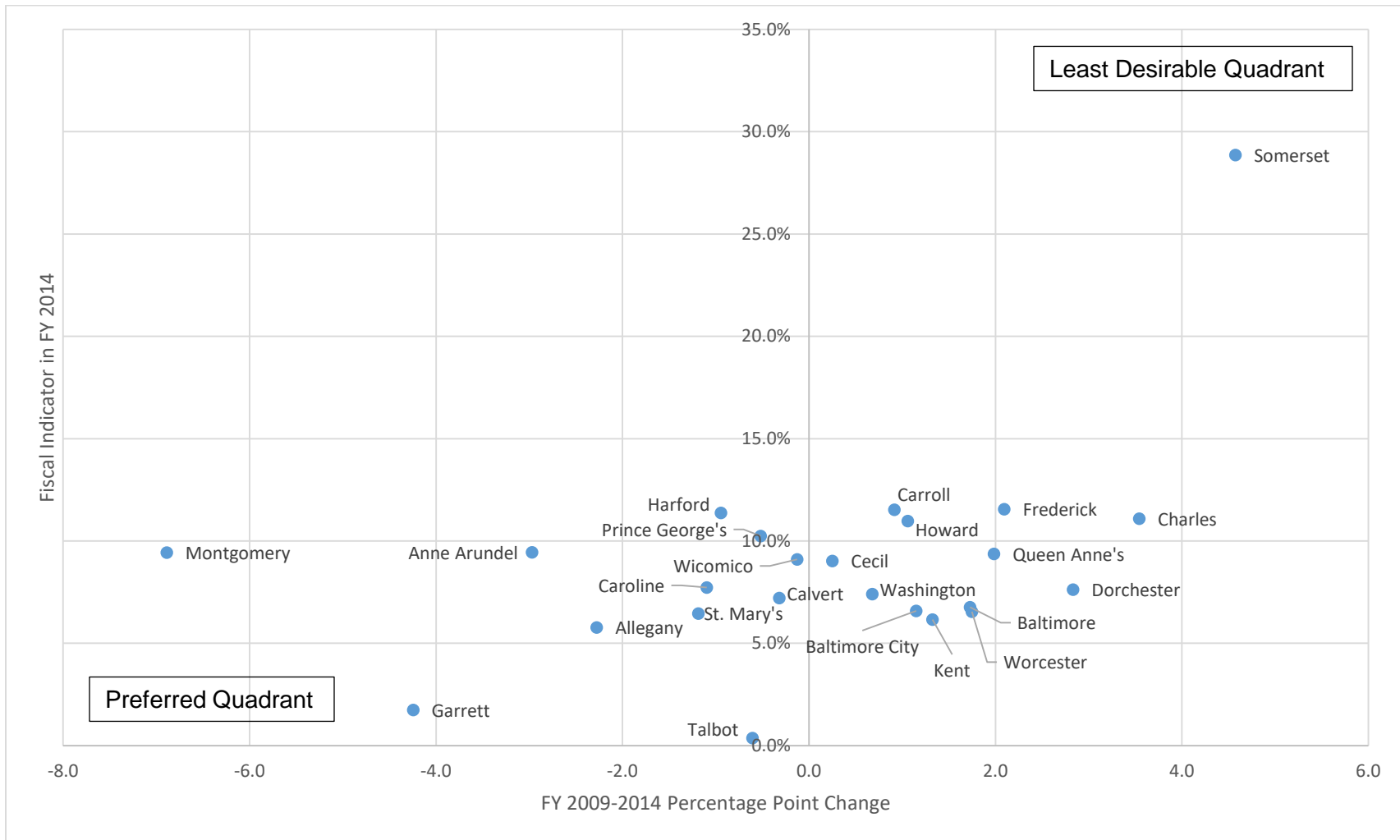
Appendix 3. Local Debt

As a Percentage of Assessable Base in Fiscal 2014



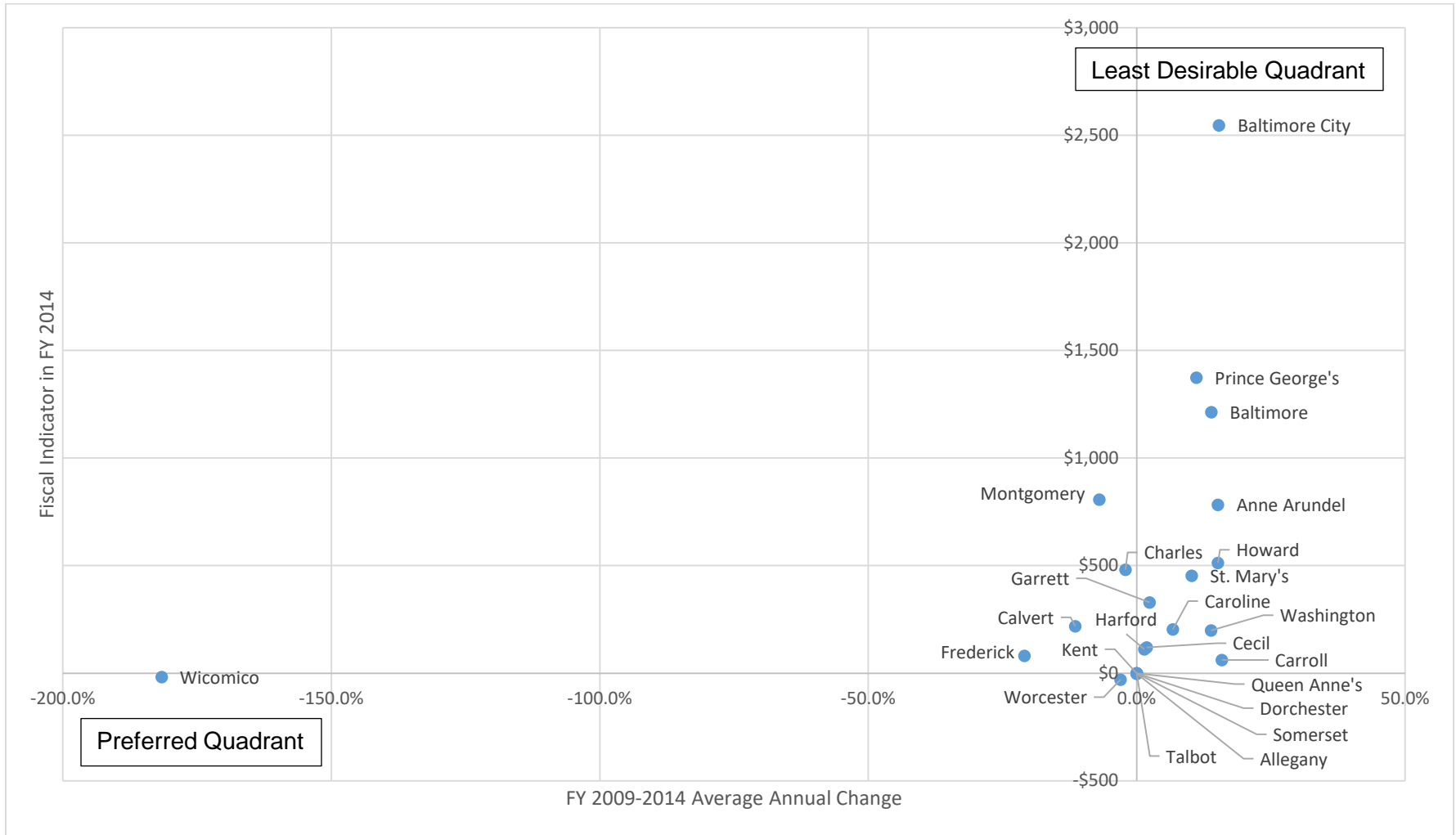
Appendix 4. Debt Service Payments

As a Percentage of Net Operating Revenues in Fiscal 2014

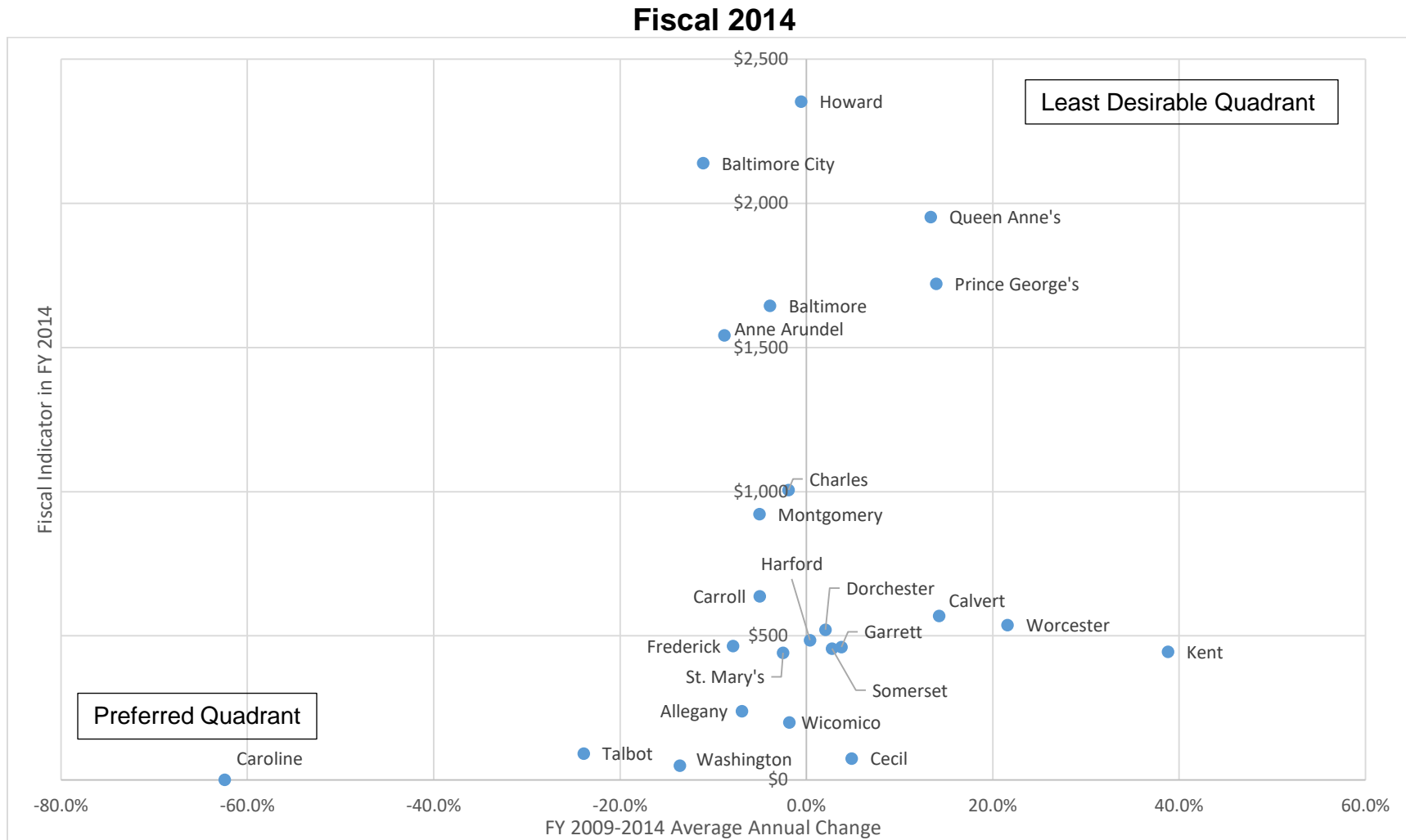


Appendix 5. Unfunded Pensions Per Capita

Fiscal 2014

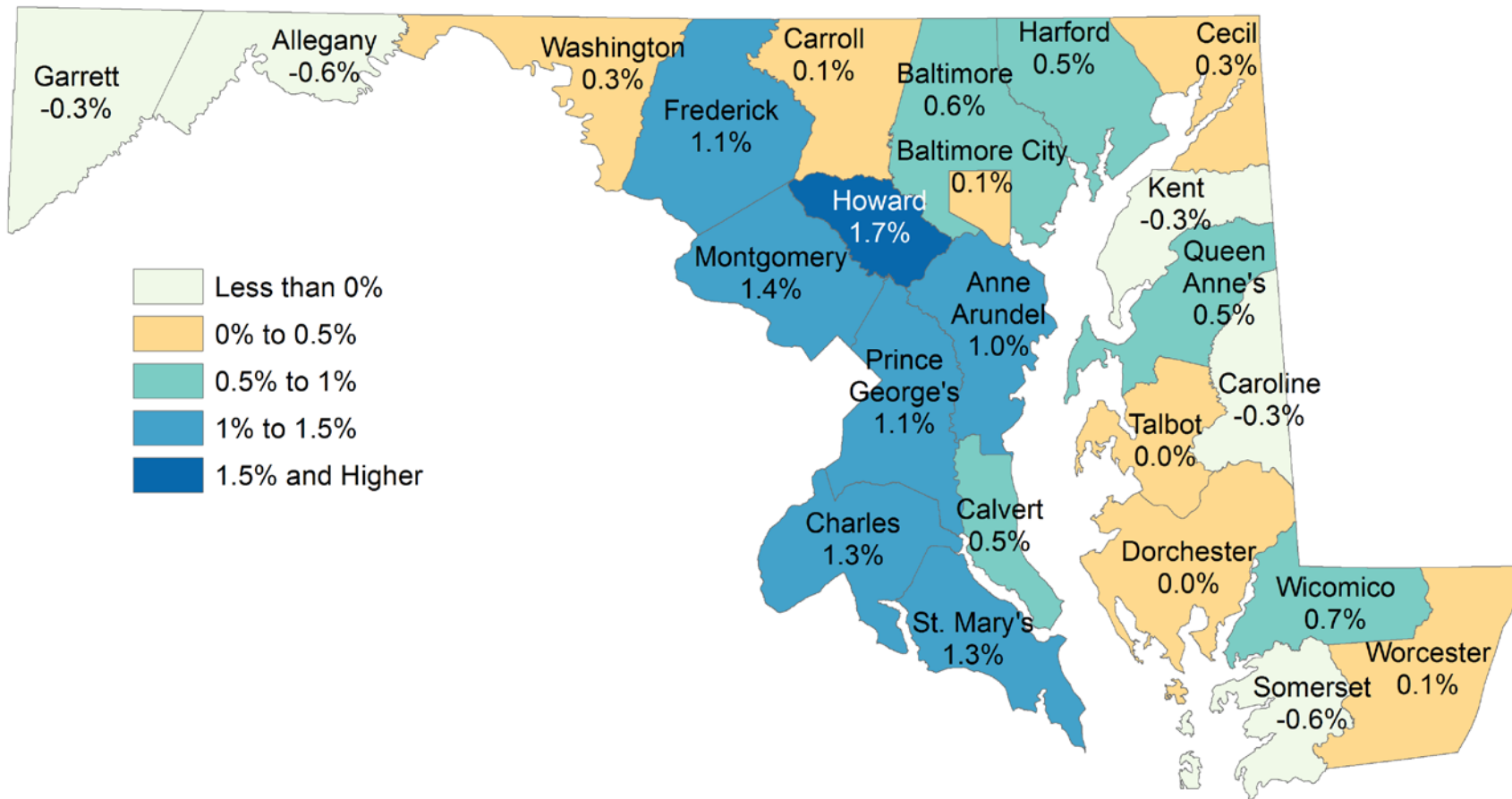


Appendix 6. Unfunded OPEB Liabilities Per Capita



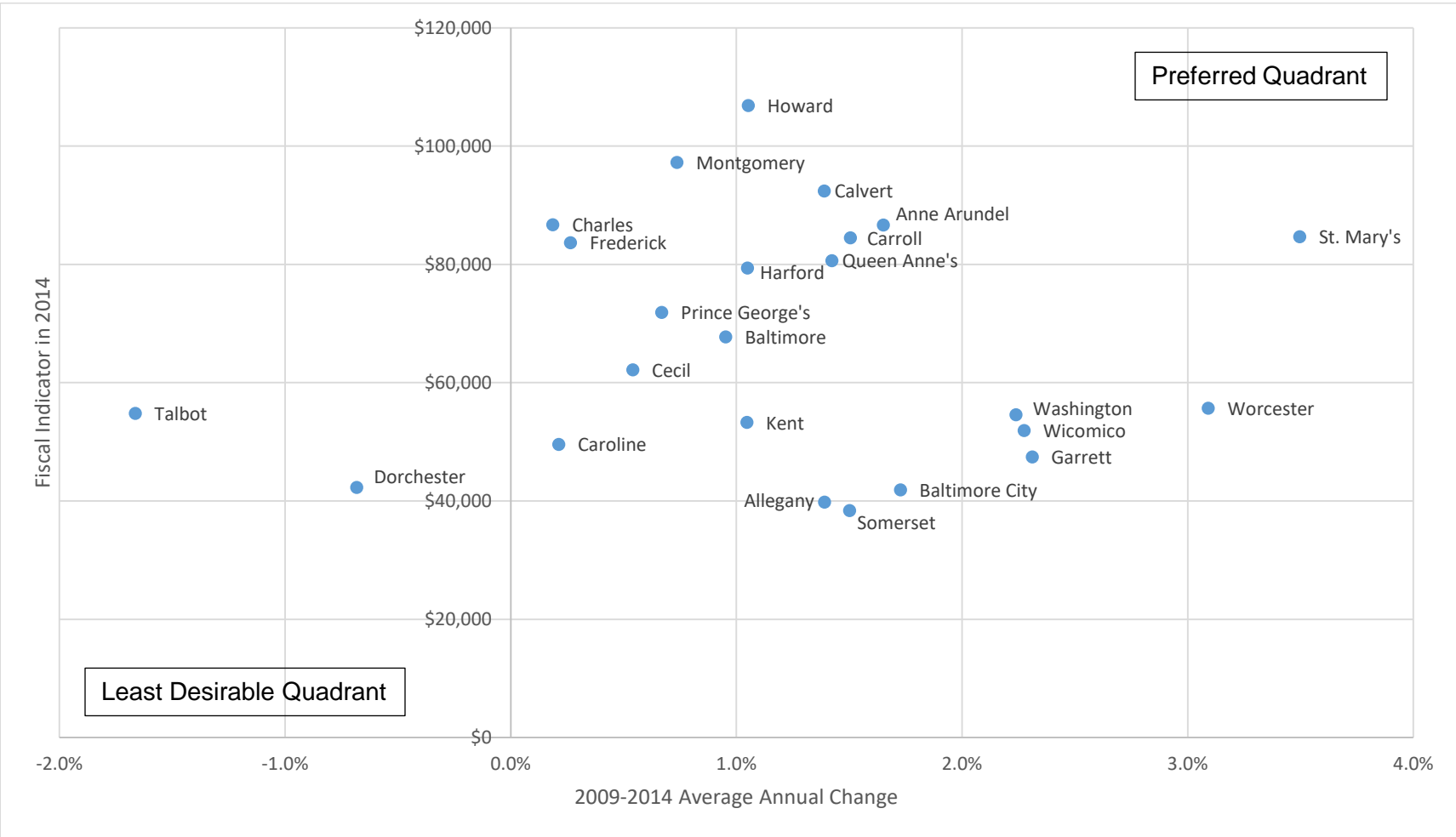
Appendix 7. Population Growth

Average Annual Change, Fiscal 2009-2014



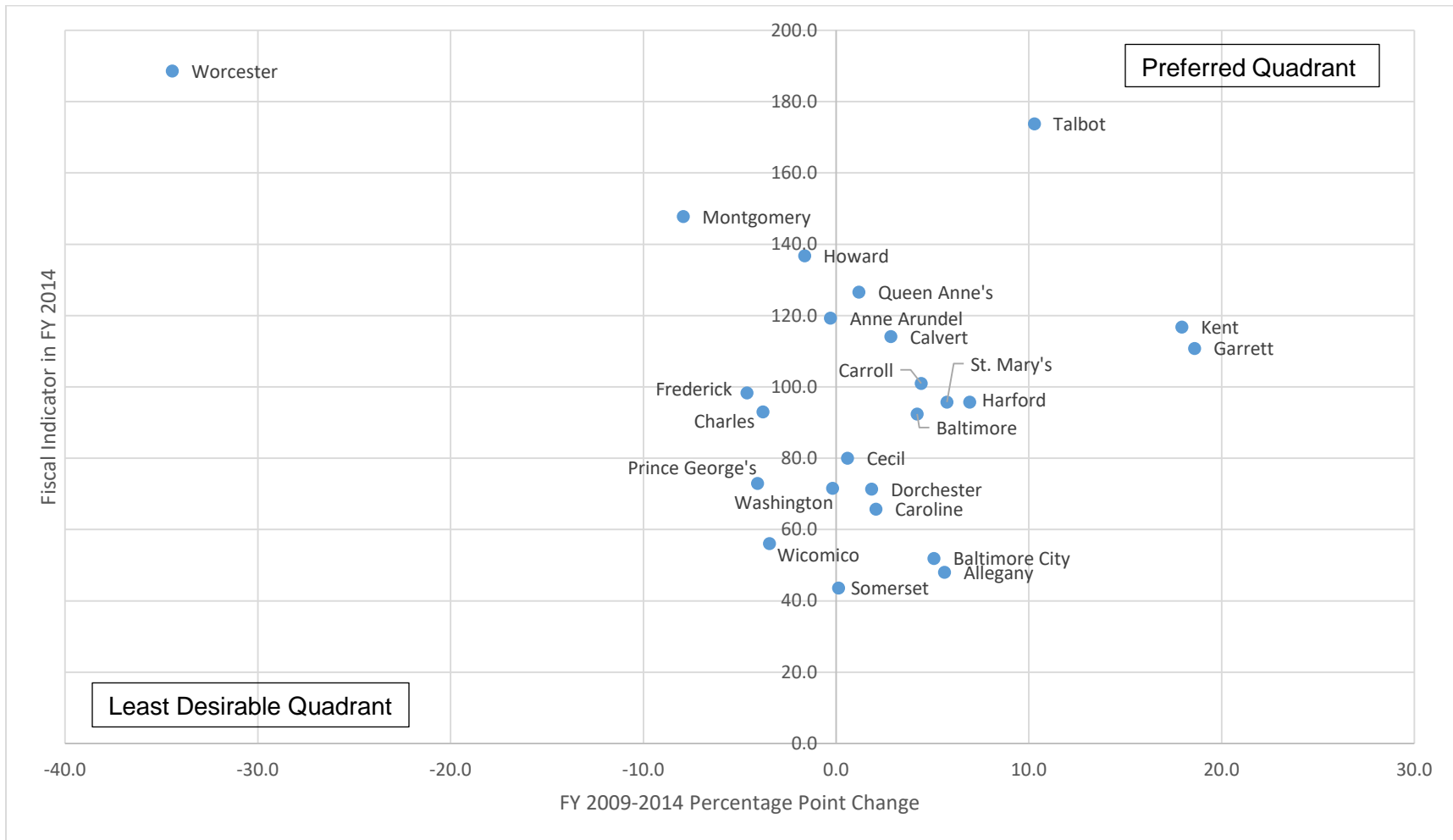
Appendix 8. Median Household Income

Average Annual Change, Calendar 2009-2014



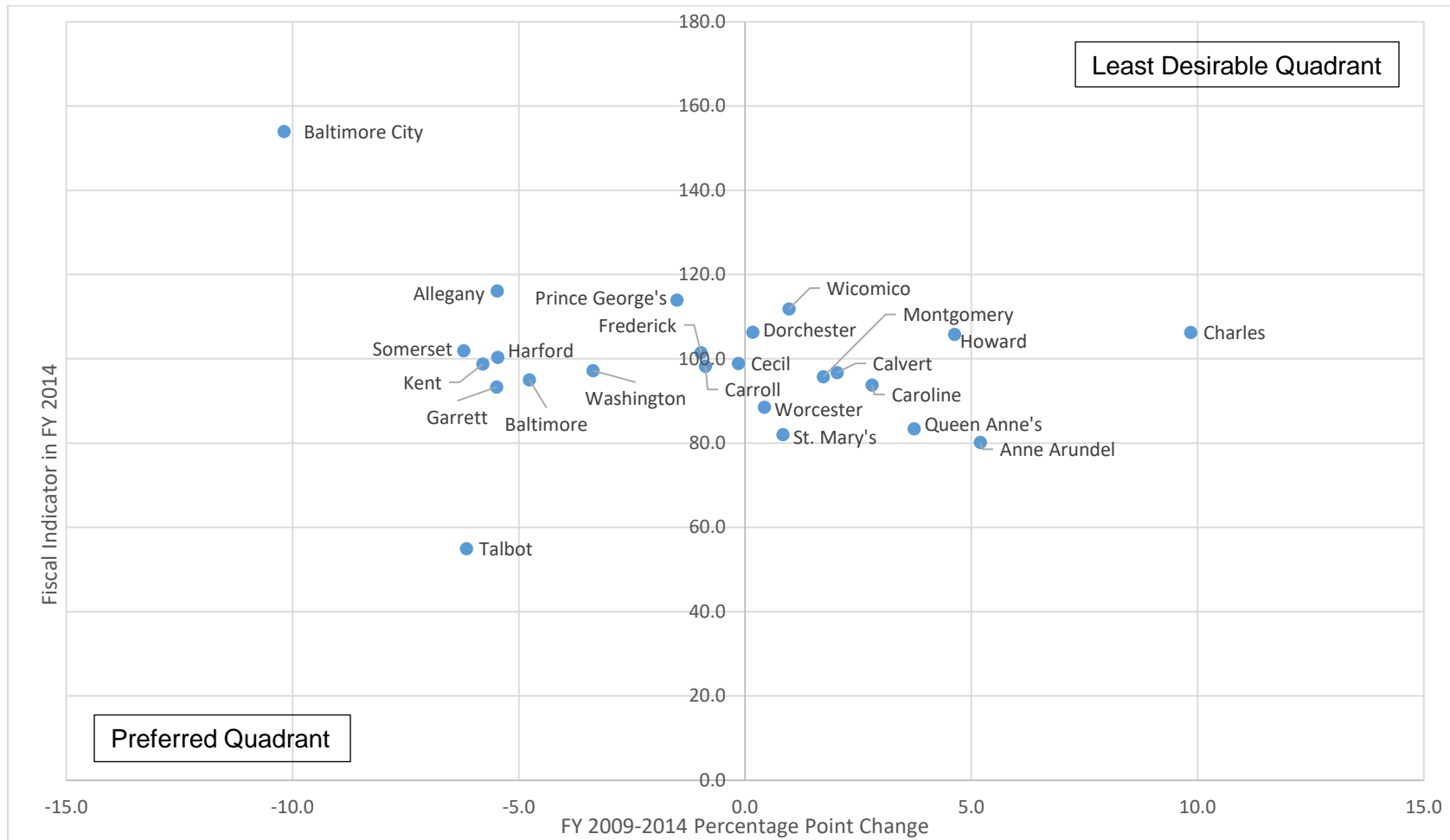
Appendix 9. Tax Capacity Index

Fiscal 2014



Appendix 10. Tax Effort Index

Fiscal 2014



Appendix 11. Technical Appendix

DLS has created an index in an attempt to measure and rank the relative fiscal condition of local governments. The index attempts to capture the fiscal condition of the local jurisdictions by examining five components of fiscal conditions: operating position, debt structure, unfunded liabilities, community needs and resources, and fiscal constraints. All components are given an equal weight. Each component consists of two fiscal indicators, each being given equal weight, in an attempt to provide a broad comprehensive understanding of a local government's fiscal condition relative to other local governments.

DLS calculated the Z score for each fiscal indicator and averaged the Z scores to rank the local jurisdictions. The method of scoring is based on the Mercatus Center's *Ranking the States by Fiscal Condition*, which standardized indicators as a Z score and summed the standardized indicators to create an index and then ranked the states.

The Z score standardizes the score by measuring how far the local jurisdiction's indicator is from that indicator's mean value for all 24 jurisdictions. The Z score is calculated by subtracting the mean from the value of the indicator and dividing by the standard deviation, as expressed below:

$$Z = (X - \mu) / \sigma$$

A Z score of zero means that the value of the indicator is equal to the mean. A positive Z score means that the value of the indicator is greater than the mean, while a negative Z score means that the value of the indicator is less than the mean.

Appendix 12. Static Indicators

County	Operating Position	Debt Structure	Unfunded Liabilities	Community Needs and Resources	Fiscal Constraints	Score	Rank
Allegany	0.18	0.11	0.14	(0.29)	(0.23)	(0.09)	18
Anne Arundel	(0.12)	0.02	(0.17)	0.18	0.16	0.07	11
Baltimore City	(0.04)	(0.36)	(0.55)	(0.18)	(0.44)	(1.57)	24
Baltimore	0.05	(0.05)	(0.26)	0.03	0.01	(0.22)	21
Calvert	0.03	0.09	0.06	0.13	0.05	0.37	4
Caroline	(0.09)	0.07	0.14	(0.20)	(0.06)	(0.14)	20
Carroll	(0.12)	(0.04)	0.08	0.03	0.01	(0.04)	16
Cecil	(0.06)	(0.01)	0.15	(0.05)	(0.05)	(0.03)	15
Charles	(0.15)	(0.03)	(0.04)	0.23	(0.06)	(0.06)	17
Dorchester	(0.01)	0.10	0.10	(0.18)	(0.12)	(0.11)	19
Frederick	(0.08)	(0.08)	0.10	0.17	(0.02)	0.09	10
Garrett	0.14	0.21	0.06	(0.21)	0.06	0.25	7
Harford	(0.11)	(0.06)	0.09	0.07	(0.02)	(0.03)	14
Howard	(0.11)	(0.10)	(0.24)	0.39	0.06	(0.01)	13
Kent	0.21	0.12	0.11	(0.19)	0.05	0.30	6
Montgomery	0.03	(0.06)	(0.09)	0.30	0.15	0.33	5
Prince George's	(0.16)	(0.10)	(0.29)	0.12	(0.16)	(0.59)	22
Queen Anne's	0.00	0.03	(0.10)	0.07	0.16	0.17	9
St. Mary's	0.04	0.11	0.04	0.22	0.09	0.50	3
Somerset	(0.13)	(0.40)	0.11	(0.30)	(0.16)	(0.88)	23
Talbot	0.13	0.26	0.16	(0.12)	0.45	0.89	1
Washington	0.01	0.07	0.14	(0.08)	(0.06)	0.07	12
Wicomico	0.27	0.02	0.15	(0.03)	(0.19)	0.22	8
Worcester	0.09	0.12	0.11	(0.11)	0.30	0.50	2

Appendix 13. Trend Indicators

County	Operating Position	Debt Structure	Unfunded Liabilities	Community Needs and Resources	Fiscal Constraints	Score	Rank
Allegany	0.14	0.30	0.03	(0.13)	0.17	0.51	2
Anne Arundel	0.05	0.09	(0.01)	0.13	(0.16)	0.11	9
Baltimore City	0.01	(0.08)	(0.00)	(0.00)	0.26	0.18	8
Baltimore	0.12	(0.33)	(0.04)	0.01	0.13	(0.12)	15
Calvert	(0.13)	0.07	(0.08)	0.03	(0.04)	(0.15)	16
Caroline	0.17	0.12	0.32	(0.20)	(0.07)	0.33	6
Carroll	(0.06)	(0.01)	(0.04)	(0.03)	0.05	(0.08)	14
Cecil	(0.15)	(0.02)	(0.06)	(0.09)	(0.03)	(0.34)	20
Charles	(0.08)	(0.08)	(0.01)	0.04	(0.31)	(0.44)	21
Dorchester	0.09	(0.09)	(0.02)	(0.24)	(0.01)	(0.27)	19
Frederick	(0.07)	(0.14)	0.07	0.01	(0.09)	(0.22)	17
Garrett	(0.13)	0.24	(0.05)	(0.01)	0.37	0.42	4
Harford	(0.15)	0.02	(0.03)	(0.00)	0.19	0.02	12
Howard	(0.02)	(0.18)	(0.06)	0.18	(0.16)	(0.24)	18
Kent	0.42	0.04	(0.23)	(0.13)	0.37	0.47	3
Montgomery	0.18	0.18	0.02	0.11	(0.20)	0.29	7
Prince George's	(0.24)	(0.11)	(0.13)	0.05	(0.07)	(0.50)	22
Queen Anne's	0.28	(0.11)	(0.09)	0.03	(0.10)	0.02	13
St. Mary's	(0.14)	0.16	(0.04)	0.35	0.03	0.37	5
Somerset	(0.26)	(0.22)	(0.03)	(0.13)	0.10	(0.54)	23
Talbot	(0.09)	0.13	0.13	(0.33)	0.25	0.10	10
Washington	(0.08)	0.04	0.02	0.08	0.03	0.09	11
Wicomico	0.14	0.04	0.45	0.15	(0.11)	0.67	1
Worcester	(0.03)	(0.05)	(0.14)	0.13	(0.59)	(0.67)	24

Appendix 14. Summary of Static Indicator Z Scores and Ranking

County	Operating Surplus (Deficit) Percentage	Quartile 4 (Top)		Quartile 3			% Change in Population	Quartile 2		Quartile 1 (bottom)		
		Fund Balances As a % of GF Revenues	Debt Percentage	Debt Service %	Unfunded Pension Per Capita	Unfunded OPEB Liabilities %		Median Household Income	Tax Capacity	Tax Effort	Score	Rank
Allegany	1.03	0.77	0.49	0.60	0.65	0.78	(1.52)	(1.35)	(1.35)	(0.99)	(0.09)	18
Anne Arundel	0.45	(1.65)	0.30	(0.12)	(0.65)	(1.06)	0.87	0.95	0.54	1.08	0.07	11
Baltimore City	(0.15)	(0.27)	(4.06)	0.44	(3.57)	(1.91)	(0.52)	(1.25)	(1.24)	(3.18)	(1.57)	24
Baltimore	0.16	0.33	(0.91)	0.41	(1.36)	(1.21)	0.29	0.02	(0.17)	0.23	(0.22)	21
Calvert	(0.09)	0.41	0.53	0.32	0.29	0.31	0.11	1.24	0.40	0.13	0.37	4
Caroline	(0.02)	(0.89)	0.44	0.22	0.32	1.11	(1.12)	(0.87)	(0.88)	0.30	(0.14)	20
Carroll	(0.32)	(0.83)	0.16	(0.52)	0.55	0.22	(0.56)	0.85	0.06	0.04	(0.04)	16
Cecil	(0.18)	(0.41)	(0.09)	(0.03)	0.45	1.01	(0.28)	(0.25)	(0.50)	0.00	(0.03)	15
Charles	(0.39)	(1.15)	0.12	(0.44)	(0.14)	(0.31)	1.32	0.95	(0.16)	(0.42)	(0.06)	17
Dorchester	0.32	(0.43)	0.71	0.24	0.65	0.38	(0.62)	(1.23)	(0.73)	(0.43)	(0.11)	19
Frederick	(0.18)	(0.63)	(0.27)	(0.53)	0.52	0.46	0.92	0.81	(0.01)	(0.15)	0.09	10
Garrett	0.51	0.86	0.71	1.39	0.11	0.46	(1.17)	(0.97)	0.32	0.33	0.25	7
Harford	(0.25)	(0.81)	(0.14)	(0.49)	0.47	0.43	0.09	0.60	(0.08)	(0.08)	(0.03)	14
Howard	(0.24)	(0.90)	(0.60)	(0.42)	(0.20)	(2.21)	1.96	1.94	1.00	(0.40)	(0.01)	13
Kent	2.04	0.02	0.65	0.53	0.65	0.49	(1.18)	(0.69)	0.48	0.01	0.30	6
Montgomery	0.42	(0.10)	(0.51)	(0.11)	(0.69)	(0.19)	1.50	1.47	1.30	0.18	0.33	5
Prince George's	(1.26)	(0.33)	(0.72)	(0.27)	(1.62)	(1.32)	0.95	0.23	(0.69)	(0.87)	(0.59)	22
Queen Anne's	0.71	(0.67)	0.36	(0.10)	0.65	(1.64)	0.07	0.66	0.74	0.90	0.17	9
St. Mary's	0.20	0.20	0.62	0.47	(0.10)	0.49	1.33	0.85	(0.08)	0.98	0.50	3
Somerset	(3.70)	2.41	(0.10)	(3.91)	0.65	0.47	(1.59)	(1.42)	(1.46)	(0.17)	(0.88)	23
Talbot	0.40	0.93	0.96	1.66	0.65	0.99	(0.62)	(0.61)	1.98	2.54	0.89	1
Washington	0.37	(0.28)	0.37	0.28	0.32	1.04	(0.17)	(0.62)	(0.72)	0.10	0.07	12
Wicomico	0.52	2.15	0.25	(0.05)	0.68	0.83	0.44	(0.75)	(1.13)	(0.74)	0.22	8
Worcester	(0.35)	1.26	0.74	0.45	0.70	0.36	(0.53)	(0.57)	2.38	0.60	0.50	2

Appendix 15. Summary of Trend Indicator Z Scores and Ranking

County	Operating Surplus (Deficit) Percentage	Quartile 4 (Top)		Quartile 3			% Change in Population	Quartile 2		Quartile 1 (bottom)		Score	Rank
		Fund Balances As a % of GF Revenues	Debt Percentage	Debt Service %	Unfunded Pension Per Capita	Unfunded OPEB Liabilities %		Median Household Income	Tax Capacity	Tax Effort			
Allegany	0.70	0.73	2.04	0.96	0.00	0.30	(1.52)	0.20	0.70	0.97	0.509	2	
Anne Arundel	0.42	0.13	(0.32)	1.24	(0.54)	0.41	0.87	0.44	(0.22)	(1.34)	0.109	9	
Baltimore City	(0.26)	0.32	(0.43)	(0.42)	(0.54)	0.54	(0.52)	0.51	0.62	1.98	0.180	8	
Baltimore	0.24	0.94	(2.70)	(0.65)	(0.51)	0.13	0.29	(0.22)	0.48	0.81	-0.117	15	
Calvert	(0.68)	(0.63)	0.52	0.17	0.15	(0.91)	0.11	0.20	0.27	(0.66)	-0.147	16	
Caroline	0.91	0.77	0.72	0.49	(0.32)	3.48	(1.12)	(0.91)	0.15	(0.82)	0.334	6	
Carroll	(0.28)	(0.32)	0.24	(0.32)	(0.55)	0.19	(0.56)	0.30	0.51	(0.03)	-0.080	14	
Cecil	(0.52)	(1.01)	(0.12)	(0.06)	(0.20)	(0.37)	(0.28)	(0.60)	(0.08)	(0.18)	-0.343	20	
Charles	(0.27)	(0.49)	0.55	(1.38)	(0.09)	0.01	1.32	(0.93)	(0.77)	(2.34)	-0.439	21	
Dorchester	0.30	0.62	0.14	(1.09)	0.00	(0.21)	(0.62)	(1.75)	0.11	(0.25)	-0.274	19	
Frederick	(0.65)	(0.06)	(0.64)	(0.80)	0.39	0.36	0.92	(0.86)	(0.90)	(0.01)	-0.224	17	
Garrett	(0.39)	(0.86)	0.65	1.75	(0.21)	(0.31)	(1.17)	1.06	2.73	0.97	0.423	4	
Harford	(0.41)	(1.08)	(0.22)	0.42	(0.18)	(0.12)	0.09	(0.12)	0.91	0.96	0.025	12	
Howard	(0.24)	0.05	(1.43)	(0.38)	(0.54)	(0.06)	1.96	(0.12)	(0.43)	(1.22)	-0.242	18	
Kent	3.10	1.14	0.86	(0.49)	0.00	(2.32)	(1.18)	(0.13)	2.63	1.04	0.465	3	
Montgomery	0.13	1.69	(1.03)	2.82	0.03	0.19	1.50	(0.42)	(1.42)	(0.59)	0.292	7	
Prince George's	(1.08)	(1.30)	(1.33)	0.25	(0.43)	(0.89)	0.95	(0.48)	(0.81)	0.11	-0.501	22	
Queen Anne's	1.53	1.31	(0.33)	(0.75)	-	(0.86)	0.07	0.23	0.01	(1.02)	0.019	13	
St. Mary's	(0.76)	(0.59)	1.06	0.52	(0.41)	0.05	1.33	2.17	0.72	(0.40)	0.370	5	
Somerset	(1.88)	(0.71)	(0.43)	(1.80)	0.00	(0.25)	(1.59)	0.30	(0.16)	1.13	-0.538	23	
Talbot	1.47	(2.36)	1.05	0.29	0.00	1.27	(0.62)	(2.67)	1.43	1.11	0.098	10	
Washington	(0.38)	(0.40)	0.59	(0.23)	(0.50)	0.68	(0.17)	0.99	(0.21)	0.51	0.089	11	
Wicomico	(0.25)	1.61	0.35	0.10	4.52	0.01	0.44	1.03	(0.72)	(0.43)	0.667	1	
Worcester	(0.75)	0.48	0.20	(0.66)	(0.07)	(1.33)	(0.53)	1.79	(5.57)	(0.31)	-0.674	24	