

"Federation Corner" column
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Council fails to approve County Executive's requested budget cuts

by Jim Humphrey
MCCF Executive Committee member

Mid-year cuts in the county government budget are becoming a routine occurrence, as Steve Farber, Council Staff Director, noted in a December 13, 2010 memo to the County Council. These adjustments occur because at some point after the fiscal year begins on July 1, officials realize that expected revenue, or income, is falling short of projected levels. "The Council-approved savings plans in FY08 and FY09 were for \$33.2 million and \$33.0 million," Farber stated in his memo. "In FY10 the Council approved two savings plans, the first for \$29.7 million and the second, required by a severe revenue decline, for \$69.7 million."

On October 5 of this year, County Executive Ike Leggett submitted a \$14.3 million savings plan for current fiscal year 2011 to the County Council. This reduction would be needed, he said, to offset the amount of estimated revenue that would not be generated if the Ambulance Fee was rejected by voters on the November 2 ballot referendum, since revenue from the Fee was included in the FY11 budget adopted by Council last May. As readers are undoubtedly aware, the Ambulance Fee was struck down by a 54% majority of voters in the November General Election.

In an October 5 press release, then Council President Nancy Floreen said, "We will await the results of the referendum and take action on the proposed cuts before December if the fee is defeated." The Council didn't meet Floreen's deadline. Instead, the new County Council, under current President Valerie Ervin, took action on proposed budget cuts this past Tuesday, December 14. But in the two months since the County Executive's October \$14.3 million Savings Plan was submitted to Council, the total in cuts he was recommending had more than doubled.

"The attached plan identifies savings of over \$36 million from the current year that will be applied to close the shortfall of over \$300 million in FY12," the County Executive stated in a December 2 memo to Council. "We have worked to identify savings that minimize the impact upon direct services," he added, "especially to public safety and our most vulnerable residents."

"If, as in the past, the Council chooses to not support some of my proposed reduction," Leggett continued, "I strongly recommend that it propose offsetting reductions in other areas of the budget to maintain the total amount of savings. Maintaining balance in the current year is critical to adhering to our fiscal policies and maintaining our AAA bond rating. In addition, the County is vulnerable to additional State Aid reductions due to the State's continuing fiscal challenges."

Instead of delivering the County Executive his requested \$36.2 million mid-year budget savings plan, the new Council, at its second session since being sworn in on December 6, voted to cut \$32.3 million and to disapprove several of the recommended cuts totaling \$3.9 million. To his credit, during the session last Tuesday Councilmember Leventhal did offer a motion that the Council approve all of the County Executive's proposed cuts, except for two small ticket critical service items the Councilmember wanted spared. But his motion was defeated.

"It is critical to consider this proposed (\$36.2 million) savings plan in the context of the development of the FY12 operating budget," the County Executive advised, in his December 2 memo to Council. "As you are aware, I recently asked all County Departments to identify (FY12) reductions of up to 15% for non-public

safety departments, and 5% for public safety, health and human services, and transit. Even these aggressive reductions may not be sufficient to produce a balanced budget if revenues fall even further."

In their defense, Council members did reject some cuts that many would consider critical services. They did not approve Leggett's recommendation to eliminate 11 ambulances in the Fire and Rescue Service. They did not cut 9 police officers in the schools (School Resource Officers) mid-year, but approved managing vacancies department-wide to achieve the same savings amount. They voted not to stop the energy rebate program for low-income households on January 1, 2011. And they did not reduce spending in the transportation budget for pedestrian signal timing and road patching materials, but instead saved a total of \$3,000 more by cutting planning for a road project, Phase II of Roberts Tavern Drive Extended.

Still, the Council failed to follow the County Executive's stern advice to maintain his recommended total amount of savings--\$36.2 million--by proposing offsetting reductions if they failed to support all of his cuts. We have come to expect this kind of disconnect on the Federal level, when a Congress ruled by one party rejects the recommendations of a President from the opposing party. But the Montgomery County Executive and the nine members on the Council are all Democrats.

This doesn't bode well for any spirit of cooperation between the Council and Mr. Leggett when they face the challenge looming a few months away of cutting \$300 million from next year's budget.

The views expressed in this column do not necessarily reflect formal positions adopted by the Federation. To submit an 800-1000 word column for consideration, send as an email attachment to theelms518@earthlink.net