

Budget pain not over for Montgomery

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Montgomery officials routinely labeled recent budget concessions the most "painful," "far-reaching," and "dire" the county had ever seen, but with federal stimulus money slated to expire and a looming teacher pension crisis, council members may need to recycle those terms.

"It's not over yet," County Council President Nancy Floreen told *The Washington Examiner*. "In fact, it could get more difficult."

County Executive Ike Leggett is already predicting a nearly \$200 million shortfall for fiscal 2012, but that estimate could skyrocket. The just-tackled shortfall ballooned from \$600 million to nearly \$1 billion in months.

The uphill road back to black is becoming a trend for Maryland's richest county, which has struggled to pay for services fueled by booming income-tax revenue now long gone.

Hoping to reverse the trend, county officials will examine budget plans for the next five years in coming weeks. They are looking to avoid the last-minute negotiations needed to balance the budget this year.

But some are predicting similar fallout.

"I think we're going to be in the same situation next year," said Councilman Mike Knapp, D-Germantown. "The best strategy this year was to reduce well below what [Leggett] proposed. We didn't do that."

He pointed to lawsuit threats from the schools system over "relatively small" financial sacrifices, predicting more of the same if the council seeks the cuts necessary for economic stability. And it would likely mean more furlough days for a county workforce frustrated by forced unpaid vacations.

Leggett recently proposed raising reserves from 6 to 10 percent by 2020, which would require leaner budgets from county departments or higher taxes. The county has been placed on a watch list by a bond rating agency because of dwindling reserves.

Another battle brewing between the council and schools is over teacher pensions -- some Maryland officials have suggested shifting the burden for teacher pension payments to the counties.

"I hope that the budget process this year taught folks some lessons," said Doug Prouty, president of the Montgomery County Education Association. "I'm hoping we'll be able to work together more effectively."