

Montgomery's budget shortfall worsening

County executive says deficit up to \$200M due to school spending, expected loss of federal funds

by Erin Cunningham | Staff Writer

Montgomery County's budget shortfall for fiscal 2012 has grown to \$200 million, according to a memo issued Wednesday by County Executive Isiah Leggett (D).

Leggett wrote that the increased budget gap — previously estimated at \$145 million — was due to lost ambulance fee revenue, an anticipated increase in Montgomery County Public Schools spending and a possible decrease in federal funding.

Leggett's announcement comes as some members of the County Council have said that the county's income tax returns from the state — due this month — could eliminate the need for mid-year budget cuts.

The county has a \$4.27 billion budget.

Leggett is expected to make recommended cuts in the first week of December, and county spokesman Patrick K. Lacefield said the council will be asked to make a decision soon after.

Details on what cuts Leggett will propose were not available Thursday morning. Leggett already has recommended \$14 million in reductions to make up for lost ambulance fee revenue. Those cuts, which the council has not yet voted on, include layoffs of firefighters and reductions in ambulance service and health and human services programs.

"Inaction will require only larger reductions in services in (fiscal 2012)," Leggett wrote in the memo. Fiscal 2012 begins July 1.

Council President Nancy M. Floreen (D-At large) of Garrett Park said the council will take up the mid-year savings plan as soon as possible.

"There can be no question that we are going to have to scramble to address budgetary needs now," she said. "This coming budget for next year will be very difficult."

Leggett wrote that since September, he has learned that due to rising enrollment in Montgomery County Public Schools, the cost of complying with the state-mandated Maintenance of Effort regulation has increased by \$13.5 million. Leggett also wrote the recent Republican gains in national elections likely will limit federal grants and other aid to counties and to Maryland — further reducing the county's revenue.

Leggett has proposed mid-year budget cuts every year since fiscal 2008.