

# Montgomery, Prince George's slash budgets

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Maryland's two largest counties outlined spending cuts Monday that would reach from children's health clinics to nursing homes, slice tens of millions of dollars in education spending and furlough thousands of public employees.

Drop-offs in revenue and in expected state aid are forcing officials in Montgomery and Prince George's counties, home to nearly a third of the state's population, to confront some of the same unforgiving math that has caused governments across the Washington region to propose cuts to popular programs and safety-net services.

Counties across Northern Virginia, from Arlington west to [Loudoun](#), face a patchwork of deep cuts and tax increases. Officials in Fairfax County are pushing layoffs, school cuts and a property tax increase. The District is facing an estimated \$500 million budget gap in fiscal 2011 while continuing to grapple with \$200 million in spending pressures for the current fiscal year.

On the state level, Virginia leaders agreed on a budget late Sunday that cuts millions out of core services, including education, health care and public safety. In Maryland, Gov. Martin O'Malley (D) has proposed near equal parts budget cuts and one-time transfers and other financial maneuvers to close an estimated \$2 billion budget gap.

In Montgomery, one of the nation's richest counties, officials who had become accustomed to managing rising budgets are overseeing a painful and unfamiliar reversal. County Executive Isiah Leggett (D) proposed a \$4.3 billion spending plan that cuts the total government budget for the first time in more than 40 years. It calls for cuts across government operations, furloughs of many employees and a budget for schools that is \$137 million less than they requested, which comes in below state requirements.

Montgomery's programs to help elderly and disabled residents in their homes and to reach out to the homeless would be scaled back. Library hours would shrink. Road repairs would be delayed. And the average household would still be hit with a \$3-a-month increase in the energy tax, raising \$50 million needed to help offset sagging income tax revenue. The county also would use more than \$100 million from its rainy day fund to help the county get through the current fiscal year.

Faced with revenue shortfalls and large potential reductions in state aid, Prince George's County Executive Jack B. Johnson (D) proposed cuts to most agencies, a continued hiring freeze and furloughs of county employees for the third straight year -- a cost-saving measure that has spawned protests, legal battles and the continued anger of employee unions.

The \$3.1 billion total budget represents a drop of 1.2 percent from last year, and Johnson has proposed large cuts to certain agencies, including the health department and the department of public works and transportation. Because of a continued hiring freeze, as many as 1,000 of the government's 6,000 positions could remain vacant this year, officials said.

### **'Pain in this budget'**

The proposed budget cuts in Montgomery, which require county approval, reflect not just the recession but also decisions made by officials over many years. [Salaries and benefits have risen sharply over the past decade.](#) "There is pain in this budget, for our county and for our county employees," Leggett told subdued county employees and others gathered in a Rockville auditorium Monday. The total budget is down 3.8 percent. "There are some things we will do differently, and some things we will not do at all."

To help close a gap that had reached into the hundreds of millions of dollars, Leggett also proposes giving no pay increase to county employees this year. His decision came despite a county labor arbitrator ruling this month saying that he had to give most police employees a raise.

Leggett also proposed eliminating 232 filled government jobs. Officials said they would try to prevent many of the workers from being laid off by finding them other positions. Leggett wants the county council to pass a buyout plan to nudge workers to retire early. He also called for 10 days of furloughs for non-public safety employees, a step the county had until now avoided.

"The county's position is they are just going to take what is necessary, and we don't feel that way," said Tony Thomas, a county printer who has worked for Montgomery for 31 years and is executive vice president of the union representing general government workers.

Leggett said the county has no choice but to cut employee costs, which make up the bulk of county spending. "I do not consider it to be appropriate, fair or good public policy to award pay increases to some employees while we are substantially reducing direct services to the community and laying off other public employees," Leggett said.

Officials acknowledged that even if the entire package of reductions is approved by the council, the county faces a projected shortfall of more than \$200 million for fiscal 2012 and more in later years.

"It reflects a structural problem as well as the recession," said council member Phil Andrews (D-Rockville-Gaithersburg). "The county has reached a point where it can't afford to maintain the level of pay and benefits with the size of its current workforce."

County officials also surprised council members by saying they will use \$102 million from the county's rainy day fund this year. "It's pretty chilling," said council President Nancy Floreen (D).

School cuts can be highly contentious in Montgomery, but schools Superintendent Jerry D. Weast expressed understanding. "You can't get what isn't there, and the money isn't there," he said. But he also drew a line: "What we can't tolerate and what we will fight is if we go down another dollar."

Board of Education President Patricia O'Neill (Bethesda-Chevy Chase) said the cuts could lead to fewer course offerings in high schools and morale issues for teachers, who will probably contend with larger class sizes, fewer resources and flat pay.

### **The bottom line**

In Prince George's, Johnson's budget proposal, which also requires council approval, was crafted to close a projected \$85 million shortfall. As vacancies accumulate, about one-sixth of the county's jobs could go unfilled in the coming year. That could mean fewer clerks in the state's attorney's office, fewer workers to fix roads and fewer building inspectors, officials said. County libraries could have shorter hours and will have fewer dollars to buy books, officials added.

Despite the shrinking budget, Johnson sought to cast this year's proposal as relatively positive in light of the steep cuts made last year. The operating budget dropped 2.7 percent between fiscal 2009 and fiscal 2010, and the county had a larger furlough program then. About 50 employees were also laid off last year, compared with 10 in this proposal.

"The bottom line is that . . . we're making tremendous progress in terms of where the budget is," Johnson said. "We are much better off than where we were last year. . . . We still have a long way to go."

Although county revenue has fallen \$6.9 million, cuts in state aid to the county -- including proposed cuts of \$44.5 million under O'Malley's plan for the coming fiscal year -- have been major factors driving this year's proposed reductions, county officials said.

Any layoffs would come mostly in the health department, which has seen significant cuts in state aid, Johnson said. That department would see a spending cut of about 15 percent under his plan.

Public safety was mostly spared the ax. In an effort to retain the county's 1,600 police officers, the police department's budget would remain fairly flat, while the fire department's would climb 2 percent. Spending would fall 2 percent for the volunteer fire department and homeland security.

A "modified" hiring freeze would be put in place countywide for nearly all vacant posts, Johnson said, but the county would earmark some funds to fill as many as 15 to 20 "critical" positions in non-public safety areas, such as finance, public works and environmental resources.

Schools, which are already facing deep cuts this year, would get \$15 million less than they had requested. Their \$603 million request was for the state-required minimum for county spending on education, which is called maintenance of effort.

"Anything lower than maintenance of effort is pretty dramatic for us," said William R. Hite Jr., the schools superintendent. He said that if the cut stands, he will have to do more layoffs, lengthen furloughs, further increase class sizes and cut more programs.

Even if the county were to fund schools at the state minimum levels, the school system would cut 800 positions, lay off between 200 and 300 people, furlough staff as long as two weeks, increase class sizes by two students for all grades from first grade on, and make cuts to other services and programs.

Johnson's furlough plan adds fuel to the county's continued battle with employee unions, which say furloughs of public safety officers are irresponsible.

"There are plenty of other ways he could sit and look at balancing this budget again without having to do it on the employees' backs," said Vince Canales, the county's Fraternal Order of Police president, who vowed to fight the policy.