

Analysis: Winners and losers of the Montgomery County budget

Ervin, libraries are among those coming out ahead

by Erin Cunningham | Staff Writer

The Montgomery County Council has informally adopted a \$4.4 billion fiscal 2012 budget that it says takes steps to restructure county government.

Those steps, according to council President Valerie Ervin (D-Dist. 5) of Silver Spring, will put the county on a more sustainable path.

Here is The Gazette's take on the winners and losers — and those who came out even — in the county's fiscal 2012 budget:

WINNERS

Libraries

The County Council restored \$2.3 million out of \$2.8 million in cuts County Executive Isiah Leggett (D) proposed for the county's public libraries. Library supporters were among the most vocal of the budget season, convincing council members that a 9.7 percent reduction in funding would harm library service. The libraries, which have been cut \$40 million since 2008, have been unable to purchase newer materials. Parker Hamilton, the libraries' director, recently told the council that without funds to purchase new materials the libraries have books that still refer to Pluto as a planet.

Volunteer firefighters

After the county's volunteer firefighters campaigned against a proposed ambulance fee championed by Leggett last year — and won — the executive proposed defunding the Montgomery County Volunteer Fire-Rescue Association. The association, the political arm of the volunteer firefighting service, received \$235,000 in taxpayer funds in fiscal 2011. The council, however, restored 90 percent of its funding in fiscal 2012. Executive Director Eric Bernard said the association will be able to continue its work with the reduced funding.

Valerie Ervin

Elected leaders in Montgomery County have been saying for years that government spending is unsustainable. Until now, little has been done about it. Ervin, the council's president, took the initiative to help reset the government's financial obligations. She worked closely with the government employee unions and got them a better deal than they would have had under Leggett's proposal — even by the unions' own admission.

Ervin, a former union organizer, and council Vice President Roger Berliner (D-Dist. 1) of Potomac also had a seat at the table during the most recent round of contract negotiations — believed to be a first for council leaders. And even while restructuring everything from schools' spending to employee benefits, Ervin was able to lead the council to a unanimous approval of the county budget.

Philip M. Andrews

It could be argued that Councilman Philip M. Andrews (D-Dist. 3) of Gaithersburg was the first to say five years ago that employee compensation was unsustainable. At the time, Andrews was the lone council member raising the issue. This year, however, all nine council members voted to make employees pay a greater share toward their health care and retirement, saying the government could no longer afford to be so generous.

New council members

Rookie Councilmen Craig L. Rice (D-Dist. 2) of Germantown and Hans Riemer (D-At large) of Silver Spring both fought hard for their priorities and can celebrate small victories.

Rice successfully pushed to continue funding six school resource officer positions that had been slated for cuts. Rice said the continued presence of Montgomery County police officers in schools is vital to student safety and lobbied to continue funding six of the nine positions — \$726,640 — in fiscal 2012.

Riemer was behind the council's review of the county government's vehicle fleet. Due to Riemer's questions, it was revealed that about 300 government employees, not including public safety workers, have take-home vehicles.

Leggett's administration says that some may be frivolous and are conducting a review.

NEUTRAL

Isiah Leggett

Leggett, who is serving his second term as county executive, started the conversation about employee benefits in March when he proposed they pay a greater share toward their health care and retirement. However, the council was able to lessen the out-of-pocket expense to government employees — between \$1,000 and \$5,000 for many workers — by requiring Montgomery County Public Schools to make similar changes in the benefits their employees receive. Still, Leggett points out that the council approved 98 percent of his budget recommendations. He also gets credit for helping to fill \$2.5 billion in budget shortfalls over the past four years.

Government employees

Montgomery County government employees are likely to pay a bit more for their health care and retirement benefits in fiscal 2012, unless they participate in the HMO plan. However, they will pay less than the plan originally proposed by Leggett.

The council is seeking to save \$33.15 million in fiscal 2012 by increasing the share that employees pay for most health care plans from 20 percent to 25 percent. Employees with HMOs will continue to pay 20 percent. Leggett proposed that employees pay 30 percent.

The council also has agreed to phase in a 2 percent increase in what employees pay toward their retirement.

LOSERS

Property owners

The Montgomery County Council accepted Leggett's recommendation to increase property taxes in fiscal 2012 by 4.2 cents per \$100 of assessed property value, raising the rate from 90.4 cents to 94.6 cents.

A property tax credit — \$692 for all homeowners — would stay the same under the plan.

The rate increase maintains the county's property tax revenue in fiscal 2012 at the rate allowed under the county charter — \$1.46 billion.

Most property tax bills in the county will go up less than 1 percent in fiscal 2012, which begins July 1.

On the bright side, the council says it still expects to sunset an increase in the county's energy tax that it implemented for fiscal 2011.

Montgomery County Public Schools

When it became clear earlier this year that the County Council intended to cut funding for schools, elected members of the school board and Superintendent Jerry D. Weast warned that such cuts would harm students' education.

The council, however, took the bold step of cutting funding anyway by \$45 million. The school system will receive \$1.37 billion in county tax dollars in fiscal 2012.

Ervin said the school system will receive 56 percent of the county's tax-supported funding next year, 1 percent less than the current fiscal year.

On Monday the Montgomery County Board of Education approved a revised budget that keeps class sizes at their current levels, but eliminates 155 positions. Of those, none are classroom teachers.

"All you hear is how children are going to be harmed," Ervin said Tuesday of the school board's claims.

She said the board suggested to the community that any cut to the budget would harm students — "the sky is falling" and "schools are going to be destroyed."

That is not the case, however, Ervin said.

Organizational Reform Commission

An Organizational Reform Commission worked for six months to find about \$30 million in wasteful spending in county government that could be eliminated in fiscal 2012. And the council ignored most of the commission's recommendations, which were presented in February.

The commission's recommendations included eliminating the commissions for women and human rights, reducing the use of contracted legal services, merging park police with county police and forming a Montgomery County Law Office that would serve multiple agencies. None of those happened.

Labor Unity

In a typical budget year, public employee unions would rally together for workers' rights and fair compensation. This year, however, anger over inequities between benefits for government workers, including police and firefighters, and employees who work for Montgomery County Public Schools, pitted employee unions against each other.

The three unions that represent Montgomery County government employees banded together.

In April, union leader Gino Renne celebrated the council's decision not to seek a waiver from a state education funding formula — allowing the county to cut funding for schools and establish a more affordable base.

The school board — and the education unions it negotiates with — cited the formula, known as maintenance of effort, as a reason the council could not legally cut its budget.