



BILL NO.: Senate Bill 840  
TITLE: Budget Reduction Act  
POSITION: **OPPOSE**  
DATE: March 3, 2010  
COMMITTEE: Budget and Taxation  
CONTACT: Michael Sanderson

The Maryland Association of Counties (MACo) **OPPOSES** SB 840. This bill presents an alternative proposal for balancing the State's current and future budgets.

MACo recognizes that the national economy has created significant funding challenges for all levels of government and that counties need to work in partnership to address the State's budgetary shortfalls. However, the budget reduction plan presented in SB 840 represents a permanent shift of responsibilities to local government, severely affecting their ability to operate.

In FY 2010, funding to local jurisdictions has been reduced by over \$413 million. Program reductions include highway user revenue, local health departments, police aid, and local jail reimbursements. To accommodate these reductions, local government has been forced to take difficult actions, including hiring freezes, layoffs, and furloughing staff. Although FY 2010 has been a difficult year, MACo understands the need to carry these reductions into FY 2011 to balance the budget and recognizes that local government has been a component of the solution.

The Administration's balanced budget plan resolves the substantial deficit for the current year, is well under the State's spending affordability limit, and proposes to end the year with a \$274 million balance. These are the necessary outcomes of a difficult budget scenario.

The budget plan outlined in SB 840 goes beyond the scope of this difficult economy, essentially making all these cuts and shifts to local governments permanent. Given the presence of an alternative that resolves the budget without such overwhelming cost shifts, MACo believes that SB 840 goes too far in shifting the State's fiscal responsibilities onto the counties.

For these reasons, MACo **OPPOSES** SB 840 and urges an **UNFAVORABLE** report.