



BILL NO.: Senate Bill 1004
TITLE: Budget Reconciliation and Balancing Act
POSITION: **OPPOSE**
DATE: March 3, 2010
COMMITTEE: Budget and Taxation
CONTACT: Andrea Mansfield

The Maryland Association of Counties (MACo) **OPPOSES** SB 1004. This bill presents an alternative proposal for balancing the FY 2011 budget.

MACo recognizes that the national economy has created significant funding challenges for all levels of State government and that counties need to work in partnership to address the State's budgetary shortfalls. However, the budget reduction plan presented in SB 1004 represents a colossal shift of responsibilities to local jurisdictions that would severely affect 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 jurisdictions have been forced to take difficult actions, 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 contends that local jurisdictions have been a part of the solution.

The budget plan outlined in SB 1004 goes beyond the scope of the difficult economy to cut another \$1 billion out of the FY 2011 budget. A major part of this plan is to shift another \$433 million of reductions onto local governments.

The Governor has managed to put together a balanced budget, under spending affordability that ends the year with a \$274 million balance. The intent was to provide a sufficient fund balance so further reductions would not need to be made in FY 2011.