



**Presentation to the
Senate Budget and Taxation Committee
2015 Legislative Priorities
January 27, 2015**

Thank you for the opportunity to speak with you today regarding the Maryland Association of Counties (MACo) Legislative Priorities for 2015. The following individuals will present their perspectives on many pressing issues facing local governments, as well as respond to any questions:

- Isiah "Ike" Leggett, Montgomery County Executive, MACo President
- John F. Barr, Washington County Commissioner, MACo First Vice President
- Tari Moore, Cecil County Executive, MACo Second Vice President
- Jon Seeman, Finance Director and Budget Officer, Queen Anne's County
- Andrea Mansfield, Legislative Director, MACo

MACo has adopted four 2015 legislative initiatives. However, we are still concerned with the overall fiscal outlook for the counties. Our broader fiscal concerns and initiatives are described below:

County Fiscal Outlook - While there are signs of economic recovery both nationwide and in Maryland, these effects are not consistent across regions of the state, and won't even appear in the counties' top revenue source (property taxes) for years due to assessment cycles, phase-ins, and mandated tax credits. Counties are also feeling substantial pressure from federal budget uncertainties and potential changes in out-of-state income taxation. It would be very premature to declare county budgets ready to absorb new strains.

State fiscal decisions compound these economic realities. A year after formula funding was restored and additional funding provided for some programs, the Governor's proposed FY 2016 budget seeks to roll back virtually all these increases, sending distributions in most areas of direct aid to county governments back toward the deepest levels of the "great recession." Reductions in education funding - including actual cutbacks to 10 county boards totaling some \$52 million - will place enormous increased pressure on the counties to provide dollars for public schools, even on top of the still-increasing burden of teacher pension costs shifted to county governments. The State's economy and budget situation suggests that a large number of counties have a few more difficult budget years ahead.

Transportation Funding Restoration – For decades, local roadways were funded as one of the modes of transportation receiving 30% of Highway User Revenues (motor fuel tax and vehicle registration fees). The local share was slashed during the recession-driven budgets, and the former \$555 million has been drastically cut back to \$167 million – with a mere \$26 million to be shared among 23 county governments (that figure used to be \$282 million). The cumulative loss of local roadway investment is approximately \$2.1 billion. With the recent expansion of transportation revenues, all avenues should be explored for local governments to again play a more significant role in the State’s transportation funding plan. Although additional funding was not provided in the Governor’s proposed budget, MACo urges State policymakers to take the necessary steps to restore Highway User Revenues and local roadway infrastructure this session.

Cooperation and Investment in Education – Local school boards and county governments share the responsibility for the education and well-being of schoolchildren. Counties provide almost half of all local system revenues, and education spending accounts for half of many county budgets. Yet strict funding laws mandate counties to fund education at the same level or greater from one year to the next. Local officials support education funding, but these funding mandates restrict their ability to respond to local budget challenges, and deter additional investment in education. Working together with education advocates, MACo would like to develop an approach to encourage county support for school investments outside of perpetual mandates and discover budget efficiencies.

Broad Tools to Tackle the Drug Crisis – This initiative would expand the existing tools available to counties to combat the growing drug problem confronting our state. Counties in all regions need support and coordination among state and local agencies, with appropriate local flexibility, to bridge remaining gaps. By expanding the uses and funding of an existing state-local match grant program (Substance Abuse Treatment Outcomes Partnership), counties would be able to expand treatment services and work to provide necessary materials to deter drug use. MACo is also seeking Good Samaritan protection for overdose treatment. This legislation would clarify liability protections for law enforcement trained and certified to administer naloxone to an individual experiencing or believed to be experiencing a drug overdose. MACo hopes you can support both bills.

Efficient and Effective Pretrial Functions – Maryland’s pretrial system has been at the focal point of reform efforts. Most notably, the Maryland Court of Appeals ruling requiring representation at the initial appearance before a District Court Commissioner. To cover the costs of hiring panel attorneys to represent individuals at these initial appearances, a one-time \$10 million was earmarked in the Judiciary’s FY 15 budget – any funding necessary over this amount would be the responsibility of the counties. These efforts impose significant challenges and costs on our local jails. MACo urges policy makers to resolve issues of inefficiency and inequality within the pretrial system without overburdening local financial and operational resources.

Again, we thank you for the opportunity to speak with you today and look forward to working with you on our MACo Legislative Priorities.