

Lost in the shuffle of media coverage over Governor O'Malley's miniscule state cutbacks for the Maryland Association of Counties (MACO) summer conference is the real showdown for this summer's conference: O'Malley can no longer profess to hold the counties harmless. His failure to address the budget realities over the past three years will force the counties great anguish in wresting with local aid reductions from the O'Malley budget deficit.

Give his press operation credit - the chief of staff's decree for state agencies to restrict participation in this year's summer conference and the canceling of the Governor's Reception at Seacrets have grabbed headlines.

However, the media failed to report that the order to reduce participation levels was issued belately to have any meaningful effect. Even though the Baltimore Sun editorialized such cutbacks were meaningful, O'Malley's cutback was too little, too late - by the time the directive was issued, state agencies had already spent their state budget funds on hotel rooms, booths, freebies, crab feast tickets, etc.

Moreover, the MACO registration forms clearly state that no refunds for conference fees will be granted after July 17th. So the net effect is that state employees are placed in the awkward position of after having spent the funds they have to decide between: (1) whether to still attend and potentially be seen by angry Governor's staffers; or (2) whether to stay home yet waste precious taxpayer dollars.

So much for the "symbolism" of making tough cutbacks in the state budget - it is a hollow victory of \$12,000 for the Governor's reception plus chump change.

It does, however, divert attention away from the real issue at MACO. As a candidate with campaign promises and as a Governor, O'Malley has told the local elected officials over the past 3 years that they should trust him - only he can hold the counties harmless from state budget cuts.

When slight reductions to localities were considered as part of long-term structural deficit measures in the 2007 Session, O'Malley stood arm-in-arm in solidarity with the MACO and stated that he would not cut local aid to balance the budget. In response, Republicans argued that small decreases would have a multiplier effect in out-years to make it easier for local officials to adjust their budgets if the economy worsened.

Unfortunately, the anemic budget policy of the O'Malley Administration over the past three years means that the Administration will no longer be able to scrimp on the state side while protecting full funding to localities.

Look for the counties to get whacked later this month in cuts to local aid. The prime targets are education aid (nonpublic placements and aging schools), libraries and community colleges.

Despite promises to the contrary, this is the summer of harsh realities for the O'Malley administration. How they spin this to the counties, and whether the counties politely accept it or finally fight back, is the real story of this year's MACO summer conference.