

Ocean City – Local officials expecting hard facts about where Governor Martin O'Malley will make \$250 million in cuts to state aid to local governments were sorely disappointed today during the annual Governor's Address at the summer conference of the Maryland Association of Counties (MACO).

Instead, they received a multitude of platitudes about the partnership of state and local governments weathering the tough storm of a national economic recession. O'Malley repeatedly expressed his appreciation for the partnership of local government during these "tough times," "challenging times" and "important, transformative and difficult years."

In response, the Governor was greeted with a somber tone from local officials in the convention hall who only clapped twice during the speech outside of the opening and closing applause. About three-quarters of the way through the speech, Delegate James Mathias (D - Wicomico & Worcester) led the applause when O'Malley announced that homicides were down 11% last year and year-to-date this year shows a 12.5% reduction in murders (as O'Malley knocked on the wood podium for effect and good luck). The second round of applause came when O'Malley introduced his wife, Katie O'Malley, who sat in the front row of the audience.

MACO President Wilson H. Parran (D - Calvert County Commissioner) attempted to soften up the local officials during his introduction of O'Malley. Stating that he knew the Governor understands where the "rubber hits the road," Parran acknowledged that local officials are extremely upset over the loss of highway user funds (the localities' share of gas tax revenues used for local road projects). Parran absolved the Governor for blame on those cuts and stated that the loss of highway user funds was the fault of the Maryland General Assembly.

Despite the professions by the Governor of a state-local partnership, local officials expressed concerns in closed-door meetings with the Governor over the manner in which he is dictating local government budget policy. O'Malley has carved out K-12 education as a priority area not to be cut. He has also rejected requested waivers from local government to defer "maintenance of effort" requirements that mandate increases in local funding to the county boards of education.

With county budgets comprising approximately 50% funding for education, the education carve-out limits the flexibility of county officials in addressing the local reductions required by the O'Malley deficit. Many local officials also believe that their education budgets have the greatest potential for gaining budgetary efficiencies, especially since education is the greatest local beneficiary of federal stimulus funds. Instead, they will need to cut road construction, health departments, public safety, community colleges and local government services.

County leaders recognize that they are stuck in the political reality of the O'Malley Administration where the state teachers union rules state policy. As a major campaign supporter in O'Malley's 2006 victory, they continue to dominate decision-making at the Department of Budget and Management.

What the local officials learned this summer is that when the Governor is wedged between the needs of the teachers and the needs of local government – the teachers will always win. It was an exceedingly difficult lesson to learn from a Governor that they previously considered to be "one of their own."

Typically, the O'Malley speeches at the MACO conferences are posted on the Governor's website at: [click here](#) .