

Budget Testimony 4-16-20 Gordie Brenne, Treasurer, MCTL

A recession is staring us in the face and tax revenues will drop further, perhaps by 20%, challenging the standard 10% reserve. Future compensation increases without productivity increases will result in poorer service to our most vulnerable residents. This is the second year in a row 7% or higher pay increases have been negotiated, baking in future budget deficits. In short, we've mortgaged our future with little to show for it.

Here's four program examples to show how tying spending to strategic plan performance targets will balance the budget:

- **MCPS, Mr. Rice (\$2.8B)**- the budget enriches adults at expense of our kids without targets to narrow reading and math proficiency gaps next year. Just throwing money at the problem results in above market pay raises, an expensive defined benefit retirement plan, a Cadillac health insurance plan, and a 45% overhead spending rate, leaving little extra for more better qualified teachers in east county.
- **Public Safety, Mr. Katz (\$666M)** – the budget has no targets to improve results next year. Firefighters continue to enjoy generous work schedules, which combined with weak overtime controls reduces productivity. A bloated police Investigation unit has the same closure rate as Fairfax but with 1/3 more people, and unlike Fairfax our in-house 911 unit struggles to maintain service, let alone innovate.
- **Affordable Housing, Mr. Riemer-** \$85M in additional spending has been requested without budget targets for units to be produced and preserved next year, leaving us with about the same number of housing units as before the last recession. A rigorous cost-benefit analysis would show local vouchers are more cost effective than MPDUs.
- **WSSC, Mr. Hucker (\$856M)**- while per capita water demand is declining, spending is spiraling out of control, resulting in a 7% rate and 5.9% pay increase request. Cost mismanagement will lead to a Taxpayer bailout.