

"Federation Corner" column
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Is governance a lost or forgotten function of county governing?

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The first known use of the term "governance" dates to the 14th century, according to Merriam Webster's Dictionary and Lexicon. The term has more power and effect than two of its synonyms--governing and government. There is a relationship between them and other recognized synonyms (administration, authority, rule, jurisdiction, and, the obsolete moral conduct or behavior).

"Governance" incorporates all of these synonyms and is more than they are individually. It encompasses "the act or process of governing", and is specifically an ongoing and evolving active exercise of the "responsibilities and authorities," which in our case are granted by the citizens of our county through our Charter.

The Montgomery County Charter provides for a very strong and powerful County Council. For a document of its type, the powers and authorities of the Council are fairly well defined and counter-balanced by the powers and authorities granted to the Office of the County Executive and to its citizens.

So why is this exercise of defining the effects and limits of governance so important? I felt it and saw governance in action this past spring as the Council wrestled with the budget. And I believe it increased as the Council parsed its way through the thorny issues they confronted:

- lack of revenues;
- tension between county governing versus distinguishing union rights and responsibilities;
- achieving balance in bargaining;
- finding fair and equitable balance between impact on taxpayers and costs of government, including the effects on all categories of labor across all departments, boards and commissions;
- and, the seemingly impossible demands placed on the county by the state through such mandated mechanisms as the public school "maintenance of effort" funding requirement, the unintended but extreme legislative consequences of the Thornton Commission.

At the start of budget season last spring we had a county government that had become, over the past four to five budget years in particular, economically unaffordable and unsustainable. So what did it take for the Council, and to a lesser extent the Executive, to individually and collectively realize that possibly their actions and decisions (and in many cases the lack thereof) had become part of the problem? In a very significant way the causative event was the financial equivalent of the "100 year storm"--the current severe and prolonged economic recession.

The recession and slow recovery have reshaped the state's and the county's economic maps. According to data from the US Bureau of Labor Statistics, the state's unemployment rate was 3.6% in December 2007. In June 2009 and August 2011 the rate was 7.3%, with a peak of nearly 8.5%.

The county fared a little better with current unemployment rate estimated in the range of 6.7%, but a stubbornly high underemployment rate estimated at 2-3 times that rate, or approximately 15-20%. This much larger labor segment is a significant part of the private sector labor force which is the principal funding source for all county funded government through various taxes and fees which were all raised, sometimes several times over the same timeframe.

The following summary is my attempt at highlighting some key points resulting from a lengthy, sensitive and thoughtful discussion with Councilman Phil Andrews on how the Council came together and, as I phrase it, put the “governance” back into governing by carefully exercising the authorities and responsibilities granted to it in the County Charter.

- There was the collective realization that there was a lack of significant revenues and sources (in addition to budget cuts, virtually every tax and fee had already been raised, some several times over the preceding 2-3 years) with which to balance the current and future years' budgets. It would take significant structural changes in the budget, and/or a really major tax increase that the private sector and labor could ill-afford and not tolerate.

- The Council also recognized that its actions were severely restricted by various state mandates such as the schools “maintenance of effort” requirement. Requesting waivers was a source of insufficient economic relief given the gaps that had to be closed. Prior budgets protected the schools budgets (they experienced only some very small cuts) while the rest of the county government’s budget experienced huge cuts in budget and services (e.g., the libraries were cut over 40%, and they are considered a compliment to the county school system).

- There were some significant differences in health and retirement benefits among the various public employee union contracts, all of which provided higher benefits than those of the private sector and even the federal government employees.

Conclusion: there has been a power imbalance between the union negotiated contracts and the Executive branch of county government, particularly on key governing issues. The findings of the county’s Organizational Reform Commission (ORC) confirmed the effects. In its report issued last winter, the ORC said that the current situation was economically unaffordable and unsustainable, particularly over the long term, even if there should be a significant improvement in the economy. Court cases filed by the various unions generally upheld the Council’s authorities to prudently fund government, even if it means abrogating some conditions of contracts with the unions.

Here’s hoping that this and future Councils and County Executives will practice more active governance, and only agree to contracts that are fair and equitable to both parties and affordable in the near and long term. Real “governance” is on-going and must be practiced continuously, not only when the perfect economic storm hits us. This past year had its painful moments, but the Council and Executive demonstrated sensitivity to the delicate situation.

“Kicking the can down the road” as a method of governing (which we relied on for too long) does not work over the long term. A continuing lesson of history, and especially economic history, is “the economy will do for you that which you would not do for yourself, but often with seemingly cruel effects.” The Council and Executive have the authorities and responsibilities granted them in the Charter to practice fair and equitable governance. Let us hope they exercise them continuously and judiciously in the future.

The views expressed in this column do not necessarily reflect formal positions adopted by the Federation. To submit an 800-1000 word column for consideration, send as an email attachment to theelms518@earthlink.net