

Carroll County Government Fiscal Year 2011 Budget Message

The budget process over the past two years was more difficult than any since at least the early 1990's. We were challenged by the recession, the meltdown of the financial and credit markets and the local impact of State budget decisions. Though we had planned for a downturn in the economy and the trickle down effect of the State budget, like most of the country, we were not prepared for the speed and magnitude of change.

The end result is that after a nearly standstill budget in FY 10, our Operating Budget in FY 11 drops by \$5.5 million or 1.6 percent, which is the first time the Budget has shrunk since FY 92. Four-fifths of our budgets will receive less funding or no growth in FY 11. This is in addition to FY 10, when three-fourths of the budgets received less funding or no growth from FY 09. Over this two year period more than 90 positions that report to us were eliminated. These were not phantom positions just kept on the books. They were all fully funded positions, and their elimination represents a 12 percent reduction in our workforce.

Balancing the Budget for FY 11 was challenge enough, but even in these circumstances we maintained our long-standing approach to planning for the County's fiscal health by not only balancing FY 11, but also building a balanced six-year plan. We always believe this approach is important, but in this environment it is crucial. We are likely to face continuing challenges. The economy is showing some signs of recovery, but we are not expecting any significant improvement to our revenues over the next six years. The State still has a \$1.5 billion structural deficit, even after making large cuts to local aid. It is all but inevitable that there will be additional impact to us, particularly in FY 12 when the Federal stimulus funding ends.

Our decisions in the budget process were driven by the set of core values on the previous page.

From the first overview sessions, through all the work sessions, and all the way to the final decisions, the budget process is open to the public. Meetings are broadcast live and rebroadcast on Cable Channel 24, and streamed live and archived on the County website.

Thank you for your interest in the budget. We hope that you will take the time to understand the budget and the choices that have been made.

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