

Anne Arundel County Board of Education
Excerpt of the Minutes of April 1, 2009

WAIVER OF MAINTENANCE OF EFFORT: Mr. Wojciechowski moved that the Board formally oppose the County Executive's proposal to reduce funding below maintenance of effort and that the Board direct the Superintendent of Schools to take all necessary steps to inform the Maryland State Board of Education of its opposition. Ms. Johnson seconded and the Board approved (8-1), Mr. Bernson opposed all others in favor.

Article VII. Budgetary and Fiscal Procedures

Sec. 701. Fiscal year and tax years.

Unless and until changed in accordance with the provision of State law, the fiscal or budget year of the County shall begin on the first day of July and shall end on the thirtieth day of June of the succeeding year. The taxable year shall begin on the first day of July and end on the thirtieth day of June following unless another period shall be fixed by State law.

Sec. 702. Definition of terms used in this Article.

(a) The term "County government" shall include all offices, courts, departments, . institutions, corporations, boards, commissions, agencies and their offices, agents and employees who receive or disburse County funds.

(b) The term "capital project" shall mean: (1) any physical public' betterment or improvement and any preliminary studies and surveys relative thereto; (2) the acquisition of property of a permanent nature for public use; and (3) the purchase of equipment for any public betterment or improvement when first constructed.

(c) The term "capital budget" shall mean the plan of the County to receive and expend funds for capital projects during the first fiscal year included in the capital program.

(d) The term "capital program" shall mean the plan of the County to receive and expend funds for capital projects during the fiscal year covered by the capital budget and the next succeeding five fiscal years thereafter.

(e) The term "current expense budget" shall mean the plan of the County to receive and expend funds for charges incurred for operation, maintenance, interest and other charges for the ensuing fiscal year.

Sec. 703. Comprehensive scope of budget.

The County budget shall consist of the current expense budget, the capital budget and capital program and the budget message. It shall represent a complete financial plan for the County reflecting all receipts and disbursements from all sources, including all revenues, all expenditures, and the fund balance or deficit in the general and all special funds of the County government.

(Res. No. 69-86)

Sec. 704. Formulation of current expense budget.

Not less than one hundred twenty days prior to the end of each fiscal year, the head of each office, department, institution, board, commission and other agency of the County government shall furnish to

budget for the purpose of obtaining information as it may determine but no action shall be taken by the Council on the budget except in public meeting and after the public hearing specified above.

(Bill No. 94-80; Res. No. 69-86; Res. No. 46-88)

Sec. 709. Action on the budget by the County Council.

After the public hearing specified in the preceding section, the County Council may decrease or delete any items in the budget except those required by the public general laws of this State and except any provision for debt service on obligations then outstanding or for estimated cash deficits. The County Council shall have no power to change the form of the budget as submitted by the County Executive, to alter the revenue estimates except to correct mathematical errors, or to increase any expenditure recommended by the County Executive for current or capital purposes. In any year except a year during which members of the County Council will be elected, the County Council may completely fund for the next two ensuing fiscal years those capital projects designated in the capital budget proposed by the County Executive which are designated to be completely funded for two fiscal years pursuant to Section 705 of this Charter. If the County Executive proposes amendments to the budget so as to increase items in the budget or add items to the budget, the Chairman of the County Council shall give reasonable public notice of the proposed amendments and hold a public hearing on the amendments, provided that the County Council may waive the public hearing by a vote of five members. The adoption of the budget shall be by the affirmative vote of not less than four members of the County Council on an ordinance to be known as the Annual Budget and Appropriation Ordinance of Anne Arundel County. The County Council may, at the same time or thereafter from time to time during the ensuing fiscal year, adopt bond issue authorization ordinances providing the means of financing such capital projects as are to be financed from borrowing in the ensuing fiscal year. All of said ordinances shall be exempt from the executive veto. The Annual Budget and Appropriation Ordinance shall be adopted by the County Council on or before the first day of the last month of the fiscal year currently ending; and if the County Council fails to do so, the proposed budget submitted by the County Executive shall stand adopted, and funds for the expenditures proposed in the current expense budget shall stand appropriated as fully and to the same extent as if favorable action thereon had been taken by the County Council.

(Res. No. 50-88; Res. No. 42-92)

Anne Arundel County Code, 2005

ARTICLE 4. FINANCE, TAXATION, AND BUDGET
TITLE 4. INCOME TAX

TITLE 4. INCOME TAX

Section

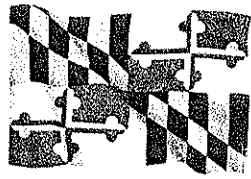
4-4-101. Income tax.

§ 4-4-101. Income tax.

An annual income tax of 2.56% of an individual's Maryland taxable income is levied on residents of the County.

(1985 Code, Art. 6, § 7-201)

State Code reference – Tax-General Article, § 10-106.



COMPTROLLER
of MARYLAND
Serving the People

MARYLAND 2008

STATE & LOCAL TAX FORMS & INSTRUCTIONS

For filing personal state and local income taxes for full-or part-year Maryland residents

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New for 2008

- ❖ New Tax Rates
- ❖ Personal Exemption Amount
- ❖ New Refundable Earned Income Credit Amount
- ❖ New Kids First Act request for health care coverage information for dependent children

Formas en Español
Visite nuestro sitio Web en
www.marylandtaxes.com
para obtener formas e
instrucciones en Español.

Peter Franchot, Comptroller

Four Fast and Easy Ways to
FILE ELECTRONICALLY
See Page ii

2008 LOCAL TAX RATE CHART



Subdivision	Rate	Subdivision	Rate	Subdivision	Rate
Baltimore City	.0305	Charles County	.0290	Prince George's County	.0310
Allegheny County	.0305	Dorchester County	.0262	Queen Anne's County	.0285
Anne Arundel County	.0256	Frederick County	.0296	St. Mary's County	.0300
Baltimore County	.0283	Garrett County	.0265	Somerset County	.0315
Calvert County	.0280	Harford County	.0306	Talbot County	.0225
Caroline County	.0263	Howard County	.0320	Washington County	.0280
Carroll County	.0305	Kent County	.0285	Wicomico County	.0310
Cecil County	.0280	Montgomery County	.0320	Worcester County	.0125

LOCAL TAX WORKSHEET

Multiply the taxable net income by your local tax rate from the Local Tax Rate Chart for the county in which you were a resident on the last day of the tax year. Enter the result on line 31 of Form 502 or line 9 of Form 503. This is your local income tax.

1. Taxable net income from line 23 of Form 502 or line 5 of Form 503. \$ _____
2. Local tax rate from chart above. The first digit has been entered for you. 0 _____
3. Local income tax (Multiply line 1 by line 2.) Enter this amount on line 31 of Form 502 or line 9 of Form 503 rounded to the nearest cent or whole dollar. \$ _____

LOCAL EARNED INCOME CREDIT WORKSHEET

(Part-year residents see Instruction 26 (o))

1. Enter federal earned income credit from your federal return 1. _____
 2. Enter your local tax rate from line 2 of the LOCAL TAX WORKSHEET 2. 0 _____
 3. Multiply line 2 by 10 and enter on line 4. 3. x10 _____
- Example: .0256

x 10

.256
- (Note: In lieu of multiplying by 10 you may simply move the decimal point one place to the right and enter on line 4.)
4. Local earned income credit rate 4. _____
 5. Multiply line 1 by line 4. Enter here and on line 32 of Form 502 or line 10a of Form 503 5. _____

LOCAL POVERTY LEVEL CREDIT WORKSHEET

(Part-year residents see Instruction 26 (o))

Refer to the STATE POVERTY LEVEL CREDIT WORKSHEET in Instruction 18. If the amount on line 3 is greater than the amount on line 4, you are eligible to claim the local poverty level credit. Complete this worksheet to calculate the amount of your credit.

- A. Enter the amount from line 2 of the STATE POVERTY LEVEL CREDIT WORKSHEET. A. _____
- B. Enter your local tax rate from line 2 of the LOCAL TAX WORKSHEET B. 0 _____
- C. Multiply line A by line B. Enter the amount here and on line 33 of Form 502 or line 10b of Form 503. C. _____

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Total Maryland tax, local tax and contributions. Add your Maryland tax from line 30 of Form 502 or line 8 of Form 503 and your local tax from line 35 of Form 502 or line 11 of Form 503 and enter on line 36 of Form 502 or line 12 of Form 503. Add to your tax any contribution amounts and enter the total on line 40 of Form 502 or line 15 of Form 503.

CHESAPEAKE BAY AND ENDANGERED SPECIES FUND

You may contribute any amount you wish to this fund. The amount contributed will reduce your refund or increase your balance due.

FAIR CAMPAIGN FINANCING FUND

You may contribute any amount you

wish up to \$500 (\$1,000 if you file a joint return). The amount contributed will reduce your refund or increase your balance due.

MARYLAND CANCER FUND

You may contribute any amount you wish to this fund. The amount contributed will reduce your refund or increase your balance due.

IMPORTANT: If there are not sufficient credits or other payments to satisfy both your tax and the contribution you have designated, the contribution amount will be reduced. If you have entered amounts for contributions to multiple funds, any reduction will be applied proportionately.

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Taxes paid and refundable credits. Write your taxes paid and credits on lines 41-44 of Form 502 or lines 16 and 17 of Form 503. Instructions for each line:

Line 41 of Form 502.

Line 17 of Form 503. MARYLAND TAX WITHHELD. Write the total Maryland and local tax withheld as shown on the wage and tax statements (Forms W-2, W-2G or 1099) you have received. Add the amounts identified as Maryland and local tax withheld on each form and write the total on this line. Attach Forms W-2, W-2G and 1099 to your return if Maryland tax is withheld.

IMPORTANT: Your wage and tax statements contain many numbers. Be sure you add only the amounts identified as Maryland and local tax withheld.

Line 42. ESTIMATED TAX PAYMENTS.

Enter on line 42 the total of:

- a. Maryland estimated tax payments;
- b. Amount of overpayment applied from 2007 return; AND
- c. Payment made with a request for an automatic extension of time to file your 2008 return. (See the instructions on Form 502E.)

NOTE: Estimated tax payments are required if you expect to receive any income (like pensions, business income, capital gains, lottery, etc.) from which no tax or not enough Maryland tax will be withheld. Read the instructions on the back of Form 502D, Mary-

land Personal Declaration of Estimated Income Tax.

Line 43 of Form 502.

Line 18 of Form 503. REFUNDABLE EARNED INCOME CREDIT. If one-half of your federal earned income credit is greater than your Maryland tax you may also be eligible for a refundable earned income credit. This credit is the amount by which 25% of your federal earned income credit exceeds your Maryland tax liability. Complete the REFUNDABLE EARNED INCOME CREDIT WORKSHEET and enter the result on this line.

TAX-GENERAL ARTICLE
MARYLAND CODE

§ 10-106. County income tax rate.

(a) *In general; exception in Howard County.-*

(1) Each county shall set, by ordinance or resolution, a county income tax equal to at least 1% but not more than the percentage of an individual's Maryland taxable income as follows:

(i) 3.05% for a taxable year beginning after December 31, 1998 but before January 1, 2001;

(ii) 3.10% for a taxable year beginning after December 31, 2000 but before January 1, 2002; and

* (iii) 3.20% for a taxable year beginning after December 31, 2001.

(2) A county income tax rate continues until the county changes the rate by ordinance or resolution.

(3) (i) A county may not increase its county income tax rate above 2.6% until after the county has held a public hearing on the proposed act, ordinance, or resolution to increase the rate.

(ii) The county shall publish at least once each week for 2 successive weeks in a newspaper of general circulation in the county:

1. notice of the public hearing; and

2. a fair summary of the proposed act, ordinance, or resolution to increase the county income tax rate above 2.6%.

(4) Notwithstanding paragraph (1) or (2) of this subsection, in Howard County, the county income tax rate may be changed only by ordinance and not by resolution.

(b) *Rate change.-* If a county changes its county income tax rate, the county shall:

(1) increase or decrease the rate in increments of one one-hundredth of a

percentage point, effective on January 1 of the year that the county designates;
and

(2) give the Comptroller notice of the rate change and the effective date of the rate change on or before July 1 prior to its effective date.

[An. Code 1957, art. 81, § 283; 1988, ch. 2, § 1; 1992, 1st Sp. Sess., ch. 2, §§ 2, 3; 1993, ch. 180; 1997, ch. 4, § 1; 1998, ch. 399; 1999, ch. 34, § 1; ch. 493, § 1, 2.]

Article VII. Budgetary and Fiscal Procedures

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(Res. No. 69-86)

Sec. 704. Formulation of current expense budget.

Not less than one hundred twenty days prior to the end of each fiscal year, the head of each office, department, institution, board, commission and other agency of the County government shall furnish to



Sec. 710. Reproduction of budget; effective date; tax levy; appropriations.

(a) **Reproduction of Budget.** The budget as adopted shall be reproduced in sufficient copies for distribution, free of charge, to the press and the head of each office, department or agency of the County government. Copies of the budget shall likewise be given to any interested person on request, provided, however, that in order to discourage waste the County Council may prescribe a charge for each copy of the adopted budget not to exceed the actual cost of its reproduction.

(b) **Effective Date.** The adopted budget shall take effect on the first day of the fiscal year to which it applies.

(c) **Tax Levy and Balanced Budget.**

(1) When the County budget shall have been finally adopted in the Annual Budget and Appropriation Ordinance, the County Council shall thereupon levy and cause to be raised the amount of taxes required by the budget in the manner provided by law so that the budget shall be balanced as to proposed income and expenditures.

(2) Any ordinance adopted under this subsection to levy taxes to balance the budget is exempt from the executive veto.

(3) The effective date of a tax levy bill shall be the first day of the fiscal year to which it applies.

(d) **Property Tax.** From and after July 1, 1993, revenues derived from taxes on properties existing on the County property tax rolls at the commencement of the County fiscal year shall not increase, compared with the previous year, more than the Consumer Price Index percentage of change, or by 4.5 percent, whichever is the lesser.

The Consumer Price Index shall be determined by the preceding January computation by the U.S. Department of Labor.

(Bill No. 72-82; Res. No. 56-92)

Sec. 711. Transfer of appropriations.

(a) Transfers of appropriations between general classifications of expenditures in the current expense budget within the same office or department and within the same fund may be authorized by the County Executive. Transfers between offices, departments, institutions, boards, commissions or other agencies of the County government and within the same fund of the current expense budget may be made only on the recommendation of the County Executive and with the approval of the County Council by ordinance.

(b) Interproject transfers of appropriations between capital projects in the capital budget may be authorized by the County Council by ordinance upon request of the County Executive but no new project shall be created nor any abandoned except in accordance with Section 716 of this Charter.

(c) Nothing contained herein shall be construed to prevent the County Council upon request of the County Executive from providing by ordinance for inter-fund cash borrowing to meet temporary cash requirements nor to prevent reimbursements among funds for services rendered.

(Bill No. 73-82)

FY2010 Budget Estimate

As of April 8, 2009

	FY2010 - BOE Request	FY2010 - Spring
REVENUE:		
Federal Increase	500,000	500,000
State Increase	(3,662,739)	(4,110,872)
County Increase for Debt Service - <i>per County Budget Office</i>	2,500,000	2,500,000
County Increase	46,675,817	(7,079,500)
Local Increase	(2,150,000)	(2,150,000)
Restricted Grant	(1,776,900)	(1,776,900)
Special Revenue - Food Service	2,490,000	2,490,000
Fund Balance Increase	1,500,000	1,500,000
Total Estimated Change in Revenue	46,076,178	(8,127,272)
EXPENDITURE:		
Unit I = TAAAC eligible employees	8,212,495	8,212,495
Unit II = AEL eligible employees	4,172,147	4,172,147
Unit III = AFSCME eligible employees	1,983,473	1,983,473
Unit IV = SAAAAC eligible employees	3,181,126	3,181,126
Unit V = Professional Support employees	289,203	289,203
Unit VI = Executive employees	0	0
<i>COLA, Step, Longevity for all employees</i>	17,838,444	17,838,444
Benefit Changes - health care	17,500,000	17,500,000
Benefit Changes - FICA, retirement, WC	1,000,000	1,000,000
Utilities	883,086	883,086
Non-Public Tuition	1,000,000	1,000,000
Transportation	1,089,291	1,089,291
Debt Service	2,500,000	2,500,000
Restricted Grant	(1,776,900)	(1,776,900)
Special Revenue - Food Service	2,490,000	2,490,000
Total Negotiated and/or Maintenance	42,523,921	42,523,921
STEM @ North County HS	253,943	253,943
STEM @ South River HS	642,878	642,878
Performing Visual Arts Magnet @ Bates MS	804,060	804,060
Student Data system	1,851,376	1,851,376
Total Program Expansion	3,552,257	3,552,257
Total Estimated Expenditures	46,076,178	46,076,178
FY2009 Budget - County Approved	931,302,700	931,302,700
FY2010 Budget - Request	977,378,878	977,378,878
Expense In Excess of Revenue	0	54,203,450

ANNE ARUNDEL COUNTY PUBLIC SCHOOLS

SUPERINTENDENT'S BUDGET TASK FORCE

FINAL REPORT

MARCH 2005

PENNY CANTWELL, CO-CHAIR

CLEMON WESLEY, CO-CHAIR

Although we receive more federal and state dollars, we spend \$1,241 less County dollars, and the expenditure by Howard County of \$694 more per student would equate to additional funding of \$52.7M for AACPS. In addition, to match the staffing levels in teaching positions currently used in Howard County, AACPS would have to hire 1000 new teachers. Notably, AACPS spends more in Fixed Charges (benefits) of \$124 per student, while spending \$514 less in regular instruction.

When examining the funding mechanisms for both Howard and Anne Arundel County, it was determined that Anne Arundel County receives greater funding from the Federal Government and the State Government, due to Title 1 students in AACPS and the fact that Anne Arundel County ranks below Howard in "wealth". The largest difference in the funding of each school system comes from county funding. Over the past three years, Howard County has directed approximately 63.2% of their total budget to the school system, while Anne Arundel County has directed an average of 48.3% of their total budget over the same period. If the same funding formula was used for AACPS, the school system would receive an average of \$136M more in funding every year. *

The area of Maintenance and Renovation represents a huge liability for AACPS, which continues to grow despite previous recommendations and warning which were provided by the Ebersberger Task Force report. At the time the Ebersberger Report was completed, the AACPS had a maintenance backlog of \$134M, and the report made specific recommendations to tackle the problem. However, today the backlog stands at \$157M, in spite of several years of significantly increased funding secured by the State Legislative Delegation. The Task Force has estimated that by 2009, there will be 45 buildings that will be over 40 years old, and the Task Force has projected that the renovation cost for these buildings will be approximately \$750M, up from the estimate from the Ebersberger Report of \$283M. Should the buildings be replaced, the Task Force estimates that would cost over \$1B. It is critical that this issue be put before the public, so the taxpayers are aware of the magnitude of the issue. Without public understanding, the necessary funding to address this issue will not be secured.

It would be extremely beneficial for the Board of Education to engage the services of a nationally recognized firm to provide a comprehensive report on the current condition of the buildings, as well as validate the expected funding necessary to address the problem. The school system will also have to address the need to find turnaround space in which to accommodate students as the buildings are renovated, which could require redistricting. This problem cannot be solved by the Board of Education alone, but must be addressed by all concerned parties, including the elected officials.

The Task Force found that the employees of AACPS have dedicated much of their careers to the schools and have a desire to see the schools succeed. However, many of those same employees have not experienced the same environment of competition that has surrounded the business community over the past decade. The insulated environment of operation for the school system has allowed the employees to retain outdated methods of operation and perform at levels below what is expected in similar

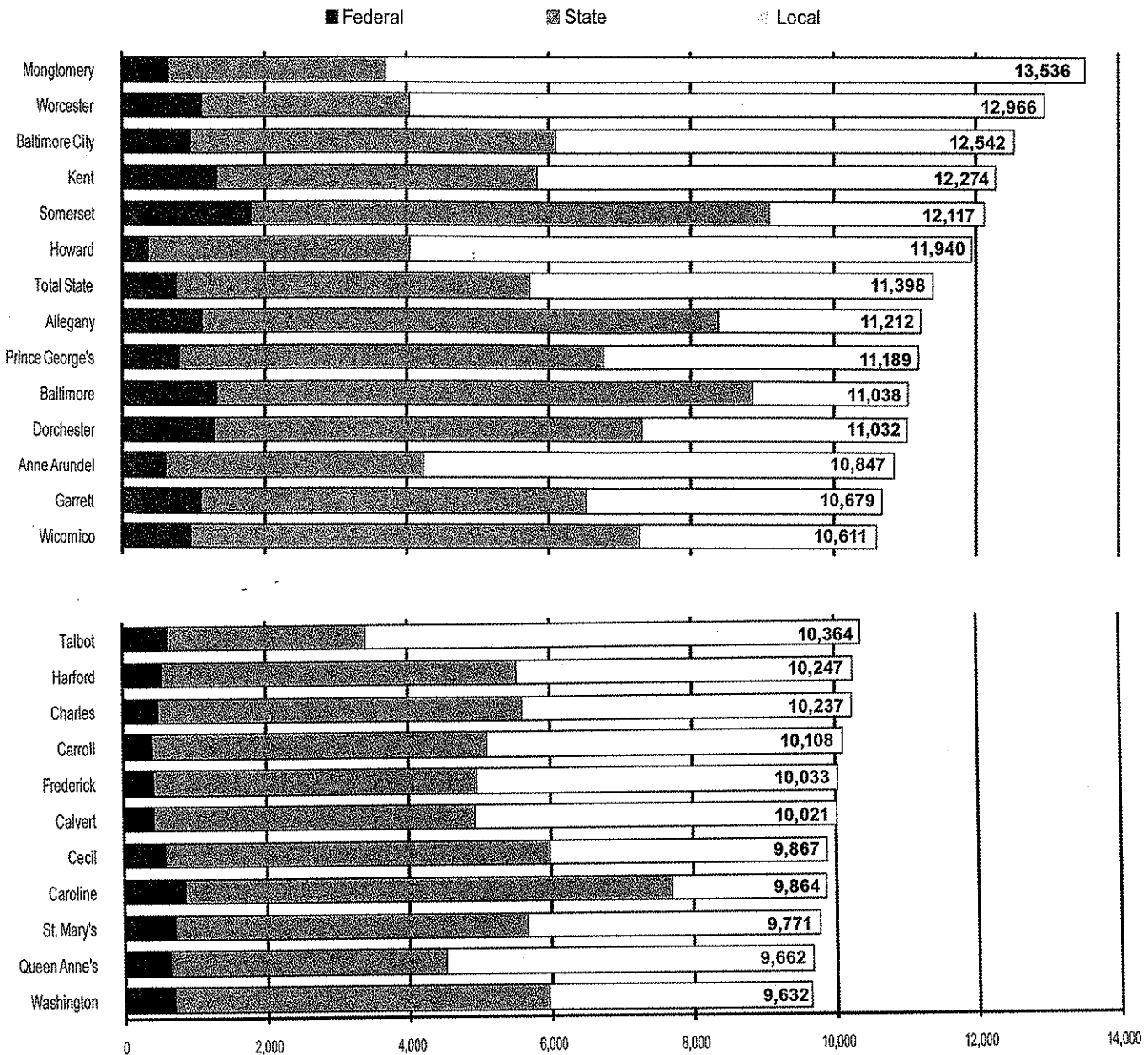
Education Effort Index: FY 2008

Local Unit	Local Appropriation	Local Wealth	Education Effort	FY 2008 Index
Total State	\$5,163,615,969	\$375,634,608,783	0.014	1.00
Allegany	28,380,000	2,092,388,303	0.014	0.99
Anne Arundel	512,113,900	40,903,057,854	0.013	0.91
Baltimore City	207,940,795	18,667,985,733	0.011	0.81
Baltimore	617,722,410	45,502,245,582	0.014	0.99
Calvert	95,358,284	6,659,304,102	0.014	1.04
Caroline	12,250,000	1,402,587,322	0.009	0.64
Carroll	150,926,700	10,683,841,310	0.014	1.03
Cecil	65,915,162	5,277,594,019	0.012	0.91
Charles	135,856,000	9,002,273,556	0.015	1.10
Dorchester	16,569,686	1,546,257,236	0.011	0.78
Frederick	228,206,754	15,482,580,962	0.015	1.07
Garrett	22,056,160	1,944,909,232	0.011	0.82
Harford	199,614,800	14,102,746,621	0.014	1.03
Howard	427,176,316	24,704,373,853	0.017	1.26
Kent	16,217,000	1,368,810,679	0.012	0.86
Montgomery	1,449,614,120	101,065,337,939	0.014	1.04
Prince George's	615,843,300	41,800,711,355	0.015	1.07
Queen Anne's	43,940,413	3,947,545,444	0.011	0.81
St. Mary's	76,000,000	5,723,627,496	0.013	0.97
Somerset	8,859,324	783,268,513	0.011	0.82
Talbot	31,728,712	4,067,622,391	0.008	0.57
Washington	85,564,120	7,074,379,655	0.012	0.88
Wicomico	49,443,053	3,941,396,385	0.013	0.91
Worcester	66,318,960	7,889,763,241	0.008	0.61

1. Education effort is calculated by dividing local education appropriation by local wealth and indexing to State average.

2. Local education appropriations reflect actual numbers reported to MSDE by the LEAs in their Annual Budget reports in accordance with Appendix B of the Financial Reporting Manual, Maryland Public Schools. The appropriations include monies received out of funds set aside for school purposes, but do not include funds received by the LEA from other sources, such as gifts and bequests or funds generated by the LEA through rental of LEA facilities, user fees, tuition, earnings from investments, loans, debt proceeds, or sale of assets.

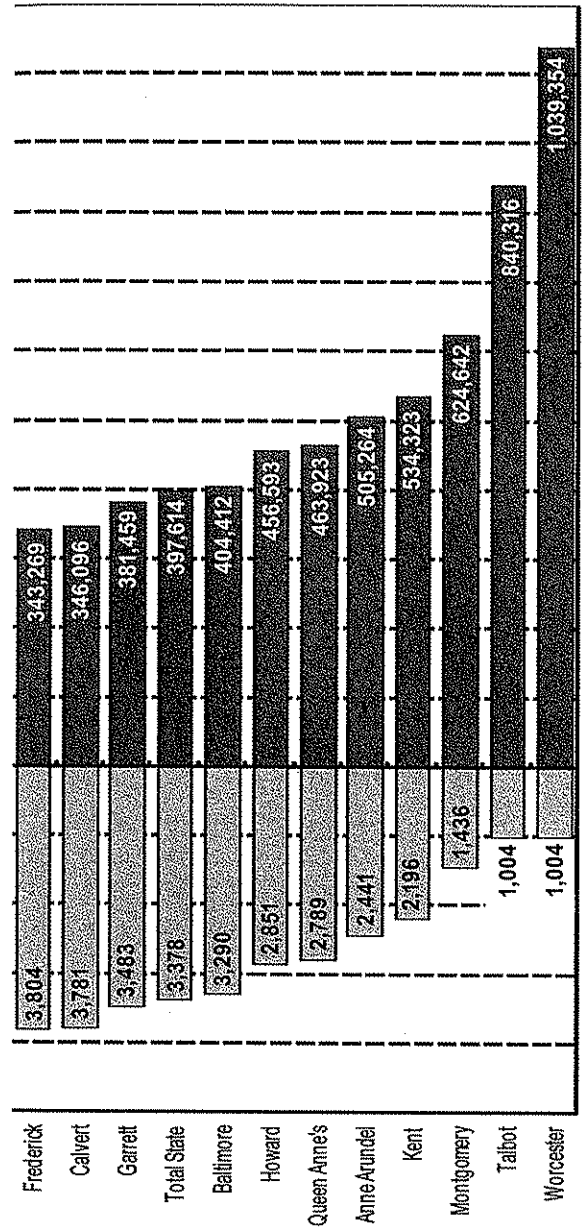
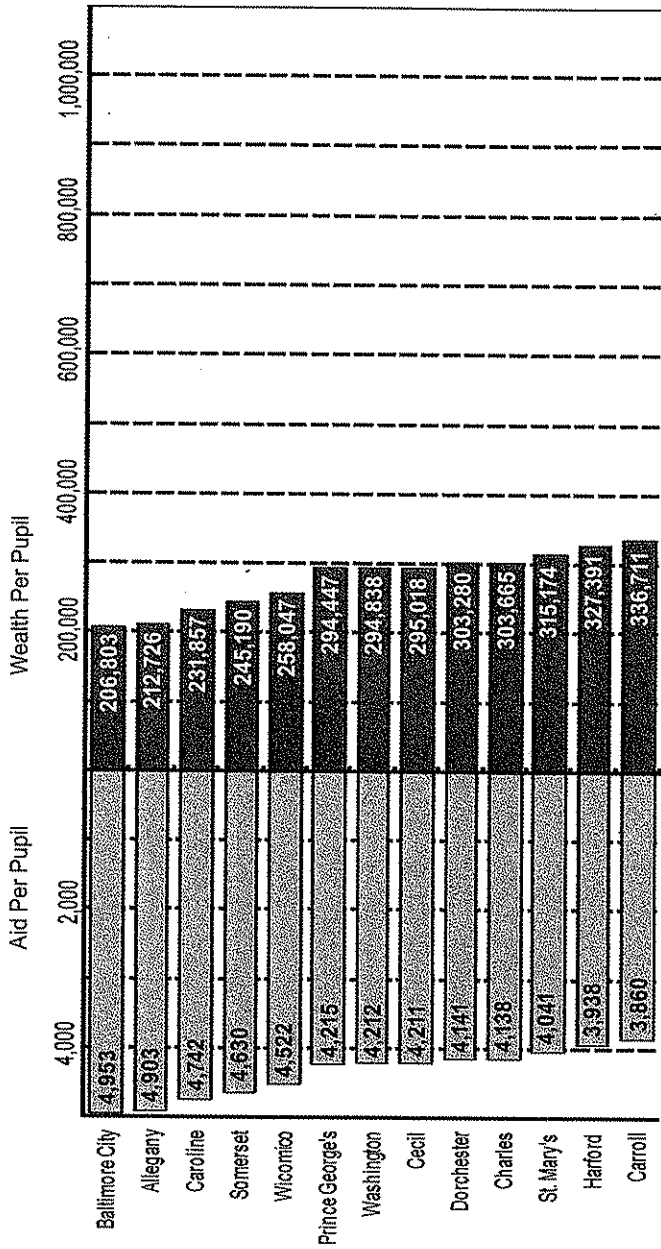
3. Local wealth is the amount used in the Foundation formula (Section 5-202 of the Education Article) and includes county assessable base for fiscal year 2008 (July 1, 2007) and net taxable income for tax year 2006 (September 1, 2007).



* Includes the following expenditure categories: administration, mid-level administration, instructional salaries and wages, textbooks, and other instructional materials, other instructional costs, special education, student personnel services, health services, student transportation, operation of plant, maintenance of plant, fixed charges, and state-paid teachers' retirement. Expenditures for equipment, tuition payments, and interfund transfers are excluded.

NOTE: Cost per pupil reflects the average cost of providing educational and related services to the students in each local school system.

Local Wealth* Per Pupil and State Foundation Aid Per Pupil: FY 2008



* Local wealth includes adjusted real property assessment, public utility operating property, and net taxable income.

Source: FY 2008 State Aid Calculation