

Anthony South, Executive Director  
Maryland State Board of Education  
200 West Baltimore Street  
Baltimore, Maryland 21201

April 8, 2009

Dear Mr. South,

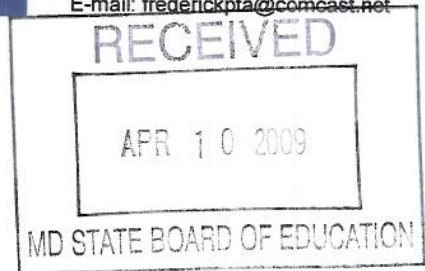
On behalf of the PTA Council of Frederick County, Inc. and over 13,000 Frederick County PTA members, I ask that the Maryland State Board of Education deny the request from the Frederick County Board of County Commissioners for a waiver of maintenance of effort (MOE). While I agree that current budget deficits are gravely impacting both our county and state governments, I do not believe that Frederick County's fiscal condition "significantly impedes" the county's ability to fund maintenance of effort. The following topic areas are addressed in the body of this response letter:

- I. **Legislative Position Statements** – forms the foundation for the PTA Council's advocacy on education issues
- II. **Rationale for the PTA Council of Frederick County's positions** – gives further detail about why we have adopted our PTA Council position statements
- III. **Education in Frederick County** – gives some background information about our county's schools and school performance
- IV. **MOE Waivers** – outlines why the PTA Council opposes MOE waivers
- V. **MOE Waivers and the Frederick County Board of Commissioners** – addresses the FCBOCC letter for request of MOE and the PTA Council of Frederick County's opposition to this waiver

**I. Legislative Position Statements**

The PTA Council of Frederick County's Legislative Position Statements are adopted by the general membership, at a general membership meeting, and establish the authority, direction and priority for action on advocacy issues, and in accordance with National PTA and Maryland PTA's Purposes and Basic Policies. The PTA Council of Frederick County, Inc. believes all levels of government play varying roles in ensuring that the education, health and welfare needs of all children and youth are met.

The PTA Council of Frederick County and its general membership support the Bridge to Excellence Act of 2002 as its state legislative priority, to ensure that all students benefit from adequate educational resources; so that each school system receives an equitable share of state funding; and that school systems are held accountable for individual student achievement based on current mandates, programs and best practices. The Bridge to Excellence Act calls for significant increases in state funding for public schools. It also calls for fully funding the Geographic Cost of Education Index (GCEI) to ensure that all local jurisdictions may adequately and equitably fund their local share of their local school system's cost.



- We support full fiscal implementation of the Bridge to Excellence Act (2002) and the Public Schools Facilities Act (2004) as a means to providing adequate funding for both the capital and operating educational budgets in Maryland.
- We support an equitable distribution of state public education funding between all counties in Maryland.
- We support collaboration between all elected appropriate representatives to ensure that Frederick County receives its fair share of state educational funding.
- We support a revenue structure that will reliably fund Maryland's responsibility for education, and children and youth, without shifting undue burdens to local governments.
- We support dedicated funding mechanisms that target increased local funding for the Frederick County Public Schools operating budget.
- We support on-going dedicated funding to address disproportionate achievement levels in the educational system.

The PTA Council of Frederick County and its general membership believe that all state operating budgets should equitably allocate, to all local school systems, adequate funding levels for all student populations. Full funding is needed to ensure that all students benefit from high quality teachers and programs designed to meet Maryland's high student performance standards. Full funding will enable schools to continue to provide much needed improvements such as; reducing class sizes, eliminating achievement gaps; providing quality music, art, career technology, as well as special education, ELL, gifted & talented, full-day kindergarten and pre-kindergarten programs; to build the foundation for future learning for all students.

## **II. Rationale for the PTA Council of Frederick County's positions**

The legislative position statements are the foundation of the PTA Council's advocacy work. The PTA Council of Frederick County supports the Bridge to Excellence Act as its top priority because it defines the funding standards to achieve adequacy and equity in public school education. As more and more accountability is placed on local school systems to meet rigorous standards, the funding required to meet these standards must follow in order for local school systems to have the opportunity to address disproportionate levels of achievement. The Bridge to Excellence Act outlines the funding formulas for the state and local jurisdictions that must be maintained in order for the schools to not only remain adequate, but to actually increase overall student performance.

Maintenance of effort is the commitment that the local government makes to education. It is the government's commitment to ensure that students receive the base funding required to deliver their basic educational programs. It is the floor, not the ceiling, for funding levels; and MOE ensures that the local share of education funding is at least equal to the funding in the prior year. Regardless of the economic situation, the obligation of local and state government to jointly provide a system of free, adequate public

education is the law in the state of Maryland. The standard for funding the system of free, adequate public education was set by the Thornton Commission and was written into law through the Bridge to Excellence Act. Funding formulas are clearly outlined in the legislation, and because of this legislation, Frederick County has been able to make great strides in student achievement.

### **III. Education in Frederick County**

As a result of the Thornton legislation and funding formulas, Frederick County has seen an increase in student achievement. Despite the fact that Thornton formulas have not been fully funded, Frederick County has made gains which speak to the commitment of FCPS to allocate their resources to improve student achievement. In Frederick County, the largest geographic land mass county in the state, fully funding GCEI would greatly benefit our students. However, the state has not fully funded GCEI for the past few years (only funded at 60% of requirement). Yet even without GCEI funding, we have made strides in student achievement:

- Currently in Frederick County Public Schools, there are 63 seniors who have not met the HSA requirement for graduation (98% have met the requirement). Because of MOE funding, FCPS was able to specifically create a few teaching positions to ensure that students who need to complete the Bridge Plan are able to do so in order to receive a Maryland diploma. It is expected that most, if not all, of these students will meet the graduation requirements by the end of the year.
- There are currently no schools in Frederick County which are on the comprehensive needs pathway for failing to meet AYP standards for two years in a row. There are two middle schools in Frederick County which have been placed on the focused needs pathway. Both schools have had a comprehensive performance audit, in which I had the opportunity to participate, and both schools are expected to make improvement this year because of the system's ability to direct funding to specific areas of concern. All of this would not be possible without the guarantee of funding that MOE provides.
- One of our schools, Lincoln Elementary, which had been on the watch list, made significant improvements with additional resources put in place to address disproportionate achievement levels within their student subgroups. Again, MOE funding ensured that these interventions were possible.
- Overall, the county has 84.3% of students who have scored at the proficient level or better in their math MSA tests; and 88.1% of students who have scored proficient or better in their MSA reading tests. This compares to the roughly 70% of students who met standards during the time of MSPAP testing. Clearly our county has made significant progress in student achievement because of NCLB, the Bridge to Excellence Act, and the commitment to education that maintenance of effort ensures.

#### **IV. MOE Waivers**

- Waivers from MOE should be the *last* resort for a local government to request, not the first option examined in difficult budget times.
- Without the guarantee of maintenance of effort funding levels, local government's ability to provide education funding will become more politicized. No matter who is elected to public office, who serves on their current staff, who is affiliated with which party, and who likes or doesn't like public education, MOE provides security that students will receive a *basic* adequate educational program in order to graduate with a Maryland diploma and to have the possibility of a future as a productive member of society.
- Without the MOE guarantee, education funding will be competing with other county obligations that may be "wants" not "needs". Again, the law states that local and state governments are required to provide a system of free, adequate public education. Other programs that local governments may *choose* to fund may not be required in the law. Things like parks, roads, libraries, economic development, funding for the arts, and many additional worthy, but not required, programs will compete with education for limited resources.

#### **V. MOE and the Frederick County Board of Commissioners**

In order to be granted a MOE waiver, a county must prove why the county's ability to fund MOE is "significantly impeded". The Frederick County Board of County Commissioners filed the required paperwork with MSDE by the April 1<sup>st</sup> deadline to request the waiver. Because the deadline was looming, PTA Council of Frederick County feels that the BOCC did not have the opportunity to examine all of their options prior to the deadline date. Therefore, we believe this caused the BOCC to submit the request for waiver as a first option rather than as a last resort. To support this view, during recent budget discussions on April 7<sup>th</sup> ([www.co.frederick.md.us](http://www.co.frederick.md.us) – VIDEOS, Operating Budget, at tape time 01:44.50 – 01:44.57), the BOCC was, on paper, able to balance their budget while still funding the BOE at the maintenance of effort level, but chose not to adopt this proposal, and chose instead to wait for the Maryland State Board of Education's decision on the MOE waiver. Therefore, it seems to reason that if the budget could be balanced without waiving MOE, as was stated during this particular meeting, the county would not need the waiver and therefore is not "significantly impeded" enough to be granted the waiver.

Unfortunately, this year's budget discussions have been less than productive between the FCBOE and FCBOCC. In past years, both the County Commissioners and the Board of Education have participated in a joint budget collaboration committee. The purpose of the budget collaboration committee was for both boards to be able to ask questions and discuss all budget issues in an open and collaborative manner. This year, there was no budget collaboration committee and the discussions have gotten progressively more rancorous. On March 17, 2009, as the President of the PTA Council of Frederick County, I gave public comment at a joint meeting of the BOCC and the BOE and chastised both boards for the discourteous and disrespectful manner in which budget discussions have been held during these difficult

financial times. It has not served the public and has increased tensions between the school system and local county government. Below are some additional examples of communication difficulties between the BOE and BOCC:

- On March 25, 2009, members of the county budget staff and the liaison from the BOCC to the BOE came to a planning meeting of the BOE. The purpose was to request that previously allocated money be returned to the BOCC.
  - The BOCC asked for \$1 M from the FCPS employee self-insurance health fund be returned in FY 2009 instead of FY 2010. The MOE waiver request (found in Exhibit #7 on page 15), lists this reduction as applying to FY '10, which is an error. The BOE granted the request on March 25<sup>th</sup>, therefore it will be applied to the FY '09 deficit.
  - The BOCC also requested that an additional \$1 M be returned from the estimated fund balances from not yet completed school construction projects. The BOE had previously returned \$1.4 M earlier in the month from these same not yet completed projects. The BOE said that they would put the item on a future agenda for discussion in order to allow staff time to gather supporting documentation.
  - Additionally, the BOCC requested that any savings that the BOE had accrued due to voluntary reductions in programs be returned to the county. The county estimated that there would be approximately \$5 M that could be returned. The BOE said that they would put the item on a future agenda for discussion in order to allow staff time to gather supporting documentation.
- On March 26, 2009, at the regularly scheduled and televised BOCC work session, the BOCC announced that the BOE had denied their requests made the previous day. This was simply not accurate. The BOE had not yet scheduled the discussions requested the night before. In fact the special meeting of the BOE to discuss these requests from the BOCC is scheduled for April 15<sup>th</sup>.
- On March 30, 2009, the BOCC had the MOE waiver on their agenda for discussion. FCPS Superintendent Dr. Linda Burgee, BOE President Jean Smith, and Fiscal Services Director Hal Keller were present. Dr. Burgee questioned why the BOCC had not pursued the ability to use "rainy day funds". It was explained that the BOCC did not currently have the legislative authority to use those funds and had not yet asked our Delegation to support a legislative effort to enable use of those funds. It is the PTA Council's belief that the BOCC did not pursue all options even knowing that projections for budget deficits are estimated to run not only in FY '10, but at least through FY '11, and possibly even into FY'12.

There are numerous other examples of less than collaborative behavior from both the Board of County Commissioners and the Board of Education. The end result of the budget discussions without the budget collaboration committee has been negative, caustic comments made through the media which have polarized the community and resulted in citizens feeling they must choose sides. One need only look to the *Frederick News Post* forums to understand the level to which the rhetoric has deteriorated. The PTA

Council of Frederick County feels that this situation is not in the best interest of Frederick County's schools or students. Regardless of the budget deficits, Frederick County students must meet and exceed standards. Regardless of the quality of the relationship between the BOE and the BOCC, the community must be encouraged to support public schools and student success. Students learn best when parents, the school system, and the community work together to support student efforts. The lack of faith in the community commitment to education, coupled with the parent community feeling as if one of the elected bodies is being less than truthful, damages public education. In spite of their viewpoints related to the budget, the BOE and the BOCC must use collaborative decision-making and communication skills to work through their differences and improve the education climate.

The reality is, so far this year, the BOE budget has already been impacted by the following:

- The BOE returned \$1.4 M from pay-go capital money to the BOCC instead of completing systemic maintenance projects as would typically be undertaken.
- The BOE agreed to give the BOCC \$1M from the health self-insurance fund. Originally, the BOCC requested this money be applied to FY'10, but after the county received the income tax revenue projections, they requested the money be allocated in FY '09 instead of FY'10.
- The BOCC has already voted to only allocate MOE to the BOE in the FY'10 budget. This effectively removes \$1.6 M from operating funds for FY'10 due to changes in enrollment and the corresponding financial adjustment.
- The BOE has a deficit in the budget from state funding (even after the stimulus money was added back to restore cuts in Title 1 and special education). The deficit is, at the time of this letter, close to \$3 M.
- The BOE must return to the state, approximately \$2.2 M for the overpayment to counties which resulted from the underpayment to Montgomery County that was made at the state level.
- The BOE has already voluntarily begun reductions to close the gap in their funding for FY'10. Some of these reductions (called Tier 1 reductions) have included lowering thermostats, increasing walking distances, eliminating travel, eliminating subscriptions and dues, etc. In addition, the BOE has raised the fees which are allowed to be charged by the school system. This resulted in increased meal prices, higher fees for outside user groups, and increased sports participation fees in the FY '10 budget. The BOCC has now requested that these savings be returned to the county. It is estimated to be about \$5 M for FY'10.
- Built into the negotiated agreement with the unions is a STEP increase. Although the PTA Council of Frederick County does not participate in salary negotiations or take a position on negotiations, the fact is the increase is part of a legally binding contract. While it has been stated that FCPS must include the negotiated STEP in their budget projections, the

BOCC has expressed some views publicly that the BOE is intending to fund salary increases while at the same time county staff is facing furlough days. Again, this is simply not an accurate portrayal and only further increases the divide. FCPS cannot remove the figure designated for a STEP increase from their budget projections without the unions agreeing to open those contract discussions. The PTA Council believes the BOE will request to open those discussions during the contract negotiation process, and we remain hopeful that a compromise will be reached. Otherwise the BOE will need to find an additional \$10 million dollars more in reductions or face potential litigation for violating their contracts with the unions.

- o Already for FY '10, FCPS has reduced 52 12-month employees to 11 month employees. The PTA Council does not know the specific dollar figure that this reduction represents.
- o The total projected reduction thus far to the BOE FY'10 budget is somewhere close to \$14.2 million (\$24.2 million if one includes the STEP increase required in contract).
- o The request for MOE waiver is for an additional \$9 M. This would total \$23.2 million less to FCPS for the FY'10 budget than was allocated in the FY'09 budget (or \$33.2 million if one includes the STEP increase). The PTA Council of Frederick County believes that there will be no way to deliver the same educational program with this much of an impact to the FCPS budget. All the while, the floor for AYP keeps rising and 2014 continues to loom on the horizon.

It is the obligation of the local and the state government to share in the funding of the public school system. The PTA Council believes that BOCC is skirting their responsibility to adequately fund the local share by requesting that they be permitted to waive MOE while at the same time they are requesting the BOE return money previously allocated to the school system. It appears that the BOE is being asked to contribute more than their fair share to help balance the county's budget shortfall. For example, the BOCC has not increased taxes or set the tax rate at the highest amount allowed by the law. Fees for libraries and parks have not been increased. The county government continues to fund agencies and programs that are nice to have but not required, while the local share of education is being reduced significantly. While the PTA Council will not tell local government which programs or agencies to fund outside of education, we believe that there are still options that remain to be explored. We believe that the BOCC would have explored these options had the April 1<sup>st</sup> deadline to request the MOE waiver not been approaching so quickly.

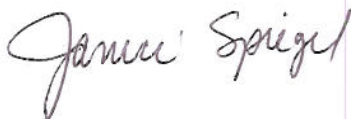
In conclusion, maintenance of effort funding is critical to the school system in order to maintain the high standards required by No Child Left Behind. In Frederick County, there may be differences in opinion about the necessity for education funding to be set at the MOE level; however, the results that have occurred in Frederick County because of consistent levels of education funding speak for themselves. Frederick County continues to make gains in student AYP. The achievement gap has been reduced

between all subgroups and has been eliminated at some schools. Most of our high school seniors have met HSA requirements, or will do so with the Bridge Plan by June, and we expect that those results will be reflected in future years as well. We are doing very well, and the PTA Council of Frederick County does not want to see that progress impeded with less than adequate funding.

It is no coincidence that Maryland Public Schools are number 1 in the nation according to *Education Week*. We rank number 1 because our legislature made the commitment to fund education adequately with the Bridge to Excellence Act in 2002, well before the 2014 deadline. Even without fully funding the Act, our local school system has made significant progress because of MOE. Adequate funding includes the provision to provide at least MOE and we ask that the MOE funding remain intact.

For this reason, the PTA Council of Frederick County urges you to deny the request for MOE waiver. The PTA Council has enjoyed a great relationship with both the FCBOCC and the FCBOE in the past, and we regret the fact that we must send a letter to the Maryland State Board of Education asking that they rule against our BOCC's request. The PTA Council would have preferred for all stakeholders to work through this crisis without significantly impacting basic education funding. This budget crisis has caused local leaders to rush into decisions without regard for the potentially permanent damage that may impact our children's education, since one cannot simply make up missed learning opportunities easily. We all know that it has taken years of a funding commitment to make the gains that we have seen thus far; and the last few percent will be the hardest group of students to reach standards. Please do not agree to the BOCC request. The education of a child is simply too important to "under fund".

Sincerely,



Janice Spiegel, President

The PTA Council of Frederick County, Inc.

*One final note, the PTA Council of Frederick County is made up of volunteers (moms, dads, grandparents, aunts, uncles, caregivers, etc.) who care about our public school system and work to ensure that Frederick County students receive an adequate and equitable education. The PTA Council does not have a staff to do the research and compile the supporting documentation necessary to articulate as effectively as county or state government. We hope that our comments will be taken in that light.*