



Bernard J. Sadusky, Ed.D.
Interim State Superintendent of Schools

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December 13, 2011

Mr. Isiah Leggett, County Executive
Office of the County Executive for Montgomery County
Executive Office Building
101 Monroe Street, 2nd Floor
Rockville, MD 20850

NOTICE OF NON-COMPLIANCE WITH MAINTENANCE OF EFFORT

Dear Mr. Leggett:

On December 2, 2011, the Superintendent of Montgomery County Public Schools, Dr. Joshua P. Starr, filed a Maintenance of Effort Certification Statement (Attached) with the Maryland State Department of Education. Based on the dollar amounts reflected on the certificate, I find that Montgomery County is not in compliance with its FY 2012 maintenance of effort requirement. Specifically, the maintenance of effort level amount for FY 2012 is \$1,497,275,718. Montgomery County failed to meet that target. Dr. Starr has certified that the net local appropriation was \$1,370,101,480.

If the county disputes this finding of noncompliance, it may send to me within 30 days of the issuance of this notice of memorandum setting forth the basis for disputing this finding. I will refer the matter to the State Board of Education which will make the final determination.

If a final determination of non-compliance is made, I or the State Board will notify the Comptroller who is authorized by statute to suspend payment of "any funds due the county for the current fiscal year, as provided under §5-202,...to the extent that the State's aid...exceeds the amount which the county received in the prior fiscal year." Md Educ. Code Ann. §5-213. The suspension would be applied in Fiscal Year 2013.

Thank you for your attention to this matter.

Sincerely,

Bernard J. Sadusky, Ed. D.
Interim State Superintendent of Schools

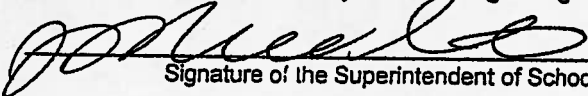
Attachment

C: Dr. Joshua P. Starr
✓ James DeGraffenreidt
Anthony South
Elizabeth M. Kameen

**CERTIFICATION STATEMENT
STATE SHARE OF THE FOUNDATION PROGRAM
FOR FISCAL YEAR 2012**

| | FY 2010 | FY 2011 | FY 2012 |
|--|-----------------------------|-----------------|-----------------------------|
| Education Article Section 5-202 (b) through (d) requires that to be eligible to receive State Share of the Foundation Program the following must be met: | | | |
| A. Minimum Share (local wealth x local contribution rate) from Foundation Program Calculation for Fiscal Year 2012 | | | \$ 649,473,470 |
| B The product of Enrollment for the current fiscal year and the local appropriation on a per pupil basis for the prior fiscal year | | | |
| Fiscal Year Highest Local Appropriation * to the School Operating Budget | \$1,450,017,125 | \$1,415,085,344 | |
| Divided by | | | |
| FTE Enrollment as of 9-30-2008 for Fiscal Year 2010 | 135,970.00 | | |
| FTE Enrollment as of 9-30-2009 for Fiscal Year 2011 | | 138,139.25 | |
| Appropriation per Student for each Fiscal Year | \$10,664.24 ^{303/} | \$10,243.90 | |
| The Greater of FY 2010 or FY 2011 Per Pupil Appropriation | | | \$10,664.24 ^{303/} |
| Multiplied By | | | |
| FTE Enrollment as of 9-30-2010 for Fiscal Year 2012 | | | 140,401.50 |
| Equals | | | |
| Maintenance of Effort Level | | | \$1,497,275,717.99 |

In accordance with the above requirements of the Acts of the General Assembly, I hereby certify that the above information is correct and that \$ 1,370,101,480 is the Net Local Appropriation* that will be provided to the Montgomery County Board of Education from County sources beginning July 1, 2011.

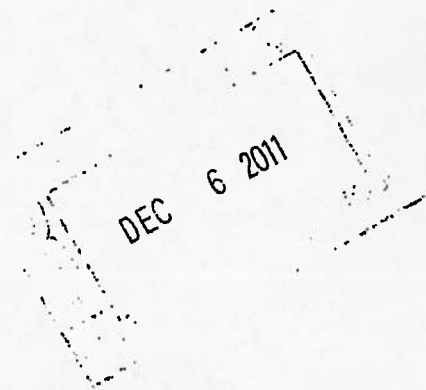


Signature of the Superintendent of Schools

12/2/11
Date

This Certification is to be submitted to the Maryland State Department of Education no later than December 5, 2011.

* See other side for instructions to meet this requirement (amounts shown from line G)
The above calculation is in accordance with the Education Article 5-202(d)(7)(v)



**ADJUSTMENTS TO LOCAL APPROPRIATION
Montgomery**

| | <u>FY 2010</u> | <u>FY2011</u> | <u>FY2012</u> |
|--|------------------------|------------------------|------------------------|
| A. Operating Budget Appropriation | \$1,529,554,447 | \$1,415,085,344 | \$1,370,101,480 |
| Plus: | | | |
| B. Supplemental Appropriations * | <u>\$0</u> | <u>\$0</u> | <u>\$0</u> |
| C. Total Appropriation (A+ B) | <u>\$1,529,554,447</u> | <u>\$1,415,085,344</u> | <u>\$1,370,101,480</u> |
| Less: | | | |
| D. Approved*** Nonrecurring Costs | | | |
| 1 Qualifying Exclusion | _____ | _____ | _____ |
| 2 Nonrecurring Supplemental appropriation | _____ | _____ | _____ |
| 3 _____ | _____ | _____ | _____ |
| 4 _____ | _____ | _____ | _____ |
| Total Supplemental & Nonrecurring Costs | | | |
| E. Program Shifts Between County and Board Budgets * | | | |
| 1 Debt Service | <u>\$79,537,322</u> | _____ | _____ |
| 2 _____ | _____ | _____ | _____ |
| 3 _____ | _____ | _____ | _____ |
| Total Program Shifts | \$79,537,322 | \$0 | |
| F. Other Reconciling Items* | | | |
| G. Net Local Appropriation (C-D-E-F) | <u>\$1,450,017,125</u> | <u>\$1,415,085,344</u> | <u>\$1,370,101,480</u> |

* Provide detail separately

** Allowable to the extent that the Appropriation exceeds the minimum Maintenance of Effort Level.

E. The highest local appropriation for FY 2010 included \$79,537,322 in debt service reimbursement payments transferred from the County budget to the Board budget. The Maryland State Board of Education ruled that this constituted a transfer that could not be used to meet the MCE requirement.

