



*Queen
Anne's
County*

County Commissioners:

Steven J. Arentz, At Large
David L. Dunmyer, District 1
Bob Simmons, District 2
Philip L. Dumenil, District 3
Dave Olds, District 4

BOARD OF COUNTY COMMISSIONERS

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May 1, 2011

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

Re: Withdrawal- Queen Anne's County Maintenance of Effort Waiver Request for FY 2012

Dear Mr. South:

Queen Anne's County has pending before the State Board of Education a Maintenance of Effort (MoE) waiver request dated March 30, 2011. The County withdraws this request. The County wishes to present to the State Board several considerations for this decision.

First, subsequent to filing the waiver request the County solicited cooperation from the Queen Anne's County Board of Education (BoE), hoping there would ensue a collegial dialogue focusing on resolving the County's daunting budget challenge. See enclosed April 19 letter. That budget challenge is reflected in the five new County Commissioners inheriting from their predecessors a projected FY 2012 deficit of \$19.2 million, which equals 17% of the \$115 million of projected FY 2012 expenditures and transfers.

Unfortunately, in response to the County's letter, the BoE voted 3 to 1 on April 20 to not cooperate. The BoE revisited this decision during its April 27 meeting, but chose not to reconsider.

Second, the General Assembly did not pass legislation this past Session reforming the MoE waiver process. This legislation would have implemented the MoE waiver process recommended by the Joint State-Local Fiscal Relations Workgroup. That failure continues flawed standards for MoE waivers, which the County believes unduly impedes proper consideration of a waiver request. The reform legislation also failed during the 2010 General Assembly Session.

Third, a MoE waiver for this year only would not resolve the structural imbalance confronting the County. Efforts to resolve this imbalance have already included draconian reductions to appropriations for County functions, secured from cost containment measures including layoffs and furloughs, in which the BoE has not participated. Even with these efforts, a structural imbalance remains, requiring ongoing school board funding adjustments. In crafting a sustainable resolution to this imbalance, the County cannot be dependent on an annual State Board deliberation, undertaken late in the budget cycle. It is the County's goal to resolve the imbalance with its FY 2012 budget enactment, thereby creating future predictability.

The MoE challenge which now confronts the County arises from a longstanding practice of the County substantially exceeding MoE. The State Board has cited the MoE burden on a County exercising such a laudable practice as an anomaly meriting a legislative solution. No such solution has been forthcoming.

The County plans to continually reach out to the BoE. It envisions a partnership with the BoE in crafting a sustainable multi-year solution to the County's budget challenges, while maintaining the quality of classroom instruction.

Thank you for your consideration,

A handwritten signature in black ink, appearing to read "Steve Arentz", written in a cursive style.

Steven J. Arentz
Commission President

Cc: Dr. Carol Williamson, Superintendent Queen Anne's County Public Schools
Queen Anne's County Board of Education



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April 19, 2011

Dr. Carol Williamson
Superintendent of Schools
Queen Anne's County Board of Education
Centreville, MD 21617

Re: MoE Waiver Request

Dear Dr. Williamson:

Thank you for participating in the deliberations of the Task Force for Government Sustainability. From that participation you can certainly appreciate the enormity of the fiscal challenges confronting our county. It is the Commissioners' intention to resolve these challenges both responsibly and expeditiously. There is simply no other alternative.

The Commissioners' want the budget reconciliation process to be collegial and cooperative, and we solicit your continued participation in our deliberations. Obviously, a critical component of these deliberations is the County's maintenance of effort waiver application now pending before the State Board of Education.

The County is pursuing the waiver application with great regret. The six children of the three Commissioners who have school age children all now attend Queen Anne's County public schools. And, a fourth Commissioner has grandchildren attending our public schools. Clearly, the Commissioners have both a personal as well as a policy interest in maintaining the quality of the County's public schools.

There is no further capacity on the County side of the budget for further funding reductions without compromising critical County services, such as public safety and health, which citizens value as much as public education. The County workforce simply cannot be reduced further nor can we expect our County workers to endure more pain.

Therefore, the Board of Education can no longer be held harmless in our budget deliberations. This reality forced us to seek the MoE waiver.

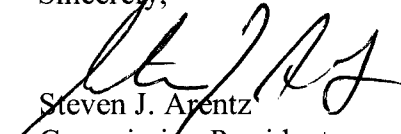
Following the lead of the Task Force, the County's waiver request is \$10.1 million. But, we are hopeful that request can be adjusted to \$4.5 million. To achieve this adjustment the budget reconciliation efforts now implemented, such as employee furloughs, will have to be extended for FY 2012 and revenue enhancements will have to be implemented.

You have previously posted on the Board's website and presented to the Task Force potential strategies for accommodating a funding reduction. We trust these welcomed strategy suggestions provide a foundation for further dialogue for crafting a joint strategy for reducing the MoE amount, as now envisioned, without compromising core classroom education quality.

We believe it is not only possible, but essential, for the County and the BoE to partner in seeking the maintenance of effort waiver. It would certainly be laudable for us to present the model for collaboration, establishing a firm foundation for our future relationship.

As you know, the State Board has established an expedited schedule for consideration of waiver requests, with the County's memorandum due by May 2. So, your prompt response to this request for support would be greatly appreciated. As your board is scheduled to meet Wednesday April 20th, we respectfully request that this issue be addressed with them at that meeting and that a reply to our request of support for a \$4.5 million waiver be issued once this decision is made.

Sincerely,



Steven J. Arentz
Commission President