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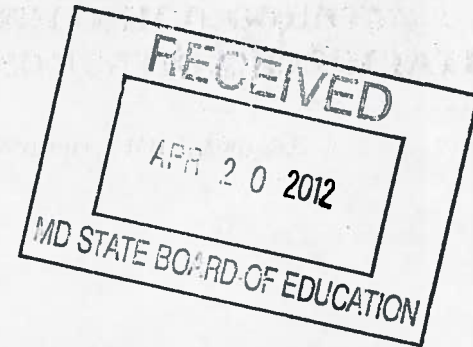
**WCEA**

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**WICOMICO COUNTY  
EDUCATION ASSOCIATION**

1302 Old Ocean City Road • Salisbury, MD 21804-4537  
410-749-2491



April 23, 2012

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

**RE: Opposition to Wicomico FY2013 "Agreed Upon" MOE Waiver Request**

Dear Mr. South,

The Wicomico County Education Association (WCEA) respectfully submits comment in opposition to the request for an "agreed upon" waiver from the Maintenance of Effort (MOE) requirement for FY 2013 by the Wicomico County Executive, on behalf of the County, to the State Board of Education. As provided in Senate Bill 848, and as the exclusive employee representative for the certificated bargaining unit, WCEA does not concur in the reduction of personnel costs and/or personnel that would be permitted by granting this waiver.

WCEA further opposes a one time or rebasing waiver for Wicomico County given the ample reserves in county accounts and the vitality of local resources to fully implement the school system's master plan and provide the quality schools our citizens and students expect and deserve.

We firmly believe that Wicomico County has the revenue resources and the capacity to meet their education funding obligation without a waiver. Further, we believe the ability to meet their obligation exists despite the fiscal restraints imposed by the charter revenue cap that has been in place since 2001.

With the passage of Senate Bill 848, counties, including Wicomico, have the authority to exceed locally imposed tax caps in order to meet their statutory funding requirement under MOE. It is worth noting that Wicomico County's real property tax rate has decreased every year from a high of \$1.084 per \$100 in fiscal year 2001 to its fiscal year 2011 rate of \$0.759 per \$100. More importantly, in fiscal year 2012 the constant yield rate would have allowed an increase of up to \$0.05 in the property tax rate. It was the County's decision to increase the property tax rate only by approximately \$0.02, which resulted in the permanent forfeiture of potential revenues that could have helped the county meet its MOE requirement in FY 2012 and better position the county for FY13. This is significant because the County initially requested a waiver from the MOE requirement for FY 2012 only to withdraw this request under the interpretation that it was not required to request a waiver if it could not meet the MOE requirement. Instead of attempting to fund MOE, the county allocated the revenue from the tax increase to public safety. Consequently, Wicomico's education funding for FY 2012 was rebased \$7 million below the MOE level in 2011. In 2011 an additional \$7.5 million was cut from education funding

bringing the total for the two years to \$14.5 million dollars. Not only is the FY12 rebasing a continuing point of contention, but any further rebasing would threaten the staffing levels, programs, and services that are already stretched in this economy.

Beyond the available revenue in local property taxes, Wicomico County has the good fortune of holding significant dollars in reserves. An independent audit of the county's finances was commissioned by the Wicomico County Education Association which revealed in addition to the county's Rainy Day reserve account of more than \$5million dollars that the unrestricted general fund balance for 2011 was \$17.5 million dollars. The estimated surplus for 2012 is expected to be approximately \$11 million over budget bringing the unrestricted general fund balance to \$29 million. \$8.9 million dollars of this surplus is income tax revenue from the state that has already been or is expected to be received by the county in fiscal year 2012 over their estimated budget for revenue in this account.

The issue of Bennett Middle School continues to be a point of concern. When the county has cut \$7 million over the last two years in local dollars, decreasing local effort by 30 percent, it seems unconscionable that the county would then turn away a deal with the state to build Bennett Middle School when the state has agreed to pay 96 percent of the costs. This new school is critical to addressing the needs of the citizens of the county, and should not be held hostage to negotiations around deeper education cuts.

WCEA has been a constructive partner in meeting fiscal challenges of the county and the school system, and we expect to be such partners moving forward. But we cannot support this "agreed upon" waiver or any other MOE waiver for FY13. According to statute as enacted in SB 848 and the guidelines sent by the State Board of Education on April 11, the absence of mutual agreement by the county, county board, and exclusive employee representative is a requirement for reducing recurring personnel costs as part of an "agreed upon" waiver. The county's application is silent on this point because these reductions were not discussed with WCEA, much less agreed upon, prior to the submission of this request. "Agreed upon" waivers are an important opportunity to strengthen local collaboration to protect the quality of our students' education. It is disappointing that the county chose to apply for this type of waiver without pursuing the collaboration that it is meant to instill.

Sincerely,

A handwritten signature in black ink that reads "David White". The signature is written in a cursive style with a large, prominent "D" and "W".

David White  
President