



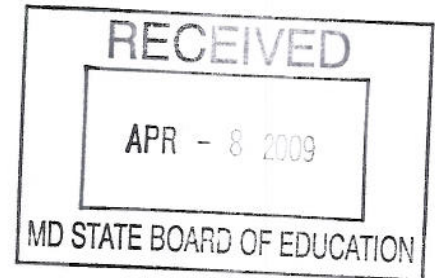
Calvert Association of Educational Support Staff

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6 April 2009

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



Re: Maintenance of Effort (MoE) Waiver Request
Calvert County Board of County Commissioners

Dear Mr. South:

Please consider this correspondence from the Calvert Association of Educational Support Staff (CAESS) to be comments in opposition to the 31 March 2009 request from the Calvert County Board of County Commissioners, in accordance with section 13.A.02.05.04 of COMAR, to request a waiver from the Maintenance of Effort (MoE) requirement for public school funding for the fiscal year beginning 1 July 2009 and ending 30 June 2010.

CAESS is the certified bargaining unit representative for non-certificated employees of the Calvert County Public Schools. We represent over 844 CCPS school staff who daily perform the duties of custodians, instructional assistants, food service workers, secretaries, maintenance specialists, and special education assistants for the children of Calvert County. Our CAESS members provide a quality educational product, safe and productive classrooms, and a quality of staff performance that has been noted by Maryland State Superintendent of Schools, the Honorable Dr. Nancy Grasmick. Dr. Grasmick has recently recognized the quality of the Calvert County Public Schools physical plant.

The County request for a waiver of the Maintenance of Effort offers a rationale of erosion of revenues and lower revenue growth in the next five years. Nobody is envisioning the current economic downtown lasting five years. Revenue projections in Calvert County are often extremely conservative and income has traditionally far exceeded projected revenue.

No other Maryland jurisdiction is in as good fiscal health as Calvert County. Measured by General Fund Balances, revenue enhancement potential, and overall economic growth the County can easily address the FY2009 and FY2010 revenue without endangering the education and future of Calvert County's students.

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It is difficult, if not impossible, to characterize Calvert County as fiscally unstable entity that must resort to requesting a waiver, given the very favorable financial health of Calvert County.

The Maryland State Department of Education should be aware that the County, concerned about encountering such a problem, starting accruing a "rainy day fund" several years ago. The proposed relief of \$6 million, through the approval of the waiver, could easily be funded with a temporary use of the General Fund Undesignated Balance or the "Rainy Day Fund."

Granting the waiver would mean that the education of the county's children should bear the brunt of County's current revenue shortfall, even though adequate funds are available.

The Calvert County Fund Reserve for the year ending June 30, 2008:

- General Fund Undesignated Balance \$17.7 million
- General Fund Designated Balance
 - Designated for future capital projects expenditures \$21.6 million
 - Designated for future OPED costs \$12.9 million

As a result of a 2004 agreement between the County and Calvert County Board of Education, the FY 2010 proposed funding for education is approximately \$102,615,515. Since the inception of the County-Board of Education Funding Formula the BoE's share of County expenditures has declined from 50.8% in FY 2004 to 45.5% in FY 2009 – a decline of 5.3 percentage points. Each percentage point equates to \$2.2 million in FY 2009, therefore, had the county simply maintained the FY 2004 support level, an additional \$11.7 million would have been allocated to the students of Calvert County for FY 2009. Consequently, any loss of funding to the school system would compound its already troubled financial health and the negative impact on programs for students would be increased.

In their letter of appeal for the MoE waiver, the County has stated that "...many county residents have already been impacted by the national economy." They also note that "[D]uring a time of economic uncertainty for all residents our County Commissioners believe now is not the time to increase costs and they are strongly against raising taxes and creating additional burden for our citizens.

This statement flies in the face of reason and logic especially when you recognize that in the fall of 2008 – during the time it was well-recognized that "...many county residents have already been impacted by the national economy..." the Calvert County Commissioners undertook to purchase a golf course for the total sum of \$4.3 million (\$3.65 million plus \$650,000 for incidentals).

How can the County justify the application for a waiver of the funding of education levels because of a \$6 million operating deficit when they increased their costs by \$4.3 million only months before and created an additional burden upon the citizens of Calvert County?

Some additional areas of relief could be found:

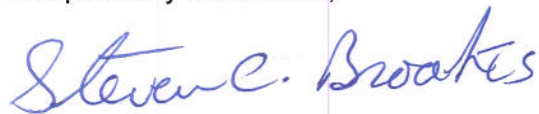
1. Cancel "Pay-Go" transfer to Capitol Projects of \$216 million in FY2009.
2. Access General Fund Undesignated Balance of \$17.7 million.
3. Access General Fund Designated Balance of \$37.9 million.
4. Defer FY2009 OPEB Accrual of \$6.0 million.

While it is true that Maryland jurisdictions are being negatively affected by the economic downturn, it is also true that Calvert County can easily address the problem by accessing readily available funding rather than initiating cuts in services or compromising the quality of services currently provided to county citizens.

Although the Calvert Association of Educational Support Staff has used the services of reputable accountants in responding to the financial implications of the request for waiver of Maintenance of Effort request, all school support staff in Calvert County speak from their hearts about the need to maintain the programs that we use to educate our students for the present and for their future as citizens of the 21st Century.

Based on the foregoing, the Calvert Association of Educational Support Staff respectfully requests that the Maryland State Board of Education does not grant the request for waiver of the Maintenance of Effort for public school funding because the Calvert County Board of County Commissioners has not proven the need for the waiver based on the preponderance of the evidence standard required by COMAR 13.A.02.05.04 (C) (3).

Respectfully submitted,



Steven C. Brooks, President