

Teachers Association of Anne Arundel County

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Timothy M. Mennuti, President

William Jones, Executive Director

February 24, 2012

Mr. James H. DeGraffenreidt, Jr., President
Maryland State Board of Education
200 West Baltimore Street
Baltimore, Maryland 21201

Re: Anne Arundel County Maintenance of Effort

Dear Mr. DeGraffenreidt:

We are writing on behalf of this Association and the approximate 6,200 Unit 1 Anne Arundel County Public School educators it represents to indicate our disagreement with the calculation used by County Executive John Leopold and Budget Officer John Hammond. The approach used by Leopold and Hammond is contrary to the letter and the legislative intent of the statutes related to maintenance of effort. Moreover, we will show that the sleight of hand used, was unnecessary and the mandate of MOE could have been met by lawful means.

It is also important to note that this correspondence was reviewed by and has the concurrence of Richard I. Kovelant, Esq., Executive Director of the Association of Educational Leaders, the exclusive negotiating agent for Unit 2 Anne Arundel County Public School educators.

You have received a seven-page analysis dated February 23, 2012, from Anne Arundel County Public Schools Superintendent, Kevin Maxwell. It has also been reviewed by this Association. Rather than duplicate effort by repeating it we will note for you here that we concur with Dr. Maxwell's analysis and conclusions which are excerpted below:

- *Anne Arundel County has artificially shifted programs in an illegal attempt to satisfy MOE, contrary to the Education Article.*
- *Anne Arundel has included debt service within its calculation of MOE, notwithstanding that it chose to reflect it as part of the capital budget, contrary to the Education Article.*
- *Anne Arundel County has failed to meet MOE for Fiscal Year 2011 notwithstanding its pronouncements to the contrary.*

While Dr. Maxwell and others have chosen to provide a detailed explanation of how the current system either does or does not work with regard to MOE, we believe that there is more to this situation that should be addressed and will supplement the Maxwell analysis by showing how Anne Arundel County could have easily met its obligation to our children without violating law by tapping into taxing capacity that has been long neglected. In comparison to other Maryland jurisdictions, Anne Arundel lagged (and continues to lag) in collecting the necessary revenue to provide for education and other public services.

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In FY2011, property taxes constituted 47% of the county's revenue. The applicable rate was \$0.88 per each \$100 of taxable value. That rate ranked seventeenth out of the twenty-four Maryland jurisdictions including Baltimore City, and was the fifth highest (or second lowest) of the six large urban jurisdictions including Baltimore City, Baltimore County, Prince George's County, Montgomery County, Howard County, and Anne Arundel. Further suppressing revenue from property was the Anne Arundel County Homestead Tax Credit (often referenced as an *assessment cap*). Its rate of 102% ranked the lowest in Maryland and served to lessen the base upon which its already low rate is applied.

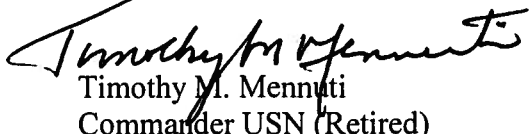
Income tax, the second of the two major sources of revenue, constituted 31% of the county's FY11 revenue. Anne Arundel County's rate of 2.56% ranked twenty-second in Maryland and was the lowest of the six large urban districts.

Anne Arundel County's overall effort in collecting revenue is lower than most other jurisdictions in Maryland. Its performance in the two largest related activities, collecting property and income tax revenues, is at or near the bottom of all Maryland jurisdictions, and even poorer in comparison to its urban neighbors.

The Medical Profession has long lived with the oath "Above all, do no harm." We are requesting that the State Board of Education take the same approach in deciding the matter of the Anne Arundel County MOE.

After a careful review of the various documents and submissions we believe that the State Board should find that Anne Arundel County failed to meet MOE for Fiscal Year 2011.

Respectfully,



Timothy M. Mennuti
Commander USN (Retired)
President

TMM:ms

cc: Dr. Bernard Sadusky
Anne Arundel County Board of Education Members
County Executive John Leopold
Anne Arundel County Council Members
Anthony South
Stephen Brooks
P. Tyson Bennett
Alex Szachnowicz
George Margolies
Richard I. Kovelant