



# BOARD OF EDUCATION OF KENT COUNTY

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**Office of the Superintendent**  
**A. Barbara Wheeler, Ed.D**

April 23, 2012

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

Dear Mr. South:

Members of the Kent County Board of Education are deeply concerned that the Kent County Commissioners believe that it is in the best interest of the children of Kent County to file for a waiver that would allow them to provide funding to the public schools that is less than Maintenance of Effort. In fiscal year 2012, the Kent County Commissioners funded the school system \$818,534 below Maintenance of Effort and elected to take this action without seeking a waiver from the State Board. If Maintenance of Effort had been funded in 2012, the actual increase requested for FY'13 would be \$41,637. However, due to the action taken in FY'12, the request for FY'13 now represents an increase of \$860,171 over the FY'12 appropriation. On December 8, 2011, Dr. Bernie Sadusky, Interim State Superintendent, notified the Kent County Commissioners that they were not in compliance with the Maintenance of Effort requirements for FY'12, and that the matter would be addressed by the State Board of Education.

The reduced funding has significantly impacted not only the instructional program provided for the students but has compromised the ability of the school system to address the myriad of State and Federal requirements that have resulted from the *No Child Left Behind Legislation* as well as the Third Wave of Reform also known as *Race to the Top*. Kent County Public Schools is the smallest school system in the State of Maryland with the least amount of resources, including human capital. In order to protect, to the highest degree possible, the services for students, the executive level leadership team was eliminated in FY'12. One of the crucial positions eliminated was the Assistant Superintendent for Education Services. This position provided leadership in all matters related to instruction, curriculum, assessment, and student services. The other position eliminated was the Assistant Superintendent/Chief Financial Officer, who directed and managed the administrative division of the school system, which included everything related to financial matters, food service, transportation, operations, and maintenance. Supervisors who report directly to the Superintendent are now managing portions of these very important executive responsibilities. Kent County is the only school system in Maryland that does not have an executive level leadership team. These cuts to the executive level leadership staff were made out of necessity and in direct response to the County Commissioners' decision to fund KCPS below Maintenance of Effort in FY'12.

Maryland, as a result of having won the *Race to the Top* grant award, is committed to implementing the very rigorous Common Core Standards, which will serve as the basis for pre-kindergarten through high school curricula. Implementing the curriculum includes a comprehensive assessment program and significant changes in pedagogy. In order for this school system to be able to provide an instructional program that is comparable to the other local education agencies in Maryland,

rigorous, ongoing professional development is required. Funds are necessary to remunerate teachers for their participation in the professional development sessions, which will take place beyond the teachers' duty day. The *Race to the Top* application also requires an evaluation system for teachers and principals, which holds both accountable for student achievement. Kent County is one of the pilot school systems charged with the responsibility of developing these evaluation instruments. While some of the *Race to the Top* funds support this effort, an Assistant Superintendent would typically provide the leadership for such an endeavor. Since this position no longer exists, a supervisor assumes this responsibility along with other major duties. Additionally, funding below Maintenance of Effort has resulted in larger class sizes, less funds for professional development, less funds for textbooks and other instructional materials, and the elimination of intervention programs for students who have difficulty learning. The possibility of having even less money in FY'13 will be devastating and will most assuredly result in elimination of free pre-kindergarten (except for students who qualify), the alternative program for middle and high school students who have difficulty interacting appropriately in the general classroom setting, and the afterschool program for middle school students who need intense intervention. Additionally, teaching and support positions will likely be eliminated.

In FY'12, the school system implemented a retirement incentive, which used funds from President Obama's Jobs Grant. As a result, fifteen (15) staff members retired. Some of the vacated positions were not filled while less experienced personnel filled others. It was because of this initiative that the school system did not have to lay off personnel. The jobs grant has now been expended and most people who were eligible to retire have retired; therefore, it is not anticipated that we will be able to eliminate positions through attrition.

#### **External Environmental Factors:**

The County Administrators described a number of factors that impact the economy of Kent County. The unemployment rate in Kent County is 1.5 percent higher than the State of Maryland. This is not surprising in that Kent County does not do enough to attract businesses to the county. After graduation, there are very few opportunities for meaningful employment in Kent County, which explains why 21.8% of the population is over the age of 65.

The Kent County Public Schools, the third largest employer in the county, has a tremendous impact on the economy of Kent County. The estimated aggregated economic impact of the Kent County Public School System in FY'11 is approximately \$36,621,291, and supports an additional 559 jobs in the local economy. This includes \$28,354,222 in direct impacts (impacts of spending by the school system), \$4,228,033 in indirect impacts (impacts of spending by the vendors paid by the school system), and \$3,739,032 in induced impacts (impacts of portions of incomes spent locally by the school system and the vendors' employees). These data are from the *Economic Impact Analysis of the Publicly Funded K-12 Education on the Eastern Shore of Maryland* prepared by BEACON at Salisbury University November 30, 2011.

One of the best economic development strategies is to improve the quality of schools. Families will relocate to areas where students receive an education that will allow them to be competitive with other areas in the state and nation.

The level of poverty is also an external factor that was described by the County Administrators. There are approximately 2,100 students who attend the public schools. Of that number, 1,040 receive free meals and 132 receive reduced priced meals. These numbers are indicative of the level of poverty in our schools. Students who live in poverty need tremendous academic support to be

successful in school. These supports include well-trained teachers, tutors, and excellent instructional materials.

The External Environmental factor described in the waiver from the County Government actually supports the need for increased funding rather than decreased funding through a waiver of MOE. Adequate funding will ultimately boost the economy and improve the quality of life for the residents of Kent County.

**County's Tax Base:**

In FY'11 and FY'12, the property tax rate is \$1.022 per one hundred assessed property value. This rate is currently (.001 below the constant yield rate of \$ 1.031 cited in the *Overview of Maryland Local Governments Department of Legislative Services 2012.*)

Additionally, the current local income tax rate of 2.85% has been in place since 2005. There are thirteen counties that have a local income tax rate higher than Kent County and eight counties that have a higher property tax. The Kent County Government has failed to take any additional action to increase revenues that have been identified as justification for the waiver of Maintenance of Effort requirement.

Kent County's fund balance totals \$6,672,725; of that total, \$4,254,516 is unreserved which is 8.3% of the total general fund expenditures. In a press release published in the Kent County News dated April 12, 2012, the Chief Financial Officer for the County indicated that as of February 2012, the county has a 1.7 million dollar favorable budget balance due to revenues higher than anticipated. Assuming that this revenue increase continues at this level, an estimated undesignated fund balance would be in excess of 6.5 million dollars by the end of FY'12.

**Rate of Inflation relative to growth of student population:**

The student population in Kent County has been declining over the past 10 years. There are a myriad of reasons that explain this phenomena, some of which I discussed earlier in this document. Despite the fact that there are fewer students, the demands on public education by the State of Maryland and the Federal Government have increased exponentially. The number of students is irrelevant when it comes to reports, curricula, assessment expectations, and graduation requirements, etc. In fact, it is more expensive to provide quality education in a small system because there is no economy of scale. Additionally, Kent County Public Schools received the least amount of state aid (*Reference: 2012 Fact Book published by MSDE.*)

**Kent County's History of Exceeding Required MOE:**

The Kent County School System is third in per pupil funding. As I explained above, this is due to the fact that the school system population is small; yet, certain personnel, supplies, equipment, etc., are necessary as a cost of doing business. Small systems will spend more per pupil because of scale.

We appreciate the fact that, historically, the County Government funded the school system above Maintenance of Effort; however, that fact does not justify going below Maintenance of Effort. Programs and services cannot be abruptly dropped without hurting students and compromising their education. Students are presenting with more complex needs as a result of poverty and other environmental factors that I discussed earlier. Additionally, there are increased demands from the Federal and State Governments and many of these requirements are in statute.

**Kent County Public Schools have been frugal with tax dollars. The following actions have been implemented to save dollars:**

- Eliminated eighteen (18) FTE's positions which included 1 technology instructional assistant, 7 elementary teachers, 1 art teacher, 2 math teachers, 1 music teacher, 1 instructional resource teacher (IRT), 1 school secretary, 1 central office secretaries, 1 coordinator of special education, 1 early childhood supervisor, and 2 career & technology teaching positions. The elimination of these positions totaled \$855,911.
- Retirement incentive funded by The Education Jobs Grant (Federal) to encourage senior staff members to retire. Some positions were not backfilled, while others were replaced with first and second year teachers whose salaries were significantly less.
- The Education Jobs Grant was also used to save 3 teaching positions for FY'12. These monies will be completely expended by the end of this fiscal year and the total of these salaries is \$179,049.
- Reorganized the infrastructure, the executive staff was eliminated; Assistant Superintendent of Instruction with a salary of \$112,706 was reclassified to Supervisor of Education Services with a salary of \$97,787. Assistant Superintendent of Administrative Services/Chief Operating Officer with a salary of \$114,068 was reclassified to Supervisor of Finance with a salary of \$79,588. These reclassifications resulted in savings of \$49,399.
- One support staff employee was reclassified from an administrative assistant to a secretary as well as teaching staff reassigned to other areas with an estimated savings of \$129,546.
- Some Media Centers are staffed with Para-Professionals rather than a certificated employee in order to save dollars.
- BOE's proposed budget included a half time position to reduce overtime; however, this position was eliminated.
- Unlike the County Commissioners, KCPS meets its OPEB obligations and continues to contribute the minimum amount annually to the GASB 45 post employment benefit (OPEB).
- KCPS hosts an annual awards banquet which staff members are required to pay if they wish to attend. This activity also receives funds from local businesses to help defray costs.
- KCPS has worked very diligently to apply for Federal and State grants to fund a majority of professional development to relieve the burden from the local fund.
- KCPS is unable to reduce tuition assistance programs due to negotiated agreements.
- KCPS has been unable to reduce mileage reimbursement to employees due to IRS regulations. However, employees are encouraged to use school system owned vehicles for travel to remain cost effective.
- KCPS has remained out of compliance with ADA standards in two (2) buildings due to lack of capital funding for the past 3 years.
- An aggressive energy savings program has been implemented which results in significant cost avoidance.
- The School Resource Officer was eliminated at the high school.
- A consortium has been created with other Eastern Shore Counties to assist with the development of curriculum, assessments, and professional development are aligned to the new Common Core Standards.

The Kent County Commissioners' waiver request indicates the increase in FY'13 is slated to fund additional compensation. This statement is inaccurate.

The \$1,238,055 increase in the FY'13 budget for Kent County Public Schools is due to the following:

- Salary adjustments pending final negotiations \$178,320
- 3 teaching positions added back in the local fund that were funded through the Education jobs Grant in FY'12 \$179,049
- Increase in transportation costs \$210,343
- Increase in Health Care premiums (6%) \$354,690
- Additional Teaching and Para-Professional Positions (includes benefits) to support programs \$260,319
- Addition of the Middle School after school Program for after school academic intervention \$42,113
- Increase in current technology contracts \$13,221

**Conclusion:**

The mission of the Kent County Public School System is to provide quality education that will prepare our students upon graduation the option of attending a college or university or enter the work force prepared. Students in Kent County must be prepared to compete with students locally and nationally. It is grossly unfair that because a child lives in a particular part of the state that the education they receive does not allow them to compete in this global society. I agree that education is expensive, but the price of an undereducated population is far greater. Therefore, I respectfully ask the Maryland State Board of Education to deny the request for a waiver from the State's Maintenance of Effort requirements as submitted by the Commissioners of Kent County.

Respectfully Submitted,



Barbara Wheeler, Ed.D  
Superintendent  
Kent County Public Schools

Cc: Kent County Board of Education  
Kent County Commissioners  
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