

BOCC PUBLIC BUDGET HEARING

April 26, 2011

Good Evening Board of County Commissioners. My name is Dr. Michael J. Martirano. I am a taxpayer and I live in Leonardtown, Maryland. I am the proud father of two children who are receiving an outstanding public education in the St. Mary's County Public School System. Additionally, I am the superintendent of the high performing St. Mary's County Public School System that is fueled by the 2,300 full-time employees and 35,000 parents who work tirelessly and collaboratively to ensure that the 17,310 students of the St. Mary's County Public School System receive a world class education that will allow each child to be college and career ready. With me tonight are members of the Board of Education: Dr. Sal Raspa, Chairman, Marilyn Crosby, Vice Chairman, Cathy Allen, Brooke Matthews, and Mary Washington.

Before I start, I want to thank every citizen, every advocacy group, every parent, every teacher and every staff member of this great county and this great school system for actively engaging in the democratic process by attending tonight and by sending a multitude of emails and letters to me, to members of the Board of Education and to our elected officials over the last few months where you have voiced your thoughts, support and concerns about the status of the educational funding in St. Mary's County. Please know that I welcome your communications and I encourage you to continue to send emails and letters. This demonstrates that there is no apathy and complacency for your feelings towards public education in this community and for that high level of public engagement, I thank you.

For the last several months, there has been rhetoric espoused in an attempt to throw sand in the air and distract individuals in our community from the fundamental and factual truth about the funding challenges that our school system is experiencing. Our citizens are smarter than this and they deserve the facts and the continued truth. So, tonight, I want to remind everyone about the facts and legitimacy of the concerns.

It is a fact that when the Board of Education started the budget process in January, 2011, we had a \$14.2 Million shortfall for FY 2012 (attributed to inflationary costs and shortfalls in revenues).

It is a fact that we are continually working to further adjust our numbers with precision and obtain our updated numbers from the State (which I might add, we have not received as of today). We are expecting to receive relief, but nothing significant that will move the needle on our already multi-million dollar shortfall. This accounting will be fully defined by the Board of Education in an upcoming work session as they prepare to present a fully articulated final FY 2012 budget to the BOCC.

It is a fact that the FY 2012 school system budget is \$176 Million which is \$4 Million less than FY 2011 levels.

It is a fact that 83% of the total school system budget is Salaries and benefits, 12% is transportation and utilities, 5% is remaining for curriculum and programs.

It is a fact that we are working collaboratively with our employee associations, EASMC and CEASMC, to do everything we can to negotiate and to address our shortfall in revenues. To that end, we will cut approximately 100 total positions (which includes the examination of ALL positions in the school system), we will decentralize Central Office and eliminate numerous

administrative positions, we will need to furlough staff, we will need to use fund balance money to balance the budget, we will see increases to class size, we will reduce specific services and programs, we will cut back on our payments for student assessments, we will skip our upcoming OPEB payment, we will delay textbook purchases, our students will have longer walks to their bus stops, we will implement a 4 day work week for 12 month employees during the summer months, we will decrease energy utilization, we will adjust building temperatures, we will reduce categorical spending to close the funding gap and we have offered an incentive for early notification of retirement.

It is a fact that St. Mary's county is the 11<sup>th</sup> richest county in the state.

It is a fact that overall, St. Mary's County Public Schools rank 24<sup>th</sup> out of 24 jurisdictions in per pupil expenditures in the State of Maryland. Regardless of how it is sliced or diced, it is a fact we are at the bottom of the lowest quartile.

It is a fact that local funding ranks 16<sup>th</sup>, state funding ranks 12<sup>th</sup> and federal funding ranks 16<sup>th</sup>.

It is a fact that prior to 2002 the county portion of education funding was near 55%.

Since FY 2003, the percentage of school system operating funds from the County has decreased from 51.73% to 42.78% in FY 2011. State funding sources during that same time period have increased from 43.74% to 51.19%, a basic reversal in funding.

It is a fact that we are one of the most efficiently run school systems in the Washington area as defined by the Washington Post analysis.

It is a fact that we are one of the highest performing school districts in the State of Maryland with an AYP report card of meeting 97 out of 98 standards giving us the absolute best report card in the State of Maryland and we want to remain that way.

It is a fact and a reality that we have done more than our part for the last several years by working collaboratively with our funding agents with full accountability and disclosure during this economic downturn. We have not buried our head in the sand nor have we turned our eyes away from the reality of the economy.

It is a fact, that not once have we asked that taxes be raised. For individuals to insinuate that we have done so is not only disingenuous, but completely wrong and irresponsible. We have operated within the parameters and target set forth by the BOCC in a letter sent to me on January 18, 2011. We have submitted a draft balanced budget on-time that is predicated on needs not wants. And it is important to remember that the Board of Education is a State agency and not a County Agency. We rely on the bulk of funding coming from the state. In order to develop a fully articulated budget all of the factual information about revenues must be in place. And as I have stated, we have not received the official final information for our state funding as of today.

It is a fact, that we have never pitted ourselves against another county agency or group for competition of funding and we have been respectful of all entities who rely on county funding to support their organizational efforts. In fact, it is our hope that every group advocating here tonight gets their fair share so they can continue the good and valuable work that is taking place in our community.

It is a fact, that there are no wish list items or wants contained within our budget. We have not deployed a "rob Peter to pay Paul" mentality, but instead we have used a continuous improvement model to shift resources from one area of the budget to another area to get improved

results. It is not only prudent and efficient but it is the execution of a good business sense in trying economic times as we recalibrate our school system by deploying an economy of scale approach. We have done our part and we will continue to do our part, however, we are asking the BOCC to assist and help us with our dire financial constraints.

To that end, it has been clearly defined that the BOCC has held back \$1.9 Million to distribute after the public hearing tonight. Assuming this is the bottom-line amount of money available, one must keep in mind that I should be asking for the total that the school system truly needs, but instead I am asking for the following out of the \$1.9 held back money and that is on the table for distribution to public agencies.

At this moment in time, I am specifically asking that the BOCC considers allocating \$1,392,000 of the recurring \$1,900,000 funding that is available to prevent the further reduction of our teaching force and to preserve the basic integrity of our classrooms. If this is not done, come May 1, 2011, specific teachers will receive a letter indicating that their contract will not be renewed.

Additionally, I am asking for further dialogue between the BOE and the BOCC about the use of the one-time fund balance money in both the BOE and BOCC budgets to address the impending OPEB payment and to provide the \$1,425,000 necessary to avoid furloughing our staff.

According to the Education Article in the Annotated Code of Maryland Section 4-205 (2) (k) (2) “The Superintendent shall seek in every way to secure adequate funds from the local authorities for the support and development of the county schools in the county.”

Keep in mind that when I ask for more revenues it is my obligation to do so and I do so prudently, responsibly and judiciously to meet the needs of our school system. We do not have wants or wish list desires, we have needs. Our school system is experiencing great stress and the amount of funding that I am seeking can ameliorate this stress and provide needed relief and preserve jobs and maintain the integrity of our entire school system for every child.

We appreciate the fact that the BOCC has made a commitment to fund the school system at the maintenance of effort levels and for that we are grateful, but this amount will not sustain the quality of our school system and it will not address the revenue shortfalls and the inflationary demands thrust upon us. We have needs that must be addressed. They are not wants or wish list items. They are needs to keep our school system running at optimal levels on behalf of every child so we can ensure every child is college ready and career ready and so we can do everything to ensure that every child graduates from high school and prevent students from dropping out of school and adding to the pipeline to prison phenomenon.

The school system has done its part and it will continue to do its part to be more lean and efficient and we are asking that you to do your part and please provide some relief to our already draconian and severe situation.

Thank you for listening and thank you for your continued support of the St. Mary’s County Public School System.