

**Department of Legislative Services**  
Maryland General Assembly  
2011 Session

**FISCAL AND POLICY NOTE**

House Bill 59 (Delegate Costa)  
Ways and Means

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**Anne Arundel County - Transfer of Education Funds Between Major Categories -  
Public Hearing**

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This bill alters the requirements for a request by the Anne Arundel County Board of Education to transfer funds between major budget categories, including a new requirement that the county council hold a public hearing prior to taking action on a transfer request.

The bill takes effect July 1, 2011.

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**Fiscal Summary**

**State Effect:** None.

**Local Effect:** Anne Arundel County expenditures may increase minimally due to costs associated with public hearings required by the bill, beginning in FY 2012. Revenues are not affected.

**Small Business Effect:** None.

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**Analysis**

**Bill Summary:** In Anne Arundel County, the board of education must submit a written request for a transfer between major categories to the county council and submit a copy to the county executive.

Within seven days of receiving the request, the county executive must recommend in writing to the county council that it approve or disapprove the proposed transfer. After

receiving the county executive’s recommendation, and prior to taking action on the request, the county council must hold a public hearing.

Approval of the request depends upon the affirmative vote by a majority of the county council within 30 days of receiving the request. Failure of the county council to act within the 30-day period constitutes disapproval of the proposed transfer.

**Current Law:** Section 5-101 of the Education Article requires annual public school budgets to be prepared according to specified major categories as well as any other categories specified by the State Board of Education. A county board of education may only execute a transfer of funds between these major categories with the approval of its county council or county commissioners. Failure of the county council or county commissioners to take action within 30 days after receiving a request for such a transfer request constitutes approval of the transfer. Under the bill, in Anne Arundel County, failure to act within 30 days would constitute disapproval.

**Background:** The public schools in Anne Arundel County will receive almost \$1 billion in total funding in fiscal 2011, of which \$562.4 million or 57.9% comes from the county government. Over the prior year, county funding for the public school system increased by \$8.3 million, representing a 1.5% increase. This compares with a 0.7% decrease in the statewide local share of public school funding. County funding for the public school system represents nearly half (46.7%) of the Anne Arundel County general fund budget (**Exhibit 1**). Revenue sources for public schools in Maryland are shown in **Exhibit 2**, while per pupil funding amounts are shown in **Exhibit 3**.

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**Exhibit 1**  
**Approved General Fund Appropriations**  
**Anne Arundel County**

<b><u>Category (% of Whole)</u></b>	<b><u>FY 2010</u></b>	<b><u>FY 2011</u></b>	<b><u>% Change</u></b>
Board of Education (46.7%)	\$554,026,500	\$562,360,000	1.5%
Community College (2.8%)	33,822,700	33,822,700	0.0%
Libraries (1.0%)	12,621,000	11,459,100	-9.2%
Public Safety (19.4%)	234,672,400	234,327,500	-0.1%
Health/Social Services (2.9%)	34,746,900	35,238,400	1.4%
Other State Agencies (2.2%)	23,891,300	26,016,200	8.9%
Other Departments (11.8%)	155,539,300	141,726,300	-8.9%
Specified Items (13.3%)	131,569,300	160,434,700	21.9%
<b>Total (100%)</b>	<b>\$1,180,889,400</b>	<b>\$1,205,384,900</b>	<b>2.1%</b>

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**Local Expenditures:** Public hearings required by the bill may result in some additional expenditures by Anne Arundel County. The particular cost each year would depend in part upon the frequency of requests by the county board of education for transfers between major categories, which in turn would drive the number of hearings. To the extent the public hearings are held in conjunction with, or as part of, regularly scheduled council meetings, costs would be minimized. Anne Arundel County advises any additional expenditures would be negligible.

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### **Additional Information**

**Prior Introductions:** None.

**Cross File:** SB 185 (Senators Astle and Reilly) - Budget and Taxation.

**Information Source(s):** Anne Arundel County, Maryland State Department of Education, Department of Legislative Services

**Fiscal Note History:** First Reader - February 7, 2011  
mc/hlb

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**Exhibit 2**  
**Revenue Sources for Public Schools in Fiscal 2011**

<u>County</u>	<u>Federal</u>	<u>State</u>	<u>Local</u>	<u>Ranking by Percent State</u>		<u>Ranking by Percent Local</u>		
Allegany	6.7%	71.2%	22.1%	1.	Baltimore City	74.0%	1. Worcester	68.2%
Anne Arundel	4.7%	37.4%	57.9%	2.	Caroline	72.3%	2. Talbot	66.5%
Baltimore City	9.8%	74.0%	16.3%	3.	Allegany	71.2%	3. Montgomery	64.5%
Baltimore	6.3%	44.8%	48.9%	4.	Wicomico	68.9%	4. Howard	61.1%
Calvert	4.9%	47.1%	48.0%	5.	Somerset	66.5%	5. Anne Arundel	57.9%
Caroline	7.9%	72.3%	19.8%	6.	Dorchester	62.5%	6. Kent	55.8%
Carroll	4.1%	47.5%	48.4%	7.	Washington	60.0%	7. Queen Anne's	52.5%
Cecil	6.0%	58.8%	35.2%	8.	Cecil	58.8%	8. Baltimore	48.9%
Charles	5.4%	51.4%	43.2%	9.	Prince George's	57.3%	9. Carroll	48.4%
Dorchester	6.0%	62.5%	31.5%	10.	St. Mary's	55.3%	10. Calvert	48.0%
Frederick	5.1%	48.9%	46.0%	11.	Charles	51.4%	11. Frederick	46.0%
Garrett	8.0%	50.9%	41.1%	12.	Garrett	50.9%	12. Harford	44.4%
Harford	5.8%	49.9%	44.4%	13.	Harford	49.9%	13. Charles	43.2%
Howard	3.9%	35.1%	61.1%	14.	Frederick	48.9%	14. Garrett	41.1%
Kent	5.0%	39.2%	55.8%	15.	Carroll	47.5%	15. St. Mary's	38.8%
Montgomery	4.2%	31.3%	64.5%	16.	Calvert	47.1%	16. Cecil	35.2%
Prince George's	7.8%	57.3%	34.9%	17.	Baltimore	44.8%	17. Prince George's	34.9%
Queen Anne's	6.8%	40.7%	52.5%	18.	Queen Anne's	40.7%	18. Washington	33.1%
St. Mary's	6.0%	55.3%	38.8%	19.	Kent	39.2%	19. Dorchester	31.5%
Somerset	11.4%	66.5%	22.2%	20.	Anne Arundel	37.4%	20. Wicomico	23.8%
Talbot	4.7%	28.8%	66.5%	21.	Howard	35.1%	21. Somerset	22.2%
Washington	6.9%	60.0%	33.1%	22.	Montgomery	31.3%	22. Allegany	22.1%
Wicomico	7.3%	68.9%	23.8%	23.	Talbot	28.8%	23. Caroline	19.8%
Worcester	7.0%	24.8%	68.2%	24.	Worcester	24.8%	24. Baltimore City	16.3%
<b>Total</b>	<b>6.1%</b>	<b>48.4%</b>	<b>45.5%</b>					

Source: Local School Budgets; Department of Legislative Services

**Exhibit 3**  
**Per Pupil Revenues for Public Schools in Fiscal 2011**

<b>County</b>	<b>Federal</b>	<b>State</b>	<b>Local</b>	<b>Total</b>	<b><u>Ranking by Total Per Pupil Funding</u></b>	
Allegany	\$1,027	\$10,891	\$3,382	\$15,300	1.	Worcester \$16,585
Anne Arundel	620	4,941	7,656	13,218	2.	Baltimore City 16,338
Baltimore City	1,598	12,083	2,657	16,338	3.	Montgomery 15,776
Baltimore	866	6,142	6,706	13,713	4.	Howard 15,403
Calvert	660	6,329	6,439	13,428	5.	Allegany 15,300
Caroline	1,005	9,178	2,510	12,693	6.	Kent 15,214
Carroll	533	6,151	6,279	12,963	7.	Somerset 14,901
Cecil	762	7,500	4,490	12,752	8.	Prince George's 14,618
Charles	704	6,735	5,660	13,099	9.	Garrett 13,805
Dorchester	795	8,226	4,150	13,171	10.	Baltimore 13,713
Frederick	658	6,279	5,912	12,848	11.	Calvert 13,428
Garrett	1,101	7,025	5,680	13,805	12.	Anne Arundel 13,218
Harford	753	6,484	5,769	13,006	13.	Dorchester 13,171
Howard	596	5,400	9,408	15,403	14.	Wicomico 13,101
Kent	758	5,966	8,491	15,214	15.	Charles 13,099
Montgomery	656	4,943	10,177	15,776	16.	Harford 13,006
Prince George's	1,141	8,377	5,100	14,618	17.	Carroll 12,963
Queen Anne's	853	5,071	6,544	12,467	18.	Frederick 12,848
St. Mary's	720	6,651	4,664	12,034	19.	Cecil 12,752
Somerset	1,693	9,906	3,302	14,901	20.	Caroline 12,693
Talbot	574	3,511	8,109	12,194	21.	Washington 12,523
Washington	858	7,516	4,148	12,523	22.	Queen Anne's 12,467
Wicomico	957	9,020	3,124	13,101	23.	Talbot 12,194
Worcester	1,156	4,117	11,312	16,585	24.	St. Mary's 12,034
<b>Total</b>	<b>\$870</b>	<b>\$6,946</b>	<b>\$6,535</b>	<b>\$14,351</b>		

Source: Local School Budgets; Department of Legislative Services