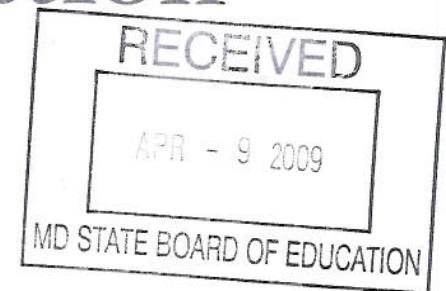


Worcester County Board of Education

April 9, 2009



Response to:

The Request for Maintenance of Effort Waiver
By Worcester County Commissioners

FY2010



The Board of Education of Worcester County

Accredited by the Middle States Association of Colleges and Schools

DR. JON M. ANDES
Superintendent of Schools

EDWARD BARBER
Assistant Superintendent
For Administration

DR. RICHARD T. WALKER
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April 8, 2009

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

Subject: Worcester County's Waiver Request for
Maintenance of Effort

Dear Mr. DeGraffenreidt:

By a vote of four to three, the Worcester County Commissioners are requesting a waiver of the Maintenance of Effort for Fiscal Year 2010 to allow a school board appropriation of \$70,134,450, which is \$1,819,614 below the amount required by Maryland Education Article §5-202. By a vote of seven to zero, the Worcester County Board of Education respectfully opposes the granting of a waiver of the County Maintenance of Effort for FY 10 and requests our county government to provide basic FY 10 Maintenance of Effort funding in the amount of \$71,954,064. (TAB 1)

The Worcester County Public Schools have a long history of providing instructional programs which allow our students to achieve at a high level of success. We are pleased to inform you that all eligible high school seniors will meet High School Assessment graduation requirements this year. Our school system consistently ranks as one of the best in Maryland, and was recently identified as a top performing Maryland school system by MGT of America, Inc. Seven of our fourteen schools are Maryland Blue Ribbon Schools of Excellence and three schools are National Blue Ribbon Schools. Worcester County has the highest graduation rate in the state, and it ranks first in the state in MSA reading in grades 3 and 8, first in the state in mathematics in grades 3 and 8, and first in the state in mathematics grade 7. We are proud to be one of only two school systems in the state to have all schools fully accredited by the Middle States Association of Schools and Colleges. We believe this success is a direct result of the Worcester County Board of Education's commitment to direct the majority of our resources to classroom instruction. In the current fiscal year, eighty-one percent (81%) of our operating budget is utilized in direct support of student learning.

Worcester County is blessed to be the wealthiest per capita county in the state. (TAB 2, Exhibit 5.1) As a result of this strong assessable tax base, Worcester County Public Schools receive

the second lowest amount of state funding on a per-pupil basis in the state. For FY 09, the state funding totals approximately \$2500 per student. Consequently, we rely on our county government for the majority of our educational funding. In the current fiscal year, our county provides over 76% of the resources to operate the public school system. Without the continued funding support of our county, our commitment to provide effective and high quality instructional programs to every student will not be possible.

In November 2008, our County Commissioners issued a directive to the Board of Education to prepare and submit an FY 10 Operating Budget that represented 97% of the FY 09 county appropriation. Such a budget would result in a \$2,277,775 reduction in county funding to meet the needs of our school system next school year. Anticipated increases in utilities, health insurance and other fixed business costs total over \$1,328,964. As a result, the 3% budget reduction directed by our county would result in total budget reductions and realignments of approximately \$3,606,739 in FY 10 and the loss of approximately 29 positions, elimination of field trips, and a fifty percent (50%) reduction in materials of instruction and textbooks. Budget reductions of this magnitude would reduce materials of instruction and textbook accounts to 1996 funding levels.

After careful deliberation, the Board of Education directed staff to prepare a proposed FY 10 Operating Budget that complies with the mandated Maintenance of Effort requirements. It is our belief that Worcester County clearly has the economic capacity to meet basic Maintenance of Effort funding. (TAB 2, Exhibit 11.1) The proposed Maintenance of Effort budget restores 19 of the proposed 29 positions, restores field trips, and partially restores funding reductions to materials of instruction and textbooks that would otherwise be required to comply with proposed \$2,277,775 reduction in operating expenses next school year. The proposed FY 10 Maintenance of Effort Operating Budget does not include salary increases for our teachers and support staff next year. Even with the additional funding of \$1,819,164 provided under the Maintenance of Effort requirement, the proposed FY 10 Operating Budget still reflects a \$660,547 reduction in county appropriations next year. This reduction coupled with increases in fixed business costs will still result in \$1,739,511 in required FY 10 budget reductions and realignments. The proposed FY 10 Operating Budget at the Maintenance of Effort level will continue to require a reduction of almost every budget line item. (TAB 3)

Our Board has reviewed the Maintenance of Effort waiver request submitted to the State Board of Education by our County Commissioners. While we understand the current economic environment is challenging, our Board is unable to support this waiver request. Worcester County has the second lowest property tax rate in the state and the lowest income tax rate in Maryland. (TAB 2, Exhibits 4.1 and 4.4) While the Board does not advocate any increase in taxes, a one cent yield in county real property tax rates would result in \$2,009,000 additional revenue to the county. (TAB 2, Exhibit 5.7) In addition, our county reported significant FY 08 fund balances. These included \$28,491,458 identified as Unreserved in the General Fund, \$17,870,025 in the Reserve Fund, and more than \$35,000,000 in a fund to address future OPEB liabilities. A major portion of the \$28,491,458 in Unreserved funds was designated for future pay-go projects.

Mr. James H. DeGraffenreidt

April 8, 2009

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While the Board agrees with responsible budgeting, we believe a small portion of the existing fund balance can and should be used to meet the FY 10 Maintenance of Effort requirement. Another remedy for the County Commissioners might be to reduce funding of future OPEB liabilities in the amount of \$17,000,000 per year, as has been their practice in the current and previous years. As of June 30, 2008, a total fund balance of \$46,361,500 was reported for Worcester County. (TAB 2, Exhibit 8.1)

The Board recognizes that the county has exceeded the Maintenance of Effort requirement in the past. This commitment has resulted in the highly successful school system we have today. The Board commends the County Commissioners for their past support and looks forward to continuing a cooperative relationship between county government and the school system. Nevertheless, the Board of Education strongly believes in fulfilling its responsibility and duty by submitting a proposed Operating Budget that complies with statutory requirements and meets the needs of our students.

In summary, the Worcester County Public School System is a top performing school system. We rely on County Government for 76% of our operating budget. The County Government is requesting a waiver of Maintenance of Effort to reduce county funding. A reduction in county funding below Maintenance of Effort will prevent us from meeting our strategic Master Plan goals approved by you and jeopardize the quality of needed and essential services that we provide to our children.

Sincerely,

Robert G. Hulburd
President

PC: Members of the Board of Education
Worcester County Commissioners

*Worcester County - Maintenance of Effort Level/
Estimated - FY 2010*

| <u>Line #</u> | | |
|---------------|--|----------------------|
| 1 | FY 2009 Highest Appropriation | \$72,614,611 |
| 2 | FTE Enrollment - FY2009: | 6,376 |
| 3 | FY 2010 Maintenance of Effort Funding Level: (6,318 FTE X \$11,388.74 FY09 per pupil funding) | \$71,954,064 |
| 4 | Proposed FY 2010 County Funding Level: | \$70,134,450 |
| 5 | Proposed FY 2010 Maintenance of Effort Shortfall: | (\$1,819,614) |

The Economic Capacity of Worcester County

Source: Overview of Maryland Local Governments, Finances and Demographic Information, Department of Legislative Services, 2009.

- Exhibit 4.1 County Real Property Tax Rates
- Exhibit 4.4 County Income Tax Rates 2008-2009
- Exhibit 5.1 County Assessable Base Measures for Fiscal 2009
- Exhibit 5.7 One-cent Yield in County Real Property Tax Rates
- Exhibit 8.1 County Unreserved General Fund Balances and “Rainy Day” Funds
- Exhibit 9.2 Maryland County Debt: Percent of Assessable Base
- Exhibit 11.1 Tax Capacity and Tax Effort

Exhibit 4.1
County Real Property Tax Rates in Fiscal 2000-2009
 (per \$100 of assessed value)

| County | FY 2000 | FY 2001 | FY 2002 | FY 2003 | FY 2004 | FY 2005 | FY 2006 | FY 2007 | FY 2008 | FY 2009 |
|-----------------|---------|---------|---------|---------|---------|---------|---------|---------|---------|---------|
| Allegany | \$0.988 | \$0.984 | \$0.984 | \$0.984 | \$1.000 | \$1.001 | \$1.001 | \$0.983 | \$0.983 | \$0.983 |
| Anne Arundel | 0.944 | 0.960 | 0.960 | 0.950 | 0.955 | 0.941 | 0.931 | 0.918 | 0.891 | 0.888 |
| Baltimore City | 2.328 | 2.328 | 2.328 | 2.328 | 2.328 | 2.328 | 2.308 | 2.288 | 2.268 | 2.268 |
| Baltimore | 1.142 | 1.142 | 1.115 | 1.115 | 1.115 | 1.115 | 1.115 | 1.100 | 1.100 | 1.100 |
| Calvert | 0.892 | 0.892 | 0.892 | 0.892 | 0.892 | 0.892 | 0.892 | 0.892 | 0.892 | 0.892 |
| Caroline | 0.952 | 0.952 | 0.952 | 0.952 | 0.952 | 0.952 | 0.952 | 0.910 | 0.870 | 0.870 |
| Carroll | 1.048 | 1.048 | 1.048 | 1.048 | 1.048 | 1.048 | 1.048 | 1.048 | 1.048 | 1.048 |
| Cecil | 0.980 | 0.980 | 0.980 | 0.980 | 0.980 | 0.980 | 0.980 | 0.960 | 0.960 | 0.960 |
| Charles | 0.996 | 0.996 | 1.016 | 1.016 | 1.016 | 1.026 | 1.026 | 1.026 | 1.026 | 1.026 |
| Dorchester | 0.870 | 0.870 | 0.880 | 0.880 | 0.880 | 0.930 | 0.930 | 0.920 | 0.896 | 0.896 |
| Frederick | 0.904 | 1.000 | 1.000 | 1.100 | 1.135 | 1.135 | 1.135 | 1.064 | 1.064 | 1.064 |
| Garrett | 1.036 | 1.036 | 1.036 | 1.036 | 1.036 | 1.036 | 1.036 | 1.000 | 1.000 | 1.000 |
| Hanford | 1.092 | 1.092 | 1.092 | 1.092 | 1.092 | 1.092 | 1.092 | 1.082 | 1.082 | 1.082 |
| Howard | 1.152 | 1.152 | 1.170 | 1.170 | 1.170 | 1.170 | 1.170 | 1.140 | 1.150 | 1.150 |
| Kent | 0.932 | 1.012 | 1.012 | 1.012 | 1.012 | 1.012 | 1.012 | 0.992 | 0.972 | 0.972 |
| Montgomery | 1.020 | 1.021 | 1.021 | 1.019 | 1.019 | 1.009 | 1.009 | 0.967 | 0.916 | 0.916 |
| Prince George's | 1.288 | 1.288 | 1.286 | 1.286 | 1.319 | 1.319 | 1.319 | 1.319 | 1.319 | 1.319 |
| Queen Anne's | 0.876 | 0.976 | 0.976 | 0.976 | 0.976 | 0.926 | 0.926 | 0.870 | 0.800 | 0.770 |
| St. Mary's | 0.832 | 0.908 | 0.908 | 0.908 | 0.908 | 0.878 | 0.878 | 0.872 | 0.857 | 0.857 |
| Somerset | 0.860 | 0.980 | 0.980 | 1.010 | 1.010 | 1.010 | 1.010 | 0.990 | 0.940 | 0.940 |
| Talbot | 0.556 | 0.556 | 0.556 | 0.553 | 0.553 | 0.540 | 0.540 | 0.520 | 0.500 | 0.475 |
| Washington | 0.924 | 0.948 | 0.948 | 0.948 | 0.948 | 0.948 | 0.948 | 0.948 | 0.948 | 0.948 |
| Wicomico | 0.900 | 1.084 | 1.070 | 1.047 | 1.041 | 1.025 | 1.025 | 0.993 | 0.942 | 0.881 |
| Worcester | 0.696 | 0.696 | 0.730 | 0.730 | 0.730 | 0.730 | 0.730 | 0.700 | 0.700 | 0.700 |

Note: The rate in Charles, Frederick, Howard, Montgomery, and Prince George's counties reflect special rates for services not funded from the general county property tax rate.

Source: Department of Legislative Services

Exhibit 4.4

County Income Tax Rates in Calendar 2000-2009

| County | CY 2000 | CY 2001 | CY 2002 | CY 2003 | CY 2004 | CY 2005 | CY 2006 | CY 2007 | CY 2008 | CY 2009 |
|-----------------|---------|---------|---------|---------|---------|---------|---------|---------|---------|---------|
| Allegany | 2.82% | 2.87% | 2.93% | 2.93% | 2.93% | 2.93% | 2.93% | 2.93% | 3.05% | 3.05% |
| Anne Arundel | 2.50% | 2.53% | 2.56% | 2.56% | 2.56% | 2.56% | 2.56% | 2.56% | 2.56% | 2.56% |
| Baltimore City | 2.48% | 2.51% | 3.05% | 3.05% | 3.05% | 3.05% | 3.05% | 3.05% | 3.05% | 3.05% |
| Baltimore | 2.76% | 2.79% | 2.83% | 2.83% | 2.83% | 2.83% | 2.83% | 2.83% | 2.83% | 2.83% |
| Calvert | 2.52% | 2.55% | 2.60% | 2.60% | 2.80% | 2.80% | 2.80% | 2.80% | 2.80% | 2.80% |
| Caroline | 2.77% | 2.57% | 2.63% | 2.63% | 2.63% | 2.63% | 2.63% | 2.63% | 2.63% | 2.63% |
| Carroll | 2.77% | 2.80% | 2.85% | 2.85% | 3.05% | 3.05% | 3.05% | 3.05% | 3.05% | 3.05% |
| Cecil | 2.51% | 2.80% | 2.80% | 2.80% | 2.80% | 2.80% | 2.80% | 2.80% | 2.80% | 2.80% |
| Charles | 2.81% | 2.85% | 2.90% | 2.90% | 2.90% | 2.90% | 2.90% | 2.90% | 2.90% | 2.90% |
| Dorchester | 2.51% | 2.56% | 2.62% | 2.62% | 2.62% | 2.62% | 2.62% | 2.62% | 2.62% | 2.62% |
| Frederick | 2.51% | 2.96% | 2.96% | 2.96% | 2.96% | 2.96% | 2.96% | 2.96% | 2.96% | 2.96% |
| Garrett | 2.53% | 2.58% | 2.65% | 2.65% | 2.65% | 2.65% | 2.65% | 2.65% | 2.65% | 2.65% |
| Harford | 2.51% | 3.06% | 3.06% | 3.06% | 3.06% | 3.06% | 3.06% | 3.06% | 3.06% | 3.06% |
| Howard | 2.41% | 2.43% | 2.45% | 2.45% | 3.20% | 3.20% | 3.20% | 3.20% | 3.20% | 3.20% |
| Kent | 2.51% | 2.54% | 2.58% | 2.58% | 2.58% | 2.85% | 2.85% | 2.85% | 2.85% | 2.85% |
| Montgomery | 2.90% | 2.92% | 2.95% | 2.95% | 3.20% | 3.20% | 3.20% | 3.20% | 3.20% | 3.20% |
| Prince George's | 3.00% | 3.04% | 3.10% | 3.10% | 3.20% | 3.20% | 3.20% | 3.10% | 3.10% | 3.20% |
| Queen Anne's | 2.76% | 2.80% | 2.85% | 2.85% | 2.85% | 2.85% | 2.85% | 2.85% | 2.85% | 2.85% |
| St. Mary's | 2.92% | 3.10% | 3.10% | 3.10% | 3.15% | 3.15% | 3.15% | 3.15% | 3.15% | 3.15% |
| Somerset | 3.01% | 3.08% | 3.15% | 3.15% | 3.15% | 3.15% | 3.15% | 3.15% | 3.15% | 3.15% |
| Talbot | 1.75% | 1.77% | 1.79% | 1.79% | 2.25% | 2.25% | 2.25% | 2.25% | 2.25% | 2.25% |
| Washington | 2.51% | 2.80% | 2.80% | 2.80% | 2.80% | 2.80% | 2.80% | 2.80% | 2.80% | 2.80% |
| Wicomico | 3.01% | 3.05% | 3.10% | 3.10% | 3.10% | 3.10% | 3.10% | 3.10% | 3.10% | 3.10% |
| Worcester | 1.25% | 1.25% | 1.25% | 1.25% | 1.25% | 1.25% | 1.25% | 1.25% | 1.25% | 1.25% |

Source: Comptroller's Office

Exhibit 8.1

County Unreserved General Fund Balances and "Rainy Day" Funds
Fiscal 2008
 (\$ in Thousands)

| County | General Fund Revenues | Unreserved Undesignated | "Rainy Day" Fund | (1) | | | (2) | | | (3) | | | Balance Less Designated | Balance as a % of Revenues |
|-----------------------|-----------------------|-------------------------|--------------------|--------------------|-----------------------|-----------------------|----------------------------|----------------------------|-------------|-----------------------|-----------------------|----------|-------------------------|----------------------------|
| | | | | Total | Unreserved Designated | Unreserved Designated | Unreserved and "Rainy Day" | Unreserved and "Rainy Day" | Revenues | Unreserved Designated | Unreserved Designated | Revenues | | |
| Allegany (b) | \$75,430.4 | \$1,744.5 | \$7,500.0 | \$2,647.9 | \$11,892.4 | | 15.8% | | \$9,244.5 | | | | 12.3% | |
| Anne Arundel (c) | 1,114,095.3 | 11,780.0 | 47,818.4 | 42,667.2 | 102,265.6 | | 9.2% | | 59,598.4 | | | | 5.3% | |
| Baltimore City (c) | 1,311,436.0 | 13,450.0 | 92,510.0 | 20,179.0 | 126,139.0 | | 9.6% | | 105,960.0 | | | | 8.1% | |
| Baltimore (b) | 1,622,733.0 | 118,530.0 | 82,943.0 | 56,457.0 | 257,930.0 | | 15.9% | | 201,473.0 | | | | 12.4% | |
| Calvert (b) | 206,457.2 | 17,710.0 | 21,582.1 | 16,357.0 | 55,649.1 | | 27.0% | | 39,292.1 | | | | 19.0% | |
| Caroline | 42,164.5 | 2,721.9 | 0.0 | 0.0 | 2,721.9 | | 6.5% | | 2,721.9 | | | | 6.5% | |
| Carroll (b) | 308,314.8 | 14,858.8 | 17,350.0 | 13,647.1 | 45,855.9 | | 14.9% | | 32,208.8 | | | | 10.4% | |
| Cecil (c) | 155,175.8 | 7,629.8 | 12,091.6 | 18,350.8 | 38,072.1 | | 24.5% | | 19,721.4 | | | | 12.7% | |
| Charles | 280,135.2 | 39,568.8 | 0.0 | 12,815.4 | 52,384.2 | | 18.7% | | 39,568.8 | | | | 14.1% | |
| Dorchester (d) ** | 54,518.8 | 2,270.2 | 3,003.2 | 1,893.4 | 7,166.8 | | 13.1% | | 5,273.3 | | | | 9.7% | |
| Frederick (a) | 426,983.8 | 0.0 | 20,973.4 | 46,788.6 | 67,761.9 | | 15.9% | | 20,973.4 | | | | 4.9% | |
| Garrett ** | 72,689.7 | 3,589.4 | 0.0 | 24,472.8 | 28,062.3 | | 38.6% | | 3,589.4 | | | | 4.9% | |
| Harford (b) | 412,286.3 | 7,275.1 | 24,366.3 | 37,656.7 | 69,298.1 | | 16.8% | | 31,641.4 | | | | 7.7% | |
| Howard (c) | 770,498.5 | 5,643.6 | 45,095.4 | 42,277.9 | 93,017.0 | | 12.1% | | 50,739.1 | | | | 6.6% | |
| Kent (c) | 41,523.5 | 4,650.7 | 0.0 | 236.6 | 4,887.3 | | 11.8% | | 4,650.7 | | | | 11.2% | |
| Montgomery (d) | 2,607,087.8 | 83,580.6 | 119,647.6 | 80,767.1 | 283,995.3 | | 10.9% | | 203,228.2 | | | | 7.8% | |
| Prince George's (c) | 1,457,593.8 | 65,020.3 | 133,396.9 | 88,481.0 | 286,898.2 | | 19.7% | | 198,417.3 | | | | 13.6% | |
| Queen Anne's (c)** | 96,884.6 | 2,724.9 | 7,144.0 | 1,248.0 | 11,116.9 | | 11.5% | | 9,868.9 | | | | 10.2% | |
| St. Mary's (b) | 177,419.1 | 11,088.4 | 13,015.8 | 11,842.2 | 35,946.4 | | 20.3% | | 24,104.2 | | | | 13.6% | |
| Somerset | 32,188.5 | 547.3 | 0.0 | 10,200.0 | 10,747.3 | | 33.4% | | 547.3 | | | | 1.7% | |
| Talbot | 81,278.7 | 25,439.9 | 0.0 | 15,353.6 | 40,793.5 | | 50.2% | | 25,439.9 | | | | 31.3% | |
| Washington (b)** | 204,378.4 | 0.0 | 34,785.2 | 492.6 | 35,277.8 | | 17.3% | | 34,785.2 | | | | 17.0% | |
| Wicomico (b) | 122,648.4 | 15,137.5 | 9,939.1 | 9,187.0 | 34,263.6 | | 27.9% | | 25,076.6 | | | | 20.4% | |
| Worcester (d)** | 175,691.0 | 500.0 | 17,870.0 | 27,991.5 | 46,361.5 | | 26.4% | | 18,370.0 | | | | 10.5% | |
| Total | \$11,849,613.3 | \$455,461.6 | \$711,032.1 | \$582,010.3 | \$1,748,504.0 | | 14.8% | \$1,166,493.7 | 9.8% | | | | | |
| State of Maryland (c) | \$21,148,954.0 | \$959,412.0 | \$684,752.0 | \$537,984.0 | \$2,182,148.0 | | 10.3% | \$1,644,164.0 | | | | | 7.8% | |

Source: County Audit Reports, Fiscal 2008; additional information concerning rainy day funds obtained from county finance offices

Notes: Although these balances represent available resources at June 30, 2007, the county may have appropriated a portion of these amounts for the next year's budget.

1) Represents the portion of the fund balance that is unreserved and undesignated for utilization in a future period.

2) Rainy Day Funds represent amounts set aside in the event of an economic downturn. Counties label these funds a variety of names, including revenue stabilization, contingency funds, and cash reserves.

3) Represents the portion of the fund balance that is unreserved but designated for utilization in a future period. Such designations represent only tentative plans or intent.

The following categories describe where the rainy day fund is reported in the county comprehensive annual financial report. In instances where the rainy day fund is reported in either the unreserved undesignated or the unreserved designated, the rainy day amount was removed from columns (1) or (3) above.

a) Unreserved Undesignated

b) Unreserved Designated

c) Reserved

d) Special Revenue Fund

**Unaudited information. The audited financial statements were not available.

Exhibit 9.2
Maryland County Debt
Percent of Assessable Base
(in Thousands)

| County | County Assessable Base | | | Total County Debt | | | Total County Debts as Percent of Assessable Base | |
|-----------------|------------------------|----------------------|----------------------|--------------------|---------------------|---------------------|---|-------------|
| | FY 1997 | FY 2002 | FY 2007 | FY 1997 | FY 2002 | FY 2007 | FY 1997 | FY 2002 |
| Allegany | \$2,238,093 | \$2,619,721 | \$2,926,109 | \$49,069 | \$50,481 | \$60,965 | 2.2% | 1.9% |
| Anne Arundel | 29,877,593 | 35,718,709 | 60,826,688 | 622,430 | 752,629 | 852,644 | 2.1% | 2.1% |
| Baltimore City | 18,176,923 | 19,135,706 | 25,256,648 | 965,149 | 1,491,796 | 2,503,671 | 5.3% | 7.8% |
| Baltimore | 38,642,524 | 44,461,844 | 62,365,607 | 882,936 | 989,183 | 1,368,981 | 2.3% | 2.2% |
| Calvert | 5,191,357 | 5,994,754 | 9,742,417 | 75,984 | 75,282 | 126,293 | 1.5% | 1.3% |
| Caroline | 1,031,049 | 1,315,136 | 2,089,016 | 19,308 | 32,092 | 36,429 | 1.9% | 2.4% |
| Carroll | 7,685,538 | 9,613,245 | 15,453,866 | 183,949 | 209,490 | 253,415 | 2.4% | 2.2% |
| Cecil | 4,005,898 | 4,898,286 | 7,932,003 | 57,133 | 72,386 | 138,746 | 1.4% | 1.5% |
| Charles | 6,580,546 | 8,196,799 | 13,304,605 | 129,711 | 116,843 | 295,090 | 2.0% | 1.4% |
| Dorchester | 1,359,173 | 1,561,926 | 2,400,917 | 22,183 | 28,563 | 21,138 | 1.6% | 1.8% |
| Frederick | 10,407,683 | 13,153,137 | 22,292,911 | 161,151 | 304,167 | 524,052 | 1.5% | 2.3% |
| Garrett | 1,567,061 | 1,983,077 | 3,371,967 | 22,728 | 20,224 | 37,146 | 1.5% | 1.0% |
| Harford | 10,100,507 | 12,853,978 | 19,926,361 | 198,352 | 282,963 | 251,248 | 2.0% | 2.2% |
| Howard | 16,375,306 | 21,634,597 | 36,224,837 | 686,302 | 593,725 | 987,698 | 4.2% | 2.7% |
| Kent | 1,228,123 | 1,384,894 | 2,181,116 | 10,668 | 13,650 | 23,220 | 0.9% | 1.0% |
| Montgomery | 70,376,973 | 81,979,029 | 145,815,228 | 2,757,739 | 3,154,483 | 3,685,125 | 3.9% | 3.8% |
| Prince George's | 38,310,448 | 41,781,816 | 62,726,164 | 1,839,361 | 1,742,513 | 1,982,007 | 4.8% | 4.2% |
| Queen Anne's | 2,591,331 | 3,324,736 | 6,174,441 | 54,996 | 70,544 | 90,714 | 2.1% | 2.1% |
| St. Mary's | 4,089,059 | 5,223,319 | 8,227,294 | 91,343 | 135,401 | 155,113 | 2.2% | 2.6% |
| Somerset | 648,667 | 730,901 | 1,180,315 | 15,496 | 17,630 | 26,030 | 2.4% | 2.4% |
| Talbot | 3,003,143 | 3,740,071 | 6,749,460 | 13,508 | 31,929 | 34,099 | 0.4% | 0.9% |
| Washington | 5,403,932 | 6,855,806 | 10,114,171 | 138,713 | 154,942 | 172,246 | 2.6% | 2.3% |
| Wicomico | 3,250,855 | 3,948,655 | 5,617,482 | 53,098 | 77,799 | 83,722 | 1.6% | 2.0% |
| Worcester | 5,558,467 | 6,670,953 | 14,483,821 | - 38,684 | 57,834 | 91,637 | 0.7% | 0.9% |
| Total | \$287,700,244 | \$338,781,095 | \$547,383,444 | \$9,089,994 | \$10,476,550 | \$13,791,431 | 3.2% | 3.1% |
| | | | | | | | 2.5% | |

Note: The Washington Suburban Sanitary Commission's (WSSC) debt is allocated to both Montgomery and Prince George's counties on a 50/50 basis.
Source: Uniform Financial Reports and Audited Financial Statements, Department of Legislative Services

Exhibit 11.1
Tax Capacity and Tax Effort
(Fiscal 2001-2003 Average)

| County | Tax Capacity | | | Tax Effort | | |
|----------------------|--------------|------|------------|------------|-------|------|
| | Index | Rank | Index | Rank | Index | Rank |
| Allegany | 55 | 22 | 126 | 2 | | |
| Anne Arundel | 115 | 6 | 88 | 13 | | |
| Baltimore City | 52 | 23 | 174 | 1 | | |
| Baltimore | 95 | 13 | 94 | 8 | | |
| Calvert | 115 | 7 | 81 | 20 | | |
| Caroline | 67 | 21 | 83 | 18 | | |
| Carroll | 98 | 11 | 86 | 14 | | |
| Cecil | 84 | 16 | 86 | 15 | | |
| Charles | 99 | 10 | 91 | 12 | | |
| Dorchester | 77 | 19 | 95 | 6 | | |
| Frederick | 103 | 9 | 94 | 9 | | |
| Garrett | 97 | 12 | 86 | 16 | | |
| Harford | 93 | 14 | 92 | 11 | | |
| Howard | 134 | 4 | 86 | 17 | | |
| Kent | 104 | 8 | 81 | 21 | | |
| Montgomery | 146 | 3 | 95 | 7 | | |
| Prince George's | 79 | 17 | 122 | 3 | | |
| Queen Anne's | 120 | 5 | 81 | 22 | | |
| St. Mary's | 89 | 15 | 82 | 19 | | |
| Somerset | 44 | 24 | 98 | 5 | | |
| Talbot | 160 | 2 | 54 | 24 | | |
| Washington | 79 | 18 | 93 | 10 | | |
| Wicomico | 72 | 20 | 104 | 4 | | |
| Worcester | 208 | 1 | 79 | 23 | | |
| State Average | 100 | | 100 | | | |

Source: Department of Legislative Services