

THE BOARD OF GARRETT COUNTY COMMISSIONERS

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Board of Commissioners

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June 1, 2014

Thomas A. Carr, President
Garrett County Board of Education
40 South Second Street
Oakland, Maryland 21550

Dear Honorable Members of the Board of Education:

The Board of County Commissioners is writing to express our frustration at the budgetary process and how the Board of Education has put the County in the unenviable position of now being placed in the collective bargaining negotiation process with the Garrett County Public School System employees. It was you, the Board of Education, who negotiated a salary increase only to then make an increase in employee compensation a controversial segment of the County Government Fiscal Year 2015 Budget. It would seem from a responsibility perspective that you would honor the Agreement you negotiated by eliminating items within the approved 2015 Board of Education Budget. This budget clearly indicates operating expenditures that could be delayed and certain requested areas could be reprioritized or deferred. This is precisely what the Board of Commissioners had to do in order to honor the funding agreement we made with you to avoid school closings.

There appears to be a concerted effort on the part of the Board of Education to turn every fiscal issue into a political issue rather than one of collaboration. By not taking the lead in funding the salary increases that were negotiated, this judgment is now contradictory and conflicting to the expressed principle that the Board has publically stated; which is that the Board of County Commissioners cannot dictate the expenditures of Garrett County Public School allocated funds. When convenient, it now appears the Board of County Commissioners is welcome to dictate where funding of additional requested funds will be allocated, and in this instance to cover salaries you negotiated. It is important to note that the increases you provided are not being contested by the Commissioners as very clearly this is within your discretion as the governing body for the Garrett County Public School System. The Board of County Commissioners is simply the funding authority with limited resources to meet core governmental services.

The Garrett County Government Fiscal 2015 Budget will be reduced by over \$6.5 million when compared to Fiscal Year 2014 (\$71.8 million vs. \$78.3 million). Conversely, the approved Fiscal Year 2015 Budget for the Board of Education increases from \$51.3 million to \$51.8 million when compared to Fiscal Year 2014, an increase of \$492,640 and an increase of \$800,725 when Fiscal Year 2015 is compared to 2013. For Fiscal Year 2015 the County total budget does not include any compensation increases for all

employee classifications; operating expenses for departments and component units/affiliate organizations remain at the same level or are reduced; and capital projects and outlay have been eliminated. The Department of Public Works – Roads Division will see a reduction in funding for Fiscal Year 2015 of over \$2 million. At the same time there is a \$771,341 (3%) increase in funding to the Board of Education from Garrett County taxpayers.

On May 20, 2014, the Board of Education publicly called for a timely meeting between the two elected boards. The Board of County Commissioners agreed to have such a session and it was agreed to conduct this public forum before announcement of the final adoption of the Garrett County Government Fiscal Year 2015 Operating and Capital Budget. Within days after that public appeal by the Board of Education and the response of agreement and commitment by the Board of County Commissioners, the Board of Education decided that there was no longer a need for such a meeting as you had stated your position already.

On December 17, 2013, the County pledged to assist with \$2.2 million in funding that would keep all elementary schools open. Even this decision was contested by the Board of Education and the Superintendent on the grounds that the Board of Commissioners could not dictate the use of funds. The Board of County Commissioners has honored our commitment and at the same time reduced the appropriation to other areas of public service funding. The Board of Education was aware of the realistic budget shortfall and structural deficit. The Board of County Commissioner's staff has repeatedly conveyed, presented, and justified this financial information to Board of Education administrative staff in the spirit of collaboration.

The frustration that the Board of County Commissioners continues to have is the Elected Board of Education Members and Superintendent's lack of cooperation and collaboration as we navigate these tough fiscal times. Every other County department, component unit, and affiliate organization have accepted and understood the difficult position we are in – ALL of us. The Board of Education has never provided or offered their opinion as to what other areas of funding would have their respective budgets reduced to direct funding for the increase for the Garrett County Public School System. Therefore, logic points to a decision to transfer these funds from other areas of public service funding or approving an increase in the real property tax rate. The Board of Commissioners started this budget process with a \$5.5 million dollar deficit and it was decided to not fund the deficit with an increase in the real property tax rate. Instead, we will balance the budget and the increase to the Garrett County Public School System by reducing other areas of public service and to transfer funds from the reserve fund balance that has been set aside for future capital projects; possibly including the potential \$16 million Southern Middle School renovation. The commitment to the public education of our children in Garrett County is indicative of a \$2.7 million dollar increase in operating funding to the Garrett County Public School System over the 4 budgets this Board of County Commissioners has been responsible for administering. We know there is a need to do more and we pledge to do so but this progressive plan has to be done in a collective and respectful manner that would come from open and honest dialogue between our two Boards.

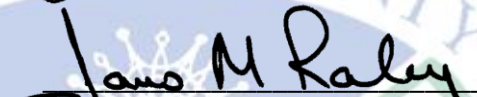
The Fiscal Year 2015 appropriation to the Garrett County Public School System will be \$26,972,885. The Board of County Commissioners would respectfully ask that you look to your budget to fund the additional \$261,000 which is one-half of one percent of the total Board of Education Fiscal Year 2015 Operating Budget.

In closing, it is our hope that the Board of Education would honor the contract agreement obligation to Garrett County Public School employees and make setting a time for the Board of Education and Board of County Commissioners to meet a priority so that we can commence with planning for imminent budget challenges. Together we can collectively move forward with a working relationship that is founded on understanding, cooperation, and mutual respect.

Sincerely,


Robert G. Gatto, Chairman


Gregan J. Crawford


James M. Raley

cc: R. Lamont Pagenhardt
Janet E. Wilson

