



September 5, 2017

The Honorable Larry Hogan, Governor
State of Maryland
100 State Circle
Annapolis, MD 21401

The Honorable Peter Franchot, Comptroller
State of Maryland
Goldstein Treasury Building
80 Calvert Street, Room 121
Annapolis, MD 21401

The Honorable Nancy K. Kopp, Treasurer
State of Maryland
Goldstein Treasury Building
80 Calvert Street, Room 109
Annapolis, MD 21401

Dear Members of the Board of Public Works:

The Maryland Association of Counties (MACo) respectfully requests that you vote against the Department of Budget and Management's proposed cut of \$6,028,885 to county disparity grants under Agency Code A00, Payments to Civil Divisions of the State. While counties are willing to shoulder their fair share of cuts necessary for ensuring the structural soundness of the State's budget, this particular cut, when considered along with restrictions placed upon these funds by the Maryland General Assembly during the 2017 legislative session, amounts to an unfair consequence for county governments who dutifully complied with the state direction for these funds.

In the Fiscal 2018 Budget Bill, the Maryland General Assembly required the affected jurisdictions to spend at least an amount equal to their respective allocations of these funds on their public schools over and above the amount required to meet maintenance of effort (MOE) for fiscal 2018. Each county complied, and has already committed to providing these funds to their school systems through their respective, approved budgets. The proposed midyear cut

would leave little choice but to cut other essential county-funded services, such as public safety, health, and transportation.

MACo does not regularly intervene in midyear funding issues before the Board of Public Works. In fact, in 2016, following a deep decline in State revenue forecasts, MACo did not directly object to the midyear cuts proposed and accepted – including a roughly analogous flat-funding of the disparity grant program. It is the specific circumstance of this proposed cut that moves our Association to raise this concern.

The State obliged counties receiving a disparity grant increase to direct these funds to education. The counties did so. To now rescind that very funding unfairly penalizes other county-funded priorities. Given the lack of an immediate fiscal crisis, MACo respectfully urges that you vote against this reduction to county disparity grants.

Sincerely,

A handwritten signature in black ink, appearing to read "Michael Sanderson". The signature is fluid and cursive, with the first name being the most prominent.

Michael Sanderson

Executive Director

Maryland Association of Counties