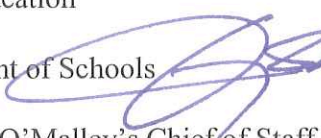


Office of the Superintendent of Schools
MONTGOMERY COUNTY PUBLIC SCHOOLS
Rockville, Maryland

January 14, 2009

MEMORANDUM

To: Members of the Board of Education

From: Jerry D. Weast, Superintendent of Schools 

Subject: Letter from Governor Martin O'Malley's Chief of Staff

I am writing to inform you that late yesterday my office received a letter from Governor Martin O'Malley's chief of staff, Mr. Michael Enright, informing me that Montgomery County Public Schools (MCPS) would be reimbursed the \$24 million MCPS was shorted in the Fiscal Year 2009 budget.

This is the first official communication I have received about this error which, as you know, has garnered a fairly significant amount of media attention and has caused ripples across the state because of the magnitude of the error. As has been reported, the error in property value calculation resulted in an overpayment to the other jurisdictions in the state of some \$31 million. The letter includes an apology from Mr. Enright for the error that occurred by the State Department of Assessment and Taxation. I want to commend Gov. O'Malley for taking such quick action to correct the mistake and restore our funding once he was informed of the problem. I know our community appreciates the governor acknowledging and then working to correct the mistake over the last two weeks.

In the letter, Mr. Enright says that a deficiency appropriation will be made to make MCPS whole and that the money will be available to us as soon as the budget is approved in April 2009 rather than on July 1, 2009.

Mr. Enright assures me in the letter that changes have been made and more oversight has been added to the process to ensure that such an error does not occur again. We will continue to work with our legislative delegation and county officials to make sure that our community receives the funding it deserves from the state.

I will continue to keep you informed.

JDW:sln

Attachment

Copy to:

Mr. Leggett

Mr. Firestine

Members of the County Council

Members of the Delegation

Union Presidents

Ms. Romero

STATE OF MARYLAND
OFFICE OF THE GOVERNORMICHAEL R. ENRIGHT
CHIEF OF STAFF

January 13, 2009

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OFFICE OF THE
SUPERINTENDENT OF SCHOOLSJerry D. Weast, Ed.D
Superintendent of Schools
Montgomery County Public Schools
850 Hungerford Drive
Rockville, MD 20850.

Dear Dr. Weast:

Enclosed please find the copy of a letter I received late last week from the Director of the State Department of Assessment and Taxation ("SDAT"), which I hope explains in large measure how the error resulting in the \$24 million shortfall to Montgomery County schools occurred.

Let me first apologize that the error ever occurred at SDAT.

The Governor has ordered the State Department of Budget and Management ("DBM") to make sure Montgomery County is restored the money it would have otherwise received. This will be done through a deficiency appropriation in the 2010 budget; therefore, when the budget is approved in April, 2009 the \$24 million, which is about 4% of the record \$593 million in state aid to County schools, will be immediately available, and not on July 1 as first thought.

As the enclosed memo attests, changes have been made and more oversight added to the review and verification of the assessable base calculations. Discipline has also been issued for those employees responsible.

Furthermore, DBM Secretary Eloise Foster has adopted new oversight steps in her office to make sure that when revisions to assessable base estimates are made, DBM will recalculate the education formulas to ensure the revisions do not have a material impact on any county's state education aid, as it regrettably did in this case.

I look forward to working with you in the challenging New Year ahead.

Very truly yours,

Michael R. Enright
Chief of Staff

MRE:kt