

# **2009 Interim Recommendations of the Joint Legislative Workgroup to Study State, County, and Municipal Fiscal Relationships**

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1. Encourage the counties and municipalities to review and provide the workgroup comments about the Procurement Advisory Council's *Report to the General Assembly on Public Procurement: Cooperation Among State and Local Entities and Maximizing Small Business Participation in Intergovernmental Cooperative Purchasing*. Comments should focus on any barriers that exist to taking full advantage of creating purchasing consortiums with other local governments, including school systems, to achieve economies of scale.
2. Encourage the counties and municipalities to continue pursuing cost efficiencies.
3. Require the local school systems to continue reporting to the General Assembly about their efforts to achieve budget efficiencies.
4. Request counties and municipalities to provide a list of obsolete or ineffective laws that, if repealed or revised, would result in cost savings.
5. Encourage the Board of Public Works to provide as much notice as possible to local governments of any impending mid-year reductions to State aid.
6. Continue studying the fiscal relationships between the State, county, and municipal governments, the division of responsibility for providing government services, and the revenue authority and structures of Maryland's State and local governments.
7. Make adjustments to the current maintenance of effort (MOE) waiver process
  - a. Alter the deadlines:
    - County application deadline: Seven days following the end of session or May 1, whichever is earlier
    - State Board of Education decision deadline: June 1 or 45 days after receipt of the application, whichever is earlier
  - b. Codify in State law the following eight factors to be considered by the State Board of Education in deciding whether to grant a waiver::
    1. external environmental factors such as a loss of a major employer or industry
    2. tax bases
    3. rate of inflation relative to growth of student population
    4. maintenance of effort requirement relative to the county's statutory ability to raise revenues
    5. history of exceeding required MOE amount
    6. agreement between county government and school board
    7. broad economic downturn
    8. significant reductions in State aid to counties and municipalities