

## **Testimony in Opposition to House Bill 342 Retirement Tax Reduction Act of 2020**

**House Ways & Means Committee  
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Government Relations**

This year the Maryland General Assembly will hear many proposals for tax credits and modifications for specific populations and purposes. As you are considering these proposals the Maryland State Education Association urges you to consider the ramifications that each one will have on the General Fund and our ability to provide a high-quality education to every K-12 student in our state. House Bill 342 is estimated to cost the state \$286.5 million in FY 2025 and over \$1.344 billion between FY 2023 and FY 2027. It is also estimated to decrease local governments' revenues by \$879.9 million over that same 5 year period. These costs to the state and local governments will make it even harder to close the already steep public education funding gap.

MSEA represents 75,000 educators and school employees who work in Maryland's public schools, teaching and preparing our 896,837 students for the careers and jobs of the future. MSEA also represents 39 local affiliates in every county across the state of Maryland, and our parent affiliate is the 3 million-member National Education Association (NEA).

Public education, as with many other worthy services provided by government, is a common good and needs to be supported with revenue sources that are broad based, reliable, and stable. Providing adequate funding for education is an investment that promotes families, communities, economic development, and public safety. Investing in education provides an educated workforce that pays income taxes based upon higher salaries, pays sales taxes based upon greater consumer demand, and pays property taxes through expanded home purchasing power. Today's investment in education is tomorrow's increased government revenues.

This is especially vital as the state examines how to pay for the recommendations of the Commission on Innovation and Excellence in Education, better known as the Kirwan Commission. In response to a state-commissioned report finding our schools are annually underfunded by \$2.9 billion, the Commission developed a plan to improve investment in our schools for the purposes of (1) closing the gap in salaries between Maryland teachers and other high-skilled professions, (2) addressing understaffing in schools by hiring more than ten thousand additional teachers, school counselors, psychologists, and paraprofessionals, (3) making voluntary access to public pre-kindergarten universal for four-year-olds and free for low-income three-year-olds, (4) greatly expanding career and technical education in high school so all students can choose to pursue industry certification, (5) utilizing the community school model in any school that serves an area with concentrated poverty, (6) significantly increasing funding



for special education, and (7) establishing a strong accountability structure to ensure schools implement such policies.

Backed by the best practices of strong-performing school systems around the world and firsthand experience of Maryland educators, we know these strategies will greatly improve the quality of education for all our students. But they will not materialize without the necessary dedicated revenue.

**MSEA respectfully requests an unfavorable report on House Bill 342.**