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of Howard County**

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**Board of Education of Howard County  
Testimony Submitted to the Maryland Senate,  
Budget and Taxation Committee  
February 28, 2024**

**SB0803: UNFAVORABLE**

**Education – Local Share of Major Education Aid – Nonrecurring Costs Exclusion**

The Board of Education of Howard County (the Board) opposes **SB0803 Education – Local Share of Major Education Aid – Nonrecurring Costs Exclusion** for its potential negative impacts on local school system budgeting.

Education Article § 5–235 governs the calculation of Maintenance of Effort (MOE) and the provisions for inclusion of non-recurring funds in the calculation of the county’s highest local appropriation to its school operating budget. SB0803 would allow a local board of education and county governing body to agree to designate spending in excess of the local share of major education aid as nonrecurring costs that are supplemental to the regular school operating budget.

SB0803 could affect local counties and local school systems in terms of potentially altering the dynamics around above-MOE requests and non-recurring costs. It could increase the amount of funding requested in the above-MOE on a year-over-year basis. Currently, the above-MOE requests are limited to recurring costs. If some of the costs can be classified as non-recurring, those costs would not factor into the MOE calculation for the next year. If true recurring costs get classified as non-recurring, it could potentially lead to an even larger above-MOE request in the next year to replace the non-recurring funds for services that are ongoing.

While staff supports the opportunity SB0803 creates for greater collaboration on budget strategies between the county and school boards, it is more likely the bill would cause confusion. There is already a non-recurring cost exclusion in statute and the Maryland Code of Regulations (COMAR) has specific definitions for what can be counted as non-recurring cost exclusion. Creating another non-recurring cost exclusion that applies to the above-MOE seems redundant and would require a definition of costs distinct from the current non-recurring cost exclusions.

For these reasons, we urge an UNFAVORABLE report of SB0803 from this Committee.