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BILL: SB 803

TITLE: Education – Local Share of Major Education Aid – Nonrecurring Costs Exclusion

DATE: February 28, 2024

POSITION: Unfavorable

COMMITTEE: Senate Budget and Taxation Committee

CONTACT: Mary Pat Fannon, Executive Director, PSSAM

The Public School Superintendents’ Association of Maryland (PSSAM), on behalf of all twenty-four public school superintendents, **opposes SB 803.**

This legislation authorizes the exclusion of certain costs from the calculation of a county's highest local appropriation to its school operating budget if a county board of education and a county governing body agree annually to designate certain spending as nonrecurring costs.

Maryland’s calculation of local governments’ aid to school systems was first embedded in law as “Maintenance of Effort (MoE) provisions” in 2012, and subsequently altered in the Blueprint for Maryland’s Future to include “local share” as a second potential funding calculation. While neither of these are perfect formulas for all local school systems, they have served as a useful budgeting tool and to provide a predictable amount of funding from local governments.

Generally, each county must provide, at a minimum, the greater of (1) the local share of certain major education aid formulas or (2) the per pupil amount provided by the county in the previous year, (known as maintenance of effort). Under current law, counties may request that nonrecurring costs be excluded from the maintenance of effort calculation and seek approval by the State Board of Education.

This legislation would expand upon the existing nonrecurring cost waiver provision; however, we feel the current law is sufficient in addressing these one-time/nonrecurring expenditures. We believe this legislation is written in such a way that counties could force local system systems to accept “nonrecurring costs” as a way to cap local aid by excluding what may have been normally been appropriated above above maintenance of effort, or local share; creating a disincentive to increase their annual appropriations.

We appreciate the difficult budgeting task of local governments - balancing education funding with the other important services they provide to our communities. However, we must continue to advocate for the most equitable and adequate local contribution to education aid. Therefore, we support the continuation of our existing strong and accountable MoE requirement that ensures local governments are meaningful partners in education funding.

For these reasons, PSSAM requests an **unfavorable** report on Senate Bill 803.