

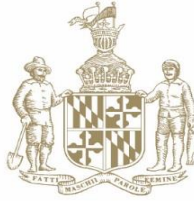
WILLIAM WIVELL
Legislative District 2A
Washington County

Environment and Transportation
Committee

Subcommittees

Housing and Real Property

Local Government and
Bi-County Issues



THE MARYLAND HOUSE OF DELEGATES
ANNAPOLIS, MARYLAND 21401

Annapolis Office
The Maryland House of Delegates
6 Bladen Street, Room 322
Annapolis, Maryland 21401
410-841-3447 · 301-858-3447
800-492-7122 Ext. 3447
Fax 410-841-3818 · 301-858-3818
William.Wivell@house.state.md.us

District Office
P.O. Box 273
51 South Main Street
Smithsburg, Maryland 21783
301-824-3369

HB1156, Primary & Secondary Education – Education & Savings Account Program -- Established.

I am pleased to present HB1156 for your consideration.

HB1156 establishes educational savings accounts for children in kindergarten through grade 12 for parents who so choose to relieve the Local Education Authority (LEA) from the responsibility of educating their child.

The bill delineates the responsibilities of the MD State Department of Education, the parent of the eligible child, the qualifying school, and the funding mechanism, and directs MSDE to adopt regulations necessary to administer the requirements of the bill.

The ESA's may only be utilized for a child whose parent has agreed to relieve the LEA of the responsibility to educate the child, and any funds not utilized for that specific purpose are returned to the State. The bill establishes ESA funding in 2 levels, with the family Federal Poverty Level (FPL) being the determining factor. A family whose income is less than 500% of the FPL would be funded at 75% of the per pupil amount for State and local funding and at 50% for those whose family income exceeds 500% of the FPL. For 2020, the FPL in the 48 contiguous states for a family of four is \$26,196 annually, with 500% being \$130,980. As an example, in Washington County where the total per pupil funding is \$14,289, an ESA would be funded at \$10,717 (75%), or \$7,144 (50%). As written, the bill includes the student in the enrollment count of the LEA. So, looking at it another way, the LEA retains either 25% or 50% (\$3,572 or \$7,145 in my Washington County example) of the funding without the obligation to educate the child. Being an accountant, this is intentional in order for the LEA to cover their fixed costs.

Although not funding an alternative education in its entirety, HB1156 would help to defray the financial burden on those who might choose an alternative educational opportunity for their child – an opportunity that might not otherwise exist. The bill also allows parents to contribute to the ESA on a pre-tax basis. A qualifying school is defined in the bill as any nonpublic school that provides primary or secondary education and meets MSDE program requirements. Unlike last year's bill, home-school programs are intentionally excluded from the bill this year due to the high fiscal cost.

Several states have adopted education savings accounts to empower new learning opportunities for their students. Some of these states have adopted the legislation to assist students with special needs and circumstances to allow these students to excel in specialized environments.

I thank you for your attentiveness and ask for a favorable report on HB1156. Thank you.