

# **SB803\_Brooks.pdf**

Uploaded by: Benjamin Brooks

Position: FAV

**BENJAMIN BROOKS**  
*Legislative District 10*  
Baltimore County

Education, Energy, and the  
Environment Committee  
Energy Subcommittee

Chair, Joint Electric Universal  
Service Program Workgroup



**THE SENATE OF MARYLAND**  
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**TESTIMONY IN SUPPORT OF SB803**  
**Education – Local Share of Major Education Aid- Nonrecurring Costs Exclusion**  
Budget & Taxation  
February 28, 2024

Chair Guzzone, Vice-Chair Rosapepe, and Members of the Committee,

Thank you for the opportunity to testify before you on SB803: Education - Local Share of Major Education Aid - Nonrecurring Costs Exclusion. The purpose of this bill is to create a second deadline by which the counties and school systems can designate an expense as one-time, non-recurring.

Maryland’s “maintenance of effort” (MOE) school funding law, enacted by the General Assembly, requires that counties maintain the same amount of funding for education per pupil each year. However, not every investment needs to be a continued, yearly appropriation. Sometimes, there are one-time expenses or non-recurring costs.

Non-recurring costs allow county governments to provide one-time school funding for one-time education costs without triggering perpetual mandates. This allows for investments in things like computer labs, technology enhancements, new program costs, or even new library books to be exempted from the State’s MOE calculation. Currently, for school systems to receive a waiver for one-time investments and non-recurring costs, they must apply to Maryland State Department of Education (MSDE) by March 31<sup>st</sup>.

However, the current system presents a major barrier for educational investments by local governments. The March deadline is several months before most counties complete their annual budgets and before they may be aware of extra funds which could be utilized for these one-time expenses. This means that counties have to plan for non-recurring costs before they know whether they have additional funds for schools. SB803 merely provides a second date of June 1<sup>st</sup>, by which the counties and school systems could agree to designate an expense as non-recurring. This will allow the counties additional time to finalize their budgeting process before seeking exemptions. Thus, providing them a second opportunity to seek their non-recurring exemptions.

When it comes to educating our students, we should not let available, local money be left on the table because of one arbitrary deadline. SB803 will give the counties more flexibility when it comes to investing in our students.

For these reasons, I am requesting a favorable report on SB803.

With kindest regards,

A handwritten signature in cursive script that reads "Benjamin T. Brooks".

Benjamin Brooks

**SB0803-BT\_MACo\_SUP.pdf**

Uploaded by: Kevin Kinnally

Position: FAV



## Senate Bill 803

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

MACo Position: **SUPPORT**

To: Budget and Taxation Committee

Date: February 28, 2024

From: Brianna January and Kevin Kinnally

The Maryland Association of Counties (MACo) **SUPPORTS** SB 803. This bill adds a second, later application deadline for school systems to apply for nonrecurring cost waivers for one-time expenses to better align with the county government budget cycle. **In doing so, the bill will allow and encourage counties to collaboratively invest one-time funds in Maryland’s public schools instead of being forced to leave money on the table because of the current early deadline.**

Currently, school systems are statutorily authorized to apply to the State Board of Education for a “nonrecurring costs waiver” for expenses that the school system and county government agreed were one-time in nature and should not become part of the county’s maintenance of effort (MOE) requirements. Examples of these expenses include laptops, career and technical education (CTE) equipment, and personal protection equipment (PPE) like during the COVID-19 pandemic. Waiver applications are due to the State Board on March 31 each year.

This early deadline is not ideal for county budget cycles and processes, most of which do not end with a negotiated, final budget until May or June. Unfortunately, this means that county governments may conclude their budget-setting processes in early summer with funds that could be allocated for one-time school expenses, but because the waiver deadline passed on March 31, they are unable to do so.

**This current process means that counties are potentially leaving money on the table that could otherwise go to Maryland schools. SB 803 seeks to remedy that by adding a second waiver application on June 1.** Importantly, the bill does not replace or remove the March 31 deadline but simply adds a second, later deadline so counties and schools who agree upon a one-time set-aside may do so later in the budget process, once the full picture of the county budget is clearer.

Counties view SB 803 as a simple fix with an important impact and strongly support the bill as an additional chance to allocate one-time funds to Maryland’s public schools and students. For these reasons, MACo **SUPPORTS** SB 803 and urges a **FAVORABLE** report.

**Anne Arundel County \_FAV\_SB803.pdf**

Uploaded by: Steuart Pittman

Position: FAV



February 28, 2024

**Senate Bill 803**

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

**Senate Budget and Taxation Committee**

**Position: FAVORABLE**

Anne Arundel County **SUPPORTS** Senate Bill 803 – Education - Local Share of Major Education Aid - Nonrecurring Costs Exclusion.

This bill excludes non recurring costs from the highest appropriation to a county school's operating budget once those costs are identified and agreed upon by the county.

Currently, school systems can apply for non recurring cost waivers by March 31st, which normally occurs while schools are in the early stages of assessing their budgets. The current deadline creates potential conflict for schools who need these waivers, but may not have much time to thoroughly assess the extra resources to obtain them. Senate Bill 803 seeks to remedy this issue by offering a secondary deadline of June 1st, allowing for additional time for waiver applications. This bill also defines non recurring costs and ensures that the Maintenance of Effort requirement is more attainable by excluding these costs from operating budgets once a governing body agrees. Laptops, instructional programs, and other learning enhancements should be accessible to available students, and Senate Bill 803 allows for flexibility in obtaining these critical learning tools.

Anne Arundel County supports giving our schools the best chance to implement a budget that reflects the needs of all of our students, and for these reasons, I respectfully request a **FAVORABLE** report on Senate Bill 803.

# **SB 803 Education – Local Share of Major Education**

Uploaded by: Mary Pat Fannon

Position: UNF



**Mary Pat Fannon, Executive Director**

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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

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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.

# **SB803- Oppose (1).pdf**

Uploaded by: Riya Gupta

Position: UNF



**Testimony in OPPOSITION of  
Senate Bill 803: Local Share of Major Education Aid – Nonrecurring Costs Exclusion**

**Budget and Taxation Committee**

**Position: Unfavorable**

February 28, 2024

Strong Schools Maryland is a network of education advocates dedicated to ensuring the full funding and faithful implementation of the Blueprint for Maryland's Future, which calls for an equitable investment into the Maryland education system. **Strong Schools Maryland is writing in opposition to Senate Bill 803**, which allows a county board of education and a county governing body to exclude costs that are in excess to local share as nonrecurring and supplemental to the school's operating budget.

The passage of the Blueprint came with innovative funding approaches by the General Assembly and Administration and the reinforcement of the concept of "wealth equalized" where both the State and local jurisdictions come together to fully fund Maryland's education system.

We are concerned that Senate Bill 803:

- Mischaracterizes costs that are in excess of the local share amount as "nonrecurring" and supplemental, when those costs may be crucial and necessary to support students in the school district. The bill fails to define "certain expenditures" providing no limit to the allowable exclusion;
- Conflates the idea of local share of major education aid with the maximum a county needs to fund their schools, while it is truly the minimum; and
- Allows county/city governments to waive their commitment to fully fund the school system in comparison to previous years.

Education costs in Maryland are rising due to economic factors like inflation and because Maryland, with the passage of the Blueprint, recognized what it actually means to meet the needs of students so they can learn and thrive in school. Senate Bill 803 is an irresponsible attempt to shirk out the responsibility to fully fund schools at the local level.

**For these reasons, we strongly urge an unfavorable report on Senate Bill 803.**

*For more information, contact Riya Gupta at [riya@strongschoolsmaryland.org](mailto:riya@strongschoolsmaryland.org)*

**SB0803 Howard Co BOE Testimony 022824 for B&T - No**

Uploaded by: Staff Howard County

Position: UNF



**Board of Education  
of Howard County**

Jennifer Swickard Mallo, *Chair*

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Secretary/Treasurer*

**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.