



House Bill 760

Office of Legislative Audits - Local School Systems - Report

MACo Position: **SUPPORT**
WITH AMENDMENTS

To: Education, Energy, and the Environment
Committee

Date: March 20, 2024

From: Brianna January

The Maryland Association of Counties (MACo) **SUPPORTS HB 760 WITH AMENDMENTS**. This bill requires county boards of education to address repeat findings and recommendations presented in financial and other audits from various oversight authorities. **Counties support the bill's pursuit of transparency and accountability but seek to strengthen the bill with clarification of its enforcement mechanism.**

School funding is the largest portion of nearly all 24 county governments' operating budgets, with several counties dedicating over 60 percent of their total operating budget to public K-12 education. With this great public investment comes the critical responsibility to responsibly and effectively appropriate school funds.

Counties are particularly dedicated to transparency and accountability as state and local budgets invest historic taxpayer dollars under the Blueprint for Maryland's Future. It is for this reason that Maryland's 24 counties have empowered MACo to pursue greater public transparency in education spending as one of its four 2024 legislative initiatives: SB 1026/HB 1115 - County Boards of Education - Budgets - Notice (Transparency in Education Spending Act). Counties view HB 760 as a philosophically consistent complement to MACo's initiative and an important step in promoting efficiencies, balancing school budgets, and effectively investing in Maryland's public schools.

The subtitle HB 760 would amend has an enforcement mechanism, but it's not a fit for what the bill envisions, as it is clearly directed toward inter-category spending. The usual backstop for the audit process is the budget process; however, because state funding comes via formula and county funding comes via mandate, that element of accountability is largely lacking for these kinds of audits. **As such, counties seek an amendment to add some follow-through mechanism should a school system fail to correct fundings from the audit process, as required under HB 760.**

Counties support HB 760's efforts to increase transparency and accountability in Maryland's school spending but are concerned that the current law's enforcement mechanism is poorly suited to this new provision and should be clarified. For those reasons, MACo urges a **FAVORABLE WITH AMENDMENTS** report on HB 760.