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Maryland's Future Depends on Effective Education Policies

Position Statement in Support of House Bill 490 with Amendments

Given before the House Appropriations and Ways and Means Committees

Educating Maryland's children is one of the most important responsibilities of our state government, and one of the strongest tools available to support long-term economic growth. The 2021 Blueprint for Maryland's Future represents a commitment by Maryland lawmakers to provide the support Maryland's public schools need to provide an excellent education. House Bill 490 takes important steps to keep the Blueprint reforms on track, but leaves two key issues unaddressed. **For these reasons, the Maryland Center on Economic Policy supports House Bill 490 with amendment.**

House Bill 490 includes four important measures to support Blueprint implementation and enable Maryland's public schools to succeed:

- **Extends the current approach to counting low-income students.** This count is critical for ensuring that students who face greater challenges in the classroom receive the support they need through the compensatory education and concentration of poverty grants. Like many other states, Maryland has faced difficulty in accurately counting these students over the last decade – and the Trump administration's slate of cruel eligibility cuts and unnecessary administrative burdens in family supports that factor into Maryland's count may heighten these challenges. While the current system is far from perfect, more time is needed to craft a permanent replacement.
- **Permanently extends flexibility in use of concentration of poverty funding.** Current law allows concentration of poverty funds to be used to meet core instructional requirements only through FY 2027. Extending this flexibility ensures that school and district administrators can allocate funds to meet students' needs amid tumultuous circumstances.
- **Includes all evidence-based academic interventions in wraparound services.** Current law includes tutoring in the definition of wraparound services – the core purpose of concentration of poverty grants. House Bill 490 broadens this definition to include other academic interventions, as long as they are supported by high-quality research.
- **Allows greater flexibility in teacher recruiting and careers.** The Blueprint appropriately emphasizes teacher qualifications to ensure that Maryland's children are taught only by the best. At the same time, Maryland continues to face severe difficulties in recruiting and retaining enough teachers. House Bill 490 broadens options for teachers to qualify to work in Maryland while maintaining quality guardrails.

Counting Low-Income Students

While House Bill 490 takes the positive step of temporarily extending the current system for counting low-income students, we must make progress toward an effective permanent solution. The Maryland Center on Economic Policy

concur with Strong Schools Maryland's recommendation to require the Maryland State Department of Education, in consultation with the Accountability and Implementation Board, to submit a report on updating the compensatory education enrollment methodology by October 1, 2026. It is key that this process satisfy several standards:

- The process must be transparent and inclusive, with regular public updates and input from all stakeholders, including public hearings.
- All methodologies considered should include an equity analysis disaggregated by race, ethnicity, income, disability status, and language status.
- A new counting methodology must not serve as an excuse to cut funding. The current compensatory education and concentration of poverty funding formulas were developed with the existing counting methodology in mind. A change in measurement does not automatically result in a change in need. Any new methodology that reduces the total students identified as having low family incomes must be accompanied by a corresponding increase in funding weights to ensure that schools and students do not unfairly lose resources.

Prekindergarten Eligibility

Expanding access to high-quality, full-day pre-K is one of the most effective ways to improve Maryland's education system. Rigorous research shows that high-quality pre-K helps children even decades down the road, with benefits ranging from higher high school graduation rates to greater social and economic wellbeing in adulthood.¹ This is why the Blueprint for Maryland's Future prioritizes expanding access to high-quality, full-day pre-K for three- and four-year-olds.

However, under current law, about 1,100 children with disabilities and multilingual learners will lose access to pre-K or face higher out-of-pocket costs due to expiration of Tier 1 status for children in these groups with family income up to 600% of the federal poverty level. Another 900 are excluded altogether because their family income is too high.

While income is an important measure of families' ability to pay out-of-pocket fees, children with disabilities and multilingual learners face significant educational challenges regardless of family income. The current rules provide inadequate access for many of these students, and lock others out altogether.

To eliminate unnecessary barriers and ensure that we serve all students with the greatest needs, **we should permanently categorize all three- and four-year-old children with disabilities and multilingual learners as Tier 1.**

Maryland lawmakers have repeatedly shown with your actions that you value public education. The implementation fixes in House Bill 490, if augmented with the proposed additions, will continue this legacy.

For these reasons, the Maryland Center on Economic Policy respectfully requests that the Appropriations and Ways and Means Committees make a favorable report on House Bill 490 with amendments.

Equity Impact Analysis: House Bill 490

Bill summary

House Bill 490 makes multiple adjustments to the Blueprint for Maryland's Future public school policy package. Notable provisions include:

- Extends the current approach to counting low-income students, a temporary stand-in that under current law would expire in FY 2026
- Permanently allows concentration of poverty funding to be used to meet requirements of COMAR Subtitle 13A Section 4, which defines core instructional requirements.
- Expands the definition of wraparound services to include evidence-based academic interventions not limited to tutoring.
- Broadens options for teacher recruitment and advancement.

Background

Chapter 36 of 2021 established the Blueprint for Maryland’s Future school funding reform. Lawmakers have altered the Blueprint several times since then, most recently through Chapter 237 of 2025, which cut education funding by \$546 million cumulatively between FY 2026 and FY 2030.

Equity Implications

As introduced, House Bill 490 prevents inadvertent cuts to compensatory education and concentration of poverty funding due to expiration of a temporary counting methodology. The bill also expands flexibility in how concentration of poverty funding is used, ensuring low-income students and students in high-poverty neighborhoods get the specific educational services they need.

Improving compensatory education and concentration of poverty funding by definition benefits students in low-income families and high-poverty neighborhoods. These provisions also disproportionately benefit Black students and other students of color, who are more likely than their white counterparts to have low family income and more likely to live in a high-poverty neighborhood regardless of family income.

For the same reasons, amending House Bill 490 to require a transparent, inclusive process for recommending a permanent student poverty measure would benefit students in low-income families, students in high-poverty neighborhoods, and students of color.

Granting permanent Tier 1 status to children with disabilities and multilingual learners for purposes of pre-K funding would benefit these children by improving their access to high-quality, full-day pre-K.

Impact

As introduced, House Bill 490 would likely **improve racial and economic equity** in Maryland.

The proposed amendments would likely **further improve racial, economic, and disability equity** in Maryland.

ⁱ Jesse Bruhn and Emily Emick, “Lottery Evidence on the Impact of Preschool in the United States: A Review and Meta-Analysis, MIT MIT Blueprint Labs Discussion Paper 2023.20, 2023, https://blueprintcdn.com/wp-content/uploads/2023/12/MIT-Blueprint-Discussion-Paper_Preschool-Research.pdf