

Department of Legislative Services
 Maryland General Assembly
 2024 Session

FISCAL AND POLICY NOTE
 Enrolled - Revised

House Bill 1082
 Appropriations

(Delegates Smith and Toles)

Budget and Taxation

Blueprint for Maryland's Future Implementation - Funding for Implementation Coordinators

This bill requires each county board of education to provide \$150,000 for the salary and benefits of the Blueprint for Maryland’s Future (Blueprint) implementation coordinator jointly appointed by the county government (including Baltimore City) and the local school system. The State and county governments must pay for coordinator salaries in the same proportion as the foundation program. The requirement to appoint an implementation coordinator for each county, which currently terminates after fiscal 2026, is extended indefinitely. **The bill takes effect July 1, 2024.**

Fiscal Summary

State Effect: State expenditures increase by \$1.8 million annually, beginning with discretionary funding in FY 2025. However, the State budget provides \$2.0 million in FY 2025 for implementation coordinators. The Accountability and Implementation Board (AIB) can administer the required salary grants with existing resources. **This bill establishes a mandated appropriation beginning in FY 2026.**

(\$ in millions)	FY 2025	FY 2026	FY 2027	FY 2028	FY 2029
Revenues	\$0	\$0	\$0	\$0	\$0
GF Expenditure	0	0	0	1.82	1.81
SF Expenditure	1.84	1.82	1.81	0	0
Net Effect	(\$1.84)	(\$1.82)	(\$1.81)	(\$1.82)	(\$1.81)

Note: () = decrease; GF = general funds; FF = federal funds; SF = special funds; - = indeterminate increase; (-) = indeterminate decrease

Local Effect: Local school systems receive \$1.8 million in additional State funding each year beginning in FY 2025, including FY 2025 funds provided in the State budget. Local school system expenditures increase by \$3.6 million annually beginning in FY 2027. County government expenditures are not directly affected. **This bill imposes a mandate on a unit of local government.**

Small Business Effect: None.

Analysis

Current Law:

Blueprint for Maryland's Future and Implementation Coordinators

The Blueprint legislation, including Chapter 771 of 2019; Chapters 36 and 55 of 2021; and Chapter 33 of 2022 established new programs and updated education funding formulas, and among other provisions, includes mechanisms for holding units of State and local government accountable for implementing the Blueprint. Most State education aid formulas include wealth equalization across counties, compensating for differences in local wealth by providing less aid per pupil to the more wealthy counties and more aid per pupil to the less wealthy counties. Although on the whole most State aid formulas are designed to have the State pay roughly one-half of program costs, the State's share for the less wealthy counties is higher than 50%, and the State's share for more wealthy counties is lower than 50%.

State and local government units responsible for implementing an element of the Blueprint must develop implementation plans consistent with a specified Comprehensive Implementation Plan that describe the goals, objectives, and strategies that will be used to improve student achievement and meet the Blueprint recommendations for each segment of the student population. For each of fiscal 2022 through 2026, each county government and the local school system must jointly appoint a single implementation coordinator responsible for the implementation of the Blueprint by all government units operating in the county. While Blueprint legislation provides substantial increases to public school funding in the State, State funding of the coordinator position is not mandated or specified.

Maintenance of Effort and Local Share

Each year, the county government (including Baltimore City) is required to appropriate funds to the local board of education equivalent to the greater of the maintenance of effort (MOE) requirement or the local share amount of all wealth-equalized formulas. The per-pupil MOE amount is based upon the greater of (1) the prior year full-time equivalent (FTE) enrollment and (2) the three-year moving average of FTE enrollment. The local share amount equals the local share of the foundation formula, compensatory education, English language learner, special education, comparable wage index (CWI), full-day prekindergarten, college and career ready, transitional supplemental instruction (through fiscal 2026), and career ladder grant programs. Also, counties that benefit from the compensatory education State funding floor are required to fund the local share of the concentration of poverty grant programs. However, for some counties, the combined local share across these several programs is subject to adjustments described below.

Education Effort Adjustment to Local Share Requirement

Local governments are required to fund the local share of the foundation program and the required local shares for several existing and new funding formula programs. The law also includes a mechanism for establishing a maximum local share that a county must fund each year. This involves “local education effort,” which is determined for each county by dividing the county’s local share of major education aid by the county’s wealth. An “education effort index,” which is the local education effort divided by the “State average education effort” is then determined. A “maximum local share” is calculated for each county, which is the county’s local wealth multiplied by the State average education effort.

Each county with an education effort above 1.0 for two consecutive years receives relief based upon its “education effort adjustment,” which is the amount by which the calculated local share exceeds the maximum local share. This relief (which results in increases to State aid) is provided to counties within one of three tiers, based on whether the education effort is (1) greater than 1.0 but less than 1.15; (2) at least 1.15 but less than 1.27; or (3) at least 1.27. State relief for the first tier is phased up from 15% of the education effort adjustment in fiscal 2023 to 50% by fiscal 2030. State relief for the second tier is phased up from 20% of the education effort adjustment in fiscal 2023 to 100% by fiscal 2030. State relief for the third tier is 100% beginning in fiscal 2023. However, the education effort adjustment for a county is only allowed to the degree that per-pupil MOE is met each year.

Additional Reductions to Local Share

A county may be eligible for a reduction in the required local share of major aid formulas in three additional ways: (1) if a county receives State funds from the Guaranteed Tax Base (GTB) program, the local share may be reduced by the amount of GTB funds, except that for Baltimore City only the amount above \$10 million may be reduced from the local share; (2) if a county receives State funds to support the minimum funding floors of 15% for the foundation and 40% for the targeted programs; and (3) if a county has a CWI of at least 0.13, the local share of CWI may be reduced by 50%. However, in all of these cases, the local share may not be reduced below the required per-pupil MOE amount.

State Expenditures: State expenditures increase by \$1.8 million annually beginning with discretionary funding in fiscal 2025. However, the fiscal 2025 State budget as passed includes \$2.0 million in special funds from the Blueprint for Maryland’s Future Fund (BMFF) for provisions of this bill. **Exhibit 1** shows by county the expected State and local shares of the \$150,000 for each local Blueprint coordinator, to be provided to each local board in fiscal 2025, based on the State and local share proportions under the foundation program.

BMFF special fund revenues are projected to be sufficient to cover mandated annual increases in expenditures for the Blueprint through fiscal 2027. However, current projections indicate that, under current law, revenues in BMFF, including prior-year fund balances, will be less than the current law required increases to annual expenditures under the Blueprint beginning in fiscal 2028. Thus, the expenditures shown in Exhibit 1 are covered by BMFF special funds through fiscal 2027 but are covered by general funds beginning in fiscal 2028.

Exhibit 1
State and Local Share of Blueprint Coordinator Salaries
Fiscal 2025

<u>County</u>	<u>State</u>	<u>Local</u>	<u>Total</u>
Allegany	\$108,606	\$41,394	\$150,000
Anne Arundel	60,981	89,019	150,000
Baltimore City	100,941	49,059	150,000
Baltimore	78,244	71,756	150,000
Calvert	63,278	86,722	150,000
Caroline	109,539	40,461	150,000
Carroll	81,222	68,778	150,000
Cecil	88,749	61,251	150,000
Charles	92,597	57,403	150,000
Dorchester	97,787	52,213	150,000
Frederick	84,927	65,073	150,000
Garrett	53,865	96,135	150,000
Harford	83,016	66,984	150,000
Howard	66,853	83,147	150,000
Kent	27,750	122,250	150,000
Montgomery	46,990	103,010	150,000
Prince George's	88,633	61,367	150,000
Queen Anne's	55,717	94,283	150,000
St. Mary's	86,921	63,079	150,000
Somerset	107,642	42,358	150,000
Talbot	22,500	127,500	150,000
Washington	98,880	51,120	150,000
Wicomico	109,195	40,805	150,000
Worcester	22,500	127,500	150,000
Total	\$1,837,333	\$1,762,667	\$3,600,000

Source: Department of Legislative Services

Local Fiscal Effect: Local boards of education each receive additional annual State funding for local Blueprint coordinator salaries, amounting to \$1.8 million statewide. Local Blueprint coordinators are assumed to be either local board employees or county government employees. It is assumed that each local board will expend approximately \$150,000 for local Blueprint coordinator salaries and benefits, or to the extent that local Blueprint coordinators are county government employees, transfer the additional State funds to the county government to be expended for this purpose. Depending upon current arrangements between local boards and county governments, local boards and/or county governments are relieved of some portion of the salary costs, given the availability of State funding. Because under current law the local Blueprint coordinator position is not required after fiscal 2026, local board expenditures increase by \$3.6 million annually, beginning in fiscal 2027. Exhibit 1 shows the local government share of these costs in fiscal 2025. The bill does not change the overall county local effort requirement.

Additional Information

Recent Prior Introductions: Similar legislation has been introduced within the last three years. See HB 1196 of 2023.

Designated Cross File: None.

Information Source(s): Maryland State Department of Education; Department of Budget and Management; Baltimore City Public Schools; Baltimore County Public Schools; Montgomery County Public Schools; Prince George’s County Public Schools; Accountability and Implementation Board; Department of Legislative Services

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