



Senate Bill 640

Primary and Secondary Education – Maintenance of Effort Requirements - Alterations

MACo Position: **SUPPORT**
WITH AMENDMENTS

To: Budget and Taxation Committee

Date: February 23, 2022

From: Michael Sanderson

The Maryland Association of Counties (MACo) **SUPPORTS SB 640 WITH AMENDMENTS**. This bill would create an additional one-year element in the law requiring minimum county school funding.

For the second straight year, Maryland policymakers confront an overall decline in counted student enrollment. The understandable suspicion is that this arises from pandemic-related decisions, which will hopefully abate once those effects more fully recede. SB 640 proposes an overall “hold harmless” funding requirement for each county’s system, even if its formula (driven by school enrollment as counted in September 2021) would otherwise have generated a lower total funding amount than was appropriated for FY 2022.

Counties recognize and appreciate the logic of SB 640, and can be prepared to work within a framework to accomplish this short-term goal. The bill also reasonably recognizes the potential presence of federal funding that might otherwise complicate this calculation, creating a process to exclude such clearly one-time funding.

However, as drafted, SB 640 would have permanent effects on school funding in future years for affected counties. **MACo supports amendments to specify that the provisions of this bill that mandate added county funds for FY 2023 only do not become embedded into the “highest local appropriation” base – these amendments would prevent this intended one-time funding from becoming mandated for FY 2024 and beyond.** The artificial funding mandate envisioned under SB 640 should be addressed with a one-time effect, and this can be clarified via amendments.

In the subsections being amended by SB 640, there are inconsistent terminology uses (occurring in both current law and in the proposed bill language) that would also benefit from a non-substantive revision. MACo will work with Committee staff to help develop consistent references to stave off any future inconsistent interpretations.

Accordingly, MACo urges the Committee to give a **FAVORABLE WITH AMENDMENTS** report on SB 640, requiring at least “flat funding” for the coming school year, but ensuring that its implementation does not compound into future years’ calculations.