

**Testimony of the
Baltimore City Board of School Commissioners
Letter of Information
House Bill 1115
County Boards of Education – Budgets – Notice
(Transparency in Education Spending Act)**

March 6, 2024

The Baltimore City Board of School Commissioners (the Board) has concerns about House Bill 1115 because the Board is already transparent in its finances and provides consistent financial updates to the local government.

The sponsor suggests that there needs to be a uniform reporting of information to the local government. Every school district must pass a yearly budget, approved by its local government, including Baltimore City. Every budget that is approved by the Mayor and City Council of Baltimore and required by the Maryland State Board of Education and current state law includes all of the information items listed in the legislation. This budget includes funding that comes from the State and local government. The Board's budget also includes an overview of the federal funds that have been provided to the school board and the status of that funding. In fact, Baltimore City, through a City Council resolution, has provided quarterly updates on the federal funds, state funds and local funds to the City Council.

Also through state law, Education Article section 5-106 provides that the Baltimore City School Board, by November 1 and March 1 of each year must provide a report from the school board detailing all expenditures within the major categories of its annual budget. The report also details any action of the school board that would commit the school board to spend more in any major category in the annual budget for the current fiscal year than the amount approved in the annual budget for that category.

Additionally, the Education Article section 5-111 currently requires that each school board must report financial information to the State Board on forms required by the State Board and the State Superintendent. These reports are prepared, published and made available to any interested party and provide the condition, current accomplishments, and needs for improvement of the schools, as well as a statement of the business and financial transactions of the school board.

Pursuant to section 5-111 at the request of the local government, made in writing at least 30 days before the reporting deadline, all school boards or the superintendent throughout the State, including Baltimore City, must report to the local government on or before November 1 and March 1 of each fiscal year on the system's operations, including any adjustment made to the approved annual budget. Also pursuant to this section at the request of the local government made within 30 days before the reporting deadline, the local government shall report to the school board on or before November 1 and March 1 of each fiscal year on the county's fiscal status of the immediate fiscal year and the subsequent fiscal year.

Requiring approval from the local government on budget amendments which exceed 1% of the categorical budget will significantly impact the autonomy City Schools has granted to school principals, and which is a critical part of their educational choices. This autonomy is found in our Fair Student Funding (FSF) which allows funding to follow the student. As a Fair Student Funding (FSF) district – and in direct alignment with the Blueprint’s directive for funds to follow the student to the school level – such a provision is simply not workable in a FSF district with more than 150 cost centers, plus the central office. It is by design that individual school decisions are made by individual school principals. This is exactly what the Blueprint was intended to do, and City Schools has been faithfully implementing the minimum school-level funding requirements since Blueprint implementation began in FY23. This bill would have the unintended consequence of moving us backwards as it relates to ensuring funds be allocated at the school level.

Given the tenets of the Blueprint, combined with our status as a FSF district, City Schools respectfully requests the following amendment:

Page 6. Lines 14-28. Strike and replace with the following:

(2) (I) Except as provided in subparagraph (II) of this paragraph, a county board shall report transfers between major categories of more than 15% of the total funding in a major category expeditiously to the county commissioners or county council with an explanation of the circumstances necessitating the reallocation.

(II) 1. This section shall apply only to districts that receive at least 40% of their funding from the local government.

Given the various audits that all school systems must undergo for all funding received; given all updates that the City of Baltimore receives on a quarterly basis from this school board; and given all opportunities available for the local government to request budget information, the legislation would build a more bureaucratic system and challenge the tenants of the Blueprint as implemented in Baltimore City Public Schools.

Thank you for the consideration of the information contained herein.

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