

BILL: House Bill 562
TITLE: Primary and Secondary Education - Maintenance of Effort -
Inflation Adjustment (Maintenance of Effort Modernization Act)
HEARING DATE: February 24, 2026
POSITION: SUPPORT
COMMITTEE: Appropriations
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The Maryland Association of Boards of Education (MABE), representing all 24 local boards of education across the State, **supports House Bill 562, the Primary and Secondary Education – Maintenance of Effort – Inflation Adjustment (Maintenance of Effort Modernization Act).**

House Bill 562 would modernize Maryland’s longstanding Maintenance of Effort (MOE) framework by incorporating an annual inflation adjustment into the calculation of required local funding. This update is consistent with the original purpose of the law: to ensure stable, predictable, and sustained local investment in public education.

Maryland’s local school systems are fiscally dependent on a partnership between State formula aid and local government appropriations. Since its enactment in 1984, the Maintenance of Effort statute has required each county government, including Baltimore City, to provide at least as much per pupil funding as in the prior fiscal year. Over time, the General Assembly has refined the law to balance accountability with practical implementation, reinforcing the State–local funding partnership that underpins Maryland’s public education system.

House Bill 562 aligns directly with MABE’s longstanding resolution on Maintenance of Effort. MABE has consistently supported the successful implementation of MOE reforms and endorsed reasonable, sustainable growth in local education funding based on inflation, student needs, and other relevant cost drivers. Incorporating an inflation adjustment into the MOE calculation reflects that principle. It recognizes that flat funding in nominal terms results in real declines in purchasing power, particularly in an environment of rising costs for personnel, transportation, utilities, and instructional materials.

By modernizing MOE to account for inflation, House Bill 562 strengthens fiscal predictability for school systems and reinforces the shared responsibility between the State and counties to adequately fund public education. For these reasons, **MABE respectfully requests a favorable report on House Bill 562.**