



Senate Bill 284: Budget Reconciliation and Financing Act of 2026

Senate Budget and Taxation Committee

Position: Support with Amendment

March 4, 2026

At Strong Schools Maryland, we work to support the faithful implementation and full funding of the promises legislated through the landmark Blueprint for Maryland's Future. The Blueprint envisions a public school system that is built upon the foundation of equity, supports all students' success, and removes barriers to opportunities. We submit this testimony in support of the Budget Reconciliation and Financing Act of 2026 with critical amendments and to raise serious concerns about proposed changes that would undermine funding stability for students with the greatest needs.

Compensatory Education Methodology Amendment

The budget analysis reflects continued reliance on the current compensatory education enrollment methodology and extends the period before any shift occurs. **We support maintaining the current approach in the short term to prevent disruption to students.** At the same time, the fiscal 2027 budget analysis shows compensatory education formula funding declining by approximately \$40.4 million despite overall growth in Aid to Education. That decline highlights the importance of ensuring that any future methodology changes are transparent, data-driven, and equity-centered.

We are requesting budget language requiring the Maryland State Department of Education, in collaboration with the Accountability and Implementation Board, to submit a recommendation to the General Assembly by October 1st, 2026 on whether and how to update the compensatory education enrollment methodology.

This request does not alter the formula, reduce funding, or automatically implement a new method. It establishes guardrails. Specifically, it requires consultation with all local school systems and relevant State agencies, meaningful stakeholder engagement, at least one statewide public input opportunity, ongoing public posting of materials, and a final recommendation that includes an equity impact analysis disaggregated by race, ethnicity, income, disability status, and language status. If MSDE and the AIB recommend no change, the current methodology would continue automatically, with a detailed justification provided.

For a funding stream that affects every county and the students with the greatest needs, that level of transparency is reasonable and necessary. This is the appropriate guardrail for a high-stakes funding methodology that affects every county and the students with the greatest needs.

Prekindergarten Tier I Inclusion

The current budget continues implementation of the expanded Tier I definition that includes students with disabilities and multilingual learners through fiscal year 2026. Under existing law, that authority sunsets. If no action is taken, children between 300% and 600% of the federal poverty level who also have disabilities or come from multilingual homes will no longer be counted as Tier I for funding purposes beginning in fiscal 2027.

Kindergarten Readiness Assessment data consistently show gaps in readiness between students with disabilities, multilingual learners, and their peers. Achievement data also shows similar disparities in literacy and math performance. Allowing the Tier I provision to expire would create instability in prekindergarten access for students who already face major readiness gaps.

We are requesting that the Committee extend this timeline through budget or related legislation to maintain continuity and include all students with disabilities and multilingual learners in Tier I eligibility while the State evaluates long-term fiscal and policy implications. Allowing the provision to expire would create instability for prekindergarten access and local funding.

Special Education Funding

The fiscal 2027 budget analysis states that special education enrollment has not declined as originally projected by the Kirwan Commission, even though mandated per pupil funding growth remains in place. Based on that observation, the Department of Legislative Services recommends adding language to reduce the fiscal 2027 per pupil special education funding level contingent on new legislation and limiting annual growth to 5% from fiscal 2027 through 2030. **We strongly oppose those recommendations.**

House Bill 504 already established a Students with Disabilities cost study to engage national experts in education finance and cost modeling to determine how Maryland should structure its special education formula going forward. That process is specifically designed to assess actual costs, service intensity, and funding adequacy. Reducing the funding trajectory before that analysis is complete undermines the purpose of the study.

In addition, local school systems are already reporting that special education formula funding does not fully cover the cost of required services. Districts are supplementing special education services using foundation funds and other resources intended for general education. Capping growth at 5% would intensify that pressure and shift costs across programs.

We are requesting that the Committee reject language reducing fiscal 2027 per pupil special education funding and reject any cap on mandated growth pending completion of the Students with Disabilities cost study and a data-driven legislative review. Preemptive reductions would destabilize services for students with disabilities before the State has completed the analysis it commissioned to determine appropriate funding levels.

Consortium on Coordinated Community Supports

Maryland is currently facing a significant mental health crisis among its youth. During the 2022-2023 school year, [more than a third of Maryland high school students reported feeling sad or hopeless](#) for two weeks within the year. The percentage was only slightly lower for middle

school students, with 22% reporting similar concerns. Even more students in both middle and high school reported feeling sad or hopeless for at least two weeks in the past year.

To address this escalating crisis, the [Consortium has been instrumental in providing essential behavioral health services](#) across the state. In its first eight months, the Consortium has:

- Served over 58,000 students, reaching 80% of Maryland public schools.
- Expanded the school mental health workforce by nearly 500 professionals.
- Trained more than 1,000 school staff members in mental health support.
- Achieved improved behavioral health outcomes for numerous students.

The proposed reduction of the Consortium's funding from \$100 million to \$80 million in FY2028 and onwards, is a 20% cut on top of \$30 million in annual permanent cuts that were put in place last year. This would severely undermine the progress made and leave countless students without critical support. Given the current mental health crisis and workforce shortages, it is imperative to maintain, if not increase, funding to ensure that our students receive the necessary behavioral health services.

We respectfully urge the committee to restore the full \$100 million funding for FY2027 to the Consortium on Coordinated Community Supports. Investing in our children's mental health is not only a moral imperative but also a foundational component of their academic and personal success.

Please contact Riya Gupta at riya@strongschoolsmaryland.org for additional questions.