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BILL: Senate Bill 712
TITLE: Primary and Secondary Education – Funding Accuracy and Full–Time Equivalent Enrollment Count – Alterations and Report (Education Funding Accuracy Act)
HEARING DATE: March 3, 2026
POSITION: UNFAVORABLE
COMMITTEE: Budget and Taxation
CONTACT: Jessica Goff, Governmental Affairs Associate (jgoff@mabe.org)

The Maryland Association of Boards of Education (MABE), representing all 24 local boards of education in Maryland, respectfully **opposes Senate Bill 712 Primary and Secondary Education – Funding Accuracy and Full–Time Equivalent Enrollment Count – Alterations and Report (Education Funding Accuracy Act).**

Senate Bill 712 alters the definition of “full-time equivalent enrollment” in the calculation for State education aid to include the average number of students enrolled in K-12 on September 30 and May 31 (rather than just September 30). Annually, MSDE would be required to publish on its website and submit to the Senate Budget and Taxation Committee and the Senate Appropriations Committee, the enrollment count used to calculate full-time equivalent enrollment, disaggregated by county, the number of students in each county in each enrollment category, the full time equivalent enrollment number used to calculate funding for the upcoming school year, and each county’s allocation of per pupil state and local education funding.

Senate Bill 712 increases the risk of reducing funding for public schools in Maryland. Local school systems often see fluctuations mid-year, particularly in high-mobility populations. A second count in the spring could capture lower enrollment than the single fall snapshot, which would reduce state aid under the formula. School systems build budgets and staffing based on the students who walk in the door in August and September—not the students who remain months later. School systems hire teachers, assign paraprofessionals, open classrooms, contract transportation, and allocate services based on fall enrollment. SB 712 risks funding fewer students than are actually seated and school systems are required to serve at the start of the year.

Senate Bill 712 also creates budget instability and planning uncertainty. Local boards and superintendents build budgets months in advance, hire staff in the spring and summer, and make class-size and program decisions before school begins. By adding a second count and then finding the average, funding becomes less predictable. This

creates uncertainty, pressure on local governments, and a reduced ability to plan responsibly. This is in direct conflict with MABE's longstanding support of predictability and stability in funding formulas.

Senate Bill 712 also disproportionately harms school systems with higher rates of high-mobility and low-income students. School systems with higher poverty rates, greater housing instability, and higher student mobility will likely see larger enrollment swings over the year. Yet, those are the school systems with the greatest need. Averaging counts effectively penalizes school systems serving the most at-risk student populations.

Senate Bill 712 does not reduce costs when students leave. Costs like teacher contracts, facilities, transportation, etc. are fixed. Those costs do not change when a few students leave. Therefore, funding would become misaligned with actual costs.

Further, Senate Bill 712 would increase administrative burden and compliance costs. Two official counts would mean additional data verification, additional reporting, and additional audit exposure. Unless the State increases funding to account for this, it is an unfunded mandate.

School systems must hire and staff for every child who arrives in August and September. Averaging enrollment counts later in the year risks funding fewer students than school systems are required to serve. That creates instability, inequity, and structural underfunding. For these reasons, **MABE opposes SB 712 and kindly requests an unfavorable report.**