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BILL: SB 712

TITLE: Primary and Secondary Education - Funding Accuracy and Full-Time Equivalent Enrollment Count - Alterations and Report (Education Funding Accuracy Act)

DATE: March 3, 2026

POSITION: Unfavorable

COMMITTEE: Senate Budget and Taxation and Education, Energy, and the Environment Committees

CONTACT: Mary Pat Fannon, Executive Director, PSSAM

The Public School Superintendents' Association of Maryland (PSSAM), on behalf of all twenty-four local school superintendents, **opposes** Senate Bill 712.

This bill alters the definition of full-time equivalent (FTE) enrollment that is used to calculate State education aid and local government education funding requirements to include the average number of students enrolled on September 30th, and May 31st of the prior school year instead of only the September 30 count from the prior year used under current law. The bill takes effect July 1, 2026, and is applicable to the calculation of education funding for fiscal 2028 and subsequent fiscal years.

PSSAM opposes Senate Bill 712 and advocates for maintaining the current methodology for counting students enrolled in public schools on September 30th to determine state and local aid amounts for the following fiscal year.

PSSAM cautions that this calculation change would present a number of challenges for local school systems. Most alarmingly, it would delay the final State and county funding appropriations until after the prior school year is over, complicating the implementation of the next school year's budget. Additionally, this methodology would create an unstable and unpredictable amount of funding in the middle of a fiscal year if a school system were to lose student enrollment during the school year.

Education funding is designed to support student needs, not to operate as an attendance enforcement mechanism. Conflating attendance accountability with funding calculations risks misaligning the purpose of state aid formulas. This legislation provides no meaningful, or positive mechanism to promote school attendance, instead it uses the threat of losing funding as a means to incentive change - a dubious public policy when it comes to ensuring a free and appropriate public education to Maryland's school children.

Based on the analysis of similar past proposals, this bill would more than likely reduce the state's investment in public education, disproportionately impacting jurisdictions with higher student absenteeism rates. Local school systems prioritize regular student attendance and invest heavily in programs aimed at preventing, reducing, and addressing chronic absenteeism. However, Senate Bill 712 ties state funding reductions to absenteeism rates—the very challenge that school systems are mandated to combat with additional resources. As a result, districts with higher absenteeism throughout the school year would face the greatest funding losses due to lower enrollment counts recorded later in the year.

Once again, local superintendents take the issue of student attendance very seriously and work diligently to ensure that every student attends school regularly. However, PSSAM believes this approach risks undermining efforts to improve student attendance by limiting the resources schools rely on to address absenteeism.

For these reasons, PSSAM **opposes** Senate Bill 712 and kindly requests an **unfavorable** report.