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Budget and Taxation Committee

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Education, Business, and
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THE SENATE OF MARYLAND
ANNAPOLIS, MARYLAND 21401

SPONSOR STATEMENT

Senate Bill 646 – Public School System Contracts – Prohibited Provisions

March 4, 2026

Mister Chairman and Members of the Education, Energy and the Environment Committee:

Maryland's 24 local boards of education enter into hundreds of contracts each year. Many vendor agreements include standardized provisions such as out-of-state governing law, broad indemnification, or mandatory arbitration. Even routine transactions, including low-cost or no-cost contracts, require review and negotiation over boilerplate terms. When procurement and legal teams must repeatedly identify and negotiate these provisions, it consumes staff time and public resources. The impact is delay and measurable administrative cost.

Senate Bill 646 with amendments provides Maryland's local school systems with the same contract streamlining and protections enacted in 2024 for State agencies and public universities. That framework provides that contract provisions inconsistent with Maryland law or public policy are void as a matter of law. By establishing this rule in statute, the bill eliminates the need for repetitive negotiation over terms that conflict with established public policy and gives school systems a clear statutory reference point to refer to when reviewing vendor agreements.

I am also introducing an important amendment which clarifies that Senate Bill 646 does NOT include collective bargaining agreements. The bill was always intended to provide clarity and efficiency in public procurement contracting, not labor contracts.

Senate Bill 646 with amendments is a practical, measured extension of an approach that is already working, allowing public school systems to save taxpayer dollars by applying the same contracting protection standards that already apply elsewhere in State government.

I respectfully request a favorable report on Senate Bill 646 with amendments.