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**TO:** Ways and Means Committee

**BILL:** House Bill (HB) 26 – Public Schools - Open Enrollment - Policies and Funding

**DATE:** February 25, 2026

**POSITION:** Oppose

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The Maryland State Department of Education (MSDE) provides this letter to oppose HB 26 – Public Schools - Open Enrollment - Policies and Funding. HB 26 authorizes Local Education Agencies (LEAs) to adopt an open enrollment policy allowing students to attend a public school in a county where the student is not a resident. An LEA that adopts the policy will develop an application process and procedures for issuing and receiving payments between the sending and receiving LEAs. The LEA must also publish a report on the open enrollment capacity by school and grade level.

While the bill seeks to expand student enrollment options across county lines, it would disrupt Maryland’s current attendance system, create funding inequities among local school systems, and impose significant new administrative and fiscal burdens.

HB 26 raises significant fiscal concerns for the State’s education funding formula. The proposed legislation will impact State expenditures as it requires the State to provide the difference in funding if the Local Current Expense per student in the sending LEA is less than the receiving LEA. The Local Current Expense per student ranges from \$2,959 to \$14,589 among Maryland’s 24 LEAs. This variance will significantly complicate the State Aid calculation and intercounty payments. As the total amount of State Aid is not changed, payments to receiving counties could increase at the expense of other counties, resulting in inequities in the allocation of State Aid.

HB 26 will also have a significant operational and fiscal impact on LEAs. An LEA that adopts an open enrollment policy must adopt an application process and financial procedures for payments between LEAs. The legislation will also require an update to the enrollment web data collection system. The LEA will be required to maintain a public database that reports capacity and enrollment for all of its schools that is updated at least monthly, necessitating a new reporting system for all schools. Whether or not the LEA elects to adopt an open enrollment policy, it will see an impact if residents of its county are able to enroll in a school in a county that does have such a policy.

The bill does not indicate a clear timeline for when students utilizing open enrollment are to be counted, making it difficult to determine timeline for payment of the local and State shares of costs to receiving counties. Additionally, this may unduly complicate Minimum School Funding reporting requirements as these students may or may not be included in the September 30 enrollment count which dictates Minimum School Funding budget and expenditure requirements.

The State Board and MSDE respectfully requests consideration of these comments as HB 26 is discussed and deliberated. For further information, please contact Laurel Cratsley, Interim Executive Director of Government Affairs, at [laurel.cratsley@maryland.gov](mailto:laurel.cratsley@maryland.gov).