



CONTINUING RESOLUTIONS 2021-2022

Maintenance of Effort

(Adopted 1991; amended 1992, 1993, 1994, 1996, 1999, 2000, 2002; re-adopted 2005; amended 2008, 2009, 2010, 2011, 2012, 2015, 2018, 2021)

WHEREAS, Maryland's twenty-four local school systems are fiscally dependent on state funding, provided primarily through statutory formulas on a per pupil basis, and local government funding, provided in accordance with a statutory "maintenance of effort" provision that requires each county government, including Baltimore City, to provide on a per pupil basis at least as much funding for the local school system as was provided in the prior fiscal year; and

WHEREAS, since first enacted in 1984, the maintenance of effort law has been amended to provide a balance of flexibility and accountability to ensure ongoing local government investments in their public school systems; and

WHEREAS, in 1996 the maintenance of effort law was amended to allow the State Board to grant annual waivers of the maintenance of effort requirement to local governments and to permit local governments to exclude certain supplemental nonrecurring costs, in excess of the minimum amount required by law, from the maintenance of effort calculation for the next fiscal year; and

WHEREAS, the State Board's waiver process was not tested until 2009 when three counties sought waivers and in each instance the State Board denied the waiver requests; and

WHEREAS, in 2010 the State Board granted the two waiver requests submitted by local governments; and

WHEREAS, in 2011, the General Assembly adopted amendments to the law, and the State Board issued a declaratory ruling, which highlighted weaknesses in the maintenance of effort law; and

WHEREAS, following the State Board's declaratory ruling in May 2011, seven local governments appropriated less than the maintenance of effort amount, without requesting a waiver from the State Board, potentially creating a cascading decline in local funding referred to as "rebasing"; and

WHEREAS, MABE advocated successfully for legislation enacted in 2012 to amend the maintenance of effort law to provide a constitutionally adequate combination of state and local funding by making maintenance of effort the local funding floor, and placing

the penalty for failing to meet maintenance of effort on the local government, not the school system; and

WHEREAS, the maintenance of effort reforms enacted in 2012:

- Provide a constitutionally adequate combination of state and local funding by ensuring that the maintenance of effort amount, and not the local share of the foundation program, is enforced as the annual local funding floor;
- Provide greater flexibility by improving the State Board of Education's waiver process;
- Provide greater accountability by requiring a county intending to provide less than maintenance of effort to request a waiver;
- Provide for mandatory increases in local funding based on the local government's education effort relative to local wealth and the statewide average education effort;
- Provide a fair and reasonable penalty for a county not meeting maintenance of effort that applies directly to the county government, rather than the school system; and

WHEREAS, adequate local funding is essential to the current and continued success of Maryland's public schools, as the Commission on Education Finance, Equity, and Excellence that proposed the Bridge to Excellence Act concluded in its report: "Meeting adequacy goals ... will require that counties continue to exceed maintenance of effort" and "if counties provide increases in education funding comparable to the increases provided from fiscal 1997 to 2000, most school systems would meet or exceed adequacy goals..."; and

WHEREAS, Maryland's public school students deserve the affirmative commitment of all county governments to provide annual increases in public education funding which meet or exceed the minimum maintenance of effort funding level; and

WHEREAS, the Blueprint for Maryland's Future Act of 2021 includes revisions to the Maintenance of Effort law to increase the amount of local funding for public schools by maintaining the local share requirement for the foundation amount and establishing new local share requirements for compensatory education, English learner, special education, full-day prekindergarten, and career-ladder grant programs; and

WHEREAS, the Blueprint law also eliminates the Maintenance of Effort escalator after FY 2023 and establishes the Education Effort Adjustment program; and

WHEREAS, although the COVID-19 pandemic imposed significant costs on local governments and threatened their capacity to fully fund local school system budgets, the state and local federal relief funding provided by the American Rescue Plan Act and state adjustments to maintenance of effort requirements ensure that local governments are able to meet and exceed the minimum maintenance of effort funding requirement in the foreseeable future;

NOW, THEREFORE, BE IT RESOLVED, that MABE pledges to promote the successful implementation of the significant maintenance of effort reforms enacted in 2012 and the

Blueprint law's provisions enacted in 2021, and to highlight best practices in the fiscal relations between local boards of education and local governments; and

BE IT FURTHER RESOLVED, that MABE opposes any legislation that would weaken the maintenance of effort law, such as the 2015 proposal to repeal the provision mandating local funding increases above maintenance of effort based on measures of local wealth and effort; and

BE IT FURTHER RESOLVED that MABE supports reasonable growth in local funding based on inflation, supplemental per pupil funding for special needs students, and other factors.