



Karen B. Salmon, Ph.D.
State Superintendent of Schools

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December 31, 2017

The Honorable Larry Hogan
State House
100 State Circle
Annapolis, MD 21401

The Honorable Thomas V. Miller, Jr.
H-107 State House
100 State Circle
Annapolis, MD 21401

The Honorable Michael E. Busch
H-101 State House
100 State Circle
Annapolis, MD 21401

RE: Maintenance of Effort Annual Report (MSAR #9232)

Dear Governor Hogan, President Miller and Speaker Busch:

Pursuant to §5-202(d)(13) of the Education Article, the Maryland State Department of Education (MSDE) is submitting this report regarding the Maintenance of Effort (MOE) required of local jurisdictions to the 24 local school systems for fiscal year 2018.

Should you need additional information regarding MOE, please contact Kristy Michel, Deputy Superintendent for Finance and Administration at 410-767-0011 or by email at Kristy.michel@maryland.gov.

Best Regards,

Karen B. Salmon, Ph.D.
State Superintendent of Schools

Attachment

c: Kristy Michel

**Local Maintenance of Effort
Maryland Public Schools
Fiscal Year 2018**

§5-202(d)(13)

December 31, 2017

**Maryland State Department of Education
MSAR #9232**

Pursuant to 5-202(d)(13) of the Education Article, the Maryland State Department of Education (MSDE) is submitting this report regarding the required fiscal year 2018 local Maintenance of Effort (MOE) of education funding for the twenty-four local school systems.

Per the Statute, on or before December 31 of each year the Department shall report to the Governor and, in accordance with § 2-1246 of the State Government Article, the General Assembly on all waiver requests, maintenance of effort calculations made by the Department and the county, the Department's decisions regarding waiver requests, the Department's certification of whether a county has met the requirement, and any other information relating to a county's request for a waiver and the Department's maintenance of effort decisions.

Factors Impacting fiscal year 2018 Maintenance of Effort Calculations

Local governments, in consultation with local school systems, can request certain costs be excluded from the maintenance of effort calculation. Non-recurring cost requests are reviewed and approved by MSDE and must be associated with one of six categories including new school start-up costs, new technology, and capital costs. For fiscal year (FY) 2018, eight local school systems submitted requests for non-recurring cost exclusions. A total of \$48.5 million was requested and \$37.9 million of the approved items were funded by local governments.

§5-202(d)(ii)(2) of the Education Article requires local jurisdictions to maintain a level of education effort. If a jurisdiction falls below 100% of the statewide five-year moving average education effort, the jurisdiction is required to increase the per pupil maintenance of effort amount by the lesser of three options: the county's increase in the local wealth per pupil; the statewide average increase in local wealth per pupil; or, 2.5%. For FY 2018, the statewide average increase in wealth per pupil was 2.4%. 12 jurisdictions fell below 100% of the statewide five-year moving average. However, for three jurisdictions, the county's wealth per pupil decreased resulting in no adjustment to the per pupil maintenance of effort amount.

Per Chapter 150 of the Acts of 2017, certain jurisdictions are required to increase FY 2018 local education spending above the amount required to meet maintenance of effort for FY 2018. This increase is not included in the calculation of maintenance of effort for FY 2019. The jurisdictions are Baltimore City, Cecil County, Prince George's County, Washington County and Wicomico County.

Chapter 6 of the Acts of 2017 requires Baltimore City to increase the local contribution to Baltimore City Schools by \$22 million over the FY 2017 appropriation. Of this increase in local contribution, \$10 million will count toward the calculation of Maintenance of Effort in FY 2019. Section 16 of Chapter 23 of the Acts of 2017 requires the Maryland Stadium Authority provide a \$4.6 million credit to Baltimore City Public Schools Construction Financing Fund. Finally,

Section 24 of Chapter 23 of the Acts of 2017 enables Baltimore City Public School Students to ride Maryland Transit Administration transit vehicles at no charge for school-related or extra-curricular activities only.

MSDE has certified that the five local jurisdictions provided the increase in local education spending and that Baltimore City provided the required additional local contribution.

No local jurisdictions requested waivers from the maintenance of effort requirement.

Maintenance of Effort Certification

The county by county maintenance of effort data is included in the attachment. All twenty four jurisdictions have met the required MOE funding level for FY 2018.

Maryland State Department of Education

Compilation of Maintenance of Effort Certification for Fiscal Year 2018

Local Education Agency	Mimimum Share (local wealth x local contribution rate)	Required Maintenance of Effort Level for FY 2018	Certified Net Local Appropriation	Difference
Allegany	17,441,490	30,424,308	30,424,308	-
Anne Arundel	342,051,468	644,237,925	655,889,500	11,651,575
Baltimore City	173,784,286	268,439,224	278,412,181	9,972,957
Baltimore	364,151,567	758,285,303	778,179,286	19,893,983
Calvert	52,228,099	114,270,253	120,670,112	6,399,859
Caroline	10,450,107	14,207,361	14,207,361	-
Carroll	84,421,313	179,522,203	186,737,400	7,215,197
Cecil	40,684,067	79,970,938	81,688,528	1,717,590
Charles	71,870,891	170,812,494	175,509,060	4,696,566
Dorchester	11,097,768	19,120,529	19,120,529	-
Frederick	122,082,151	250,826,610	260,226,623	9,400,013
Garrett	15,927,681	27,314,472	27,314,472	-
Harford	120,502,328	233,249,235	238,715,645	5,466,410
Howard	213,597,155	563,041,614	564,575,689	1,534,075
Kent	10,754,324	16,966,263	16,966,263	-
Montgomery	745,214,124	1,644,280,683	1,664,112,988	19,832,305
Prince George's	344,482,824	643,400,599	673,492,400	30,091,801
Queen Anne's	30,251,255	55,495,225	55,495,261	36
St. Mary's	52,222,483	100,850,888	102,189,940	1,339,052
Somerset	5,505,009	9,741,620	9,741,620	-
Talbot	29,844,022	36,879,230	36,879,230	-
Washington	53,040,314	97,000,408	97,053,410	53,002
Wicomico	27,589,644	43,017,201	43,605,002	587,801
Worcester	49,719,627	83,580,814	83,870,125	289,311
Total	2,988,913,997	6,084,935,400	6,215,076,933	130,141,533

As of 10-20-17