



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

December 31, 2018

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 Report (MSAR #9232)

Dear Governor Hogan, President Miller, and Speaker Busch:

In accordance with § 5-202(d)(13) of the Education Article of the Annotated Code of Maryland, 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 2019.

Should you need additional information regarding this report or MOE, please contact Amalie Brandenburg, Deputy Superintendent/Chief Operating Officer for the Office of Finance at 410-767-0011 or by e-mail at [Amalie.Brandenburg@maryland.gov](mailto:Amalie.Brandenburg@maryland.gov).

Best Regards,

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

Attachment

c: Amalie Brandenburg  
Sarah T. Albert (DLS Library – 5 copies)

**Local Maintenance of Effort  
Maryland Public Schools  
Fiscal Year 2019**

**§5-202(d)(13)**

**December 31, 2018**

**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 2019 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 2019 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) 2019, ten local school systems submitted requests for non-recurring cost exclusions. A total of \$86 million was requested and \$21.9 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 2019, the statewide average increase in wealth per pupil was 1.5%. 12 jurisdictions fell below 100% of the statewide five-year moving average. However, eight jurisdictions had changes in the wealth per pupil less than 1.5% including two that had 0 or a negative increase, resulting in no adjustment.

Per Chapter 150 of the Acts of 2017, five jurisdictions were required to increase FY 2018 local education spending above the amount required to meet maintenance of effort for FY 2018, in an amount equal to the increase in the jurisdictions' FY 2018 Disparity Grant. The increased spending cannot be included in the calculation of FY 2019 maintenance of effort. The Baltimore City, Cecil County, Prince George's County, Washington County and Wicomico County maintenance of effort calculations exclude the increased funding associated with the disparity grant increase..

Chapter 6 of the Acts of 2017 required Baltimore City to increase the FY 2018 local contribution to Baltimore City Schools by \$22 million and over the FY 2017 appropriation. Chapter 6 further requires Baltimore City to increase the FY 19 and FY 20 total contribution to Baltimore City

Schools by \$20 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. MSDE has certified Baltimore City has 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 2019.

## Maryland State Department of Education

### Compilation of Maintenance of Effort Certification for Fiscal Year 2019

Local Education Agency	Mimimum Share (local wealth x local contribution rate)	Required Maintenance of Effort Level for FY 2019	Certified Net Local Appropriation	Difference
Allegany	17,219,812	30,362,959	30,424,308	61,349
Anne Arundel	349,658,315	670,593,776	686,140,500	15,546,724
Baltimore City	175,376,937	273,065,392	278,412,181	5,346,789
Baltimore	367,169,122	786,901,647	812,741,918	25,840,271
Calvert	52,695,974	120,663,565	126,367,666	5,704,101
Caroline	10,508,312	14,435,367	14,436,087	720
Carroll	85,593,246	187,295,122	192,391,000	5,095,878
Cecil	41,088,073	80,443,364	82,463,528	2,020,164
Charles	72,590,245	179,385,956	181,982,100	2,596,144
Dorchester	11,075,167	19,252,162	19,252,162	-
Frederick	125,815,763	265,180,206	272,013,615	6,833,409
Garrett	15,853,766	27,449,975	27,449,975	-
Harford	122,503,847	240,586,434	245,815,645	5,229,211
Howard	218,057,204	575,920,560	581,857,535	5,936,975
Kent	10,671,771	16,891,515	17,194,263	302,748
Montgomery	757,424,850	1,690,043,057	1,707,728,678	17,685,621
Prince George's	357,725,806	681,187,984	699,106,794	17,918,810
Queen Anne's	30,888,302	56,884,381	56,884,381	-
St. Mary's	52,529,873	102,352,525	103,852,525	1,500,000
Somerset	5,449,312	9,651,555	9,741,620	90,065
Talbot	29,388,459	37,613,485	39,837,748	2,224,263
Washington	53,279,502	98,300,752	98,530,760	230,008
Wicomico	27,914,732	43,663,981	44,164,012	500,031
Worcester	50,326,836	85,122,472	86,685,293	1,562,821
<b>Total</b>	<b>3,040,805,226</b>	<b>6,293,248,192</b>	<b>6,415,474,294</b>	<b>122,226,102</b>

As of 11-29-18