



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

December 18, 2019

The Honorable Larry J. Hogan
Governor of Maryland
100 State Circle
Annapolis, Maryland 21401

The Honorable Thomas V. "Mike" Miller
President of the Senate
H-107 State House
State Circle
Annapolis, Maryland 21401-1991

The Honorable Adrienne Jones
Speaker of the House
H-101 State House
State Circle
Annapolis, Maryland 21401-1991

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

Dear Governor Hogan, President Miller, and Speaker Jones:

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 2020.

Should you need additional information regarding MOE, please contact Tiffany Clark, Director of Government Relations, at 410-767-0090 or tiffany.clark1@maryland.gov.

Best Regards,

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

Attachment

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

KBS/dg



**Local Maintenance of Effort
Maryland Public Schools
Fiscal Year 2020**

§5-202(d)(13)

December 31, 2019

**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 2020 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 § 2-1257 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 2020 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, which are reviewed and approved by MSDE, must be associated with one of six categories including new school start-up costs, new technology, and capital costs. For fiscal year (FY) 2020, six local school systems submitted requests for non-recurring cost exclusions. A total of \$41.7 million was requested and \$2.7 million of the approved items were funded by local governments.

Education Article §5-202(d)(ii)(2) 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 2020, the statewide average increase in wealth per pupil was 3.2%. 12 jurisdictions fell below 100% of the statewide five-year moving average. All twelve jurisdictions were required to increase the per pupil maintenance of effort amount. The required increase ranged from a low of .7% to a high of 2.5%.

Maintenance of Effort Certification

Education Article §5-202(d)(1)(ii)(1-2) states that a county governing body shall appropriate local funds to the school operating budget in an amount no less than the product of the county's full-time equivalent enrollment for the current fiscal year and the local appropriation on a per pupil basis for the prior fiscal year, adjusted for education effort, if applicable. Exhibit 1 contains the county by county MOE Data.

The State Superintendent of Schools found Baltimore City to be noncompliant with the annual Maintenance of Effort (MOE) requirement. For fiscal year 2020, Baltimore City is affected by the education effort requirement and must increase the per pupil maintenance of effort level by

2.5% or \$92.99. Therefore, the adjusted per pupil amount (\$3,812.44) multiplied by the full-time equivalent enrollment (73,580.25) results in a required maintenance of effort level of \$280,520,288. The MOE Certification Statement for FY 2020 submitted by Baltimore City Public Schools certifies the net local appropriation as \$278,412,181.

The State Superintendent notified Baltimore City of the noncompliance on July 18, 2019. Baltimore City responded on July 31, 2019 requesting that a July 5, 2019 letter serve as the letter of appeal of the State Superintendent's notice of noncompliance. Based on State Board of Education guidance, Baltimore City was to file a brief in support of its appeal by September 16, 2019. No brief was filed and the State Board dismissed the appeal for failure to pursue (SBO #OR19-16). Baltimore City requested a review of the decision to dismiss and the State Board of Education considered this request at its December 3, 2019 meeting. The State Board decided not to reconsider its decision.

Per Education Article §5-213(c), the State Superintendent notified the Comptroller of Baltimore City's noncompliance with the maintenance of effort requirement.

The remaining twenty-three jurisdictions met the required MOE funding level for FY 2020.

Maryland State Department of Education

Compilation of Maintenance of Effort Certification for Fiscal Year 2020

Local Education Agency	Mimimum Share (local wealth x local contribution rate)	Required Maintenance of Effort Level for FY 2020	FY 2020 Total Appropriation	Certified Net Local Appropriation	Difference
Allegany	17,373,355	30,734,335	30,734,335	30,734,335	-
Anne Arundel	361,473,523	690,491,323	733,315,800	733,315,800	42,824,477
Baltimore City*	180,947,235	280,520,288	278,412,181	278,412,181	(2,108,107)
Baltimore	377,460,768	815,166,722	851,562,508	850,633,183	35,466,461
Calvert	50,731,796	126,686,960	130,589,034	130,589,034	3,902,074
Caroline	10,716,637	14,818,319	15,220,217	15,220,217	401,898
Carroll	87,363,231	191,526,878	197,251,500	197,251,500	5,724,622
Cecil	42,619,850	81,905,666	84,905,673	84,905,673	3,000,007
Charles	74,760,918	183,583,109	191,621,800	191,621,800	8,038,691
Dorchester	11,172,242	19,582,692	20,077,482	20,077,482	494,790
Frederick	131,620,704	275,864,876	283,465,005	283,265,005	7,400,129
Garrett	15,858,847	27,738,738	27,738,738	27,738,738	-
Harford	125,298,575	245,767,471	256,465,645	256,465,645	10,698,174
Howard	224,706,467	592,712,394	607,200,000	599,910,636	7,198,242
Kent	10,739,283	16,944,079	18,044,079	18,044,079	1,100,000
Montgomery	775,985,321	1,718,106,042	1,726,807,241	1,725,240,208	7,134,166
Prince George's	373,470,188	701,108,177	786,469,600	719,925,832	18,817,655
Queen Anne's	31,692,557	58,014,410	59,491,381	59,491,381	1,476,971
St. Mary's	53,297,532	103,156,261	106,242,921	106,242,921	3,086,660
Somerset	5,689,517	10,088,822	10,088,825	10,088,825	3
Talbot	29,740,664	40,745,645	42,062,225	42,055,725	1,310,080
Washington	53,909,341	100,491,411	100,515,610	100,515,610	24,199
Wicomico	28,518,500	45,351,803	46,151,803	46,151,803	800,000
Worcester	50,899,816	88,528,422	91,028,422	91,028,422	2,500,000
Total	3,126,046,867	6,459,634,843	6,695,462,025	6,618,926,035	159,291,192

*Did not meet maintenance of effort.

As of 11/04/19