



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

January 5, 2021

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

The Honorable Bill Ferguson
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 #11571)

Dear Governor Hogan, President Ferguson, 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 2021.

Should you need additional information regarding MOE, please contact Amalie Brandenburg, Deputy State Superintendent for Finance at 410-767-0011 or by e-mail at Amalie.Brandenburg@maryland.gov.

Best Regards,

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

Attachment

c: Amalie Brandenburg
Sarah Albert, DLS

KBS/dg

**Local Maintenance of Effort
Maryland Public Schools
Fiscal Year 2021**

§5-202(d)(13)

December 31, 2020

**Maryland State Department of Education
MSAR #11571**

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 2021 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 2021 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) 2021, seven local school systems submitted requests for non-recurring cost exclusions. A total of \$10.4 million was requested and \$3 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 2021, the statewide average increase in wealth per pupil was 4.5%. 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 by 2.5%. The statewide five-year moving was 1.29%.

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.

All twenty-four jurisdictions met the required MOE funding level for FY 2021.