



# Local Maintenance of Effort Fiscal Year 2022

Education §5-235(n) MSAR# 12944



MARYLAND STATE DEPARTMENT OF EDUCATION

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# Local Maintenance of Effort

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Pursuant to §5-235(n) of the Education Article, the Maryland State Department of Education (MSDE) is submitting this report regarding the required fiscal year 2022 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 2022 MAINTENANCE OF EFFORT CALCULATIONS

### Blueprint for Maryland's Future

The Blueprint for Maryland's Future legislation was passed by the General Assembly during the 2020 Legislative Session, but the Governor vetoed the bill in June of 2020. During the 2021 Legislative Session, the General Assembly voted to override the Governor's Veto, and the Blueprint for Maryland became law at that time. During the 2021 Legislative Session, the General Assembly passed HB1372 (Chapter 55), which includes revisions to the Blueprint legislation. Some of these revisions impact the Maintenance of Effort Calculations in FY 2022.

As a result of pandemic-related school closures and associated decreases in annual enrollment, the legislature revised the definition of Enrollment Count to exclude the 2020-2021 full-time equivalent enrollment from all three-year moving average enrollment calculations that would include that school year.

The calculation of Education Effort in FY 2022 and FY 2023 is also revised. For FY 2022, the increase in local wealth per pupil and the statewide average increase in wealth per pupil are calculated using 9/30/2019 full-time equivalent enrollment.

### Nonrecurring Cost Exclusions

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) 2022, six local school systems submitted requests for non-recurring cost exclusions. A total of \$2.8 million was requested and \$2.7 million of the approved items were funded by local governments.

### Education Effort

Education Article §5-235(2)(ii) 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 2022, the statewide average increase in wealth per pupil was 2.8%. Fourteen jurisdictions fell below 100% of the statewide five-year moving average. Twelve jurisdictions were required to increase the per pupil maintenance of effort amount. Nine jurisdictions increased the per pupil maintenance of effort amount

by the maximum amount, 2.5%. Three jurisdictions increased the per pupil maintenance of effort amount by the change in local wealth per pupil. Two jurisdictions were not required to increase the per pupil maintenance of effort amount because the change in wealth per pupil resulted in a negative amount. The statewide five-year moving average was 1.29%.

### **MAINTENANCE OF EFFORT CERTIFICATION**

Education Article §5-235(a)(2)(i) 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 using enrollment count. §5-235(a)(2)(ii) includes the required adjustment 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 2022. No local school systems requested a waiver of the Maintenance of Effort requirement as provided for in §5-235(g).

## Maryland State Department of Education

### Compilation of Maintenance of Effort Certification for Fiscal Year 2022

Local Education Agency	Mimumum Share (local wealth x local contribution rate)	Required Maintenance of Effort	Total Appropriation	Certified Net Local Appropriation	Difference
Allegany	16,822,342	31,854,912	31,854,912	31,854,912	-
Anne Arundel	368,763,588	768,319,000	784,741,000	784,741,000	16,422,000
Baltimore City	180,170,597	275,513,758	293,955,149	275,513,758	-
Baltimore	379,396,830	858,281,396	889,311,619	888,261,619	29,980,223
Calvert	50,752,630	134,705,204	134,705,250	134,705,250	46
					-
Caroline	10,622,954	15,965,381	15,965,381	15,965,381	-
Carroll	88,159,939	198,407,702	205,617,860	204,617,860	6,210,158
Cecil	43,287,143	88,527,026	88,527,026	88,527,026	-
Charles	75,876,091	195,714,732	201,023,664	200,686,400	4,971,668
Dorchester	10,998,972	20,797,056	20,812,142	20,812,142	15,086
Frederick	137,537,342	296,348,176	316,598,012	316,348,012	19,999,836
Garrett	15,634,424	28,705,313	28,705,313	28,705,313	-
Harford	126,299,845	276,927,762	293,812,984	293,812,984	16,885,222
Howard	228,576,316	613,837,476	640,800,000	628,300,000	14,462,524
Kent	10,417,131	18,559,629	18,559,629	18,559,629	-
Montgomery	774,093,969	1,752,312,805	1,752,662,235	1,752,662,235	349,430
Prince George's	386,593,886	738,223,500	816,947,300	738,223,500	-
Queen Anne's	32,176,085	62,559,389	62,559,389	62,559,389	-
St. Mary's	53,223,079	109,542,840	114,540,490	114,540,490	4,997,650
Somerset	5,498,705	10,443,965	10,443,965	10,443,965	-
Talbot	29,073,677	43,624,398	43,949,871	43,905,596	281,198
Washington	54,077,226	105,788,412	105,841,710	105,841,710	53,298
Wicomico	28,792,175	48,874,552	48,874,552	48,874,552	-
Worcester	50,760,975	96,341,968	96,341,968	96,341,968	-
<b>Total</b>	<b>3,157,605,921</b>	<b>6,790,176,352</b>	<b>7,017,151,421</b>	<b>6,904,804,691</b>	<b>114,628,339</b>