



House Bill 562

*Primary and Secondary Education - Maintenance of Effort - Inflation Adjustment
(Maintenance of Effort Modernization Act)*

MACo Position: **OPPOSE**

To: Appropriations Committee

Date: February 24, 2026

From: Sarah Sample

The Maryland Association of Counties (MACo) **OPPOSES** HB 562. This bill alters the method for calculating the maintenance of effort (MOE) amount county governing bodies are required to appropriate to the school operating budget by requiring an annual inflation adjustment.

The Blueprint for Maryland's Future (Blueprint) faces an environment dramatically unlike that envisioned during its initial forecasts. The pandemic, labor market, and cost-drivers have altered the underpinning of this landmark effort. County governments have been funding partners, making record-setting financial commitments over four years of the roll-out, mostly via the MOE share of funding.

These current MOE contributions, broadly, are not marginally over the local share. In many instances, the county is – without a requirement – putting tens of millions more into school funding, with some jurisdictions even reaching billion-dollar contributions years ahead of estimates. This reality runs counter to a founding assumption of the Blueprint, which anticipated all counties would eventually convert to the local share portion of funding. For fiscal year 2027, it is estimated that another three counties will actually convert to the maintenance of effort (MOE) portion of funding. This change comes as a response to local school systems pleading with county governments to cover the substantial gaps left by the State's inadequate contributions, which were based on pre-pandemic assumptions, rather than actual implementation costs.

HB 562 implies that counties are, by some margin, getting relief from reasonable funding standards, when the exact opposite is true. By contrast, the State continues to fund a number holding no relevance to the current fiscal and operational demands of the Blueprint or showing any appreciation for partnership with counties. A close observer of Blueprint implementation could recognize that if there were shortcomings to be reconciled, they exist within the State funding obligations.

Significant reforms, as those prescribed by the Blueprint, hold great promise but must be built to last. Broad course corrections in the face of significant obstacles will serve students, educators, and communities better in the long run, rather than piecemeal efforts to address perceived shortcomings that do not exist. Accordingly, MACo urges an **UNFAVORABLE** report for **HB 562**.