

What is "Maintenance of Effort" (MOE)?

Under Maryland state law, if a county fails to fund education at the same per pupil level as the year before (taking into account increases or decreases in county enrollment) and does not obtain a waiver from the Maryland State Board of Education, the school system in that county can be penalized. The penalty equals the increase in basic state aid to education, which the school system would otherwise be entitled to receive.

How has MOE changed?

Last year, the law was changed to permit counties to fund only the county's local share of "Foundation Aid", an amount dramatically lower than historical education funding levels for most counties. So, under current law, a county can choose to contribute less per pupil than in the prior year and accept the penalty, so long as the county is still funding at, or above the Foundation Aid level.

In addition, in May 2011, Maryland State Board of Education issued a decision that counties are not required to apply for a waiver from MOE. In prior years, any county that failed to meet MOE applied for a waiver. If the waiver was granted, the County was permitted to fund at the lower per pupil level for that given year. The MOE funding requirement for the next year was set at the higher per pupil funding level in place the year before the waiver was granted.

Now, a county can fail to meet MOE, not seek a waiver, and thereby, reset or lower the county's MOE funding obligation going forward, although the county school system would still be subject to the penalty for that single year.

What is the impact on Montgomery County students?

After exceeding MOE funding requirements for many years, in the face of difficult economic times, Montgomery County has failed to meet MOE since FY 2010. Montgomery County applied for waivers and the penalties were waived – either by the State Board or legislative action – up until this past year. In FY 2012, Montgomery County withdrew its request for a waiver and lowered its local contribution to \$9,759 per pupil – down \$1,490 per pupil from FY 2009. As a result of the County's decision to withdraw its waiver request, the Montgomery County Public Schools are now facing a \$26 million penalty, and a lower local per pupil contribution of \$9,759 going forward. In addition, had Montgomery County applied for and received a waiver, the County's overall funding obligation for FY 2013 would be \$69 million more than is now required.

Where does the education community stand on these issues?

The education community across the state, including the Maryland Association of Boards of Education, is advocating for changes to MOE to ensure: **accountability** - making MOE the local funding floor with a mandated waiver process; **flexibility** - improving the waiver process, including taking into account local history of exceeding MOE; **fairness** - applying any penalty to the county, not the schools; **predictability** - for school budget planning and employee negotiations; and **transparency** - requiring counties to explain why they are unable to meet MOE. For more information on MCCPTA's legislative platform, go to

www.mccpta.com.



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Legislative Platform 2011-2012

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Funding for public education should be a top priority both at the State and County level. Our children must receive a high quality education with all the necessary supports to achieve and succeed both within school and after graduation. A redefined curriculum, qualified teachers, technology, and a safe environment are just a few necessities to achieve a quality education. In order to support our children's educational opportunities, Montgomery County Council of PTAs supports the following positions.

- The principle of Maintenance of Effort – County governments should maintain their investment in the local school system and not rely on State funds to replace their own contribution. Maintenance of Effort does not provide for inflation or new initiatives. It is simply the lowest level of funding to maintain current services. Our elected leaders should strive to increase their investment to achieve improvement in schools rather than simply seek to limit their investment.
- State Penalty – Should the county not meet its obligations and underfund the school system below a Maintenance of Effort level of funding, the State penalty should be imposed upon the County Government. Currently, the school system is forced to absorb the state penalty in the year following that which the school system was underfunded. This places undue burden on the school system struggling with decreased funding.
- Maintenance of Effort Waiver Process – Currently, a county may opt not to file a waiver to underfund a Maintenance of Effort funding level. When this occurs, the Maintenance of Effort level “rebases” or automatically decreases to the level determined by the County Government (not the Board of Education), regardless of previous funding experience.
 - The waiver should be mandated for those County governments who adopt a budget that does not meet Maintenance of Effort.
 - The waiver approval process should take into account a variety of factors to include the county Board of Education's *support* for a lower Maintenance of Effort level.
 - The waiver approval process should allow for potential and explicit cost efficiencies as sufficient argument for approval.
 - The waiver approval process should review the history of county funding and allow some flexibility for one-time larger investments in a specific year in order to provide incentives for county support for education.
- State Capital Improvement Funding – State funding should be adequate, timely, and distributed equitably based on student enrollment in each district.
- Funding Responsibility for Maryland State Teacher Retirement – We oppose any consideration of shifting the funding responsibility for the teacher retirement program onto county governments at this time. County governments are currently struggling and adding this burden at this time is inappropriate and of questionable value.
- Curriculum Authority - We recognize the state's authority to set minimum standards; however, we support the current authority of local Boards of Education to determine curriculum as this provides us with the best opportunity to advocate and share concerns with regard to our children's instruction. We also support the development of optional curriculum by the State. However, any mandated curricula by the State should be accompanied by the funding needed to implement them.