

New effort to fix ‘maintenance of effort’ law

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ANNAPOLIS — In an effort to help counties match state school spending, legislators have introduced a bill to help fix what many consider to be a broken maintenance of effort law.

A hearing for HB 1412 is set for Thursday.

The maintenance of effort law requires that individual counties match the amount of money the state gives them for local education, and makes counties provide equal or greater funding to education than in previous years. Last year, seven counties — Anne Arundel, Dorchester, Kent, Montgomery, Queen Anne’s, Talbot and Wicomico — did not match education funding set in the previous budgeting cycle.

Under the bill, counties that can’t match the previous year’s funding would be required to apply for a waiver, which would exempt the county from matching for one year.

“It’s going to provide some stability and predictability to the school system,” said Del. John L. Bohanan Jr., D-St. Mary’s, who co-sponsored the bill.

The bill also attempts to fix problems associated with rebasing, which occurs when counties’ contributions reset after they fail to meet their yearly funding expectation and don’t apply for a waiver.

The bill would allow a county to reset its baseline of school funding if it can prove to the State Board of Education that it is unable to make the payment, or if it paid extra in previous years.

“If you’ve gone over your maintenance of effort funding, like Montgomery County has, then that should be recognized,” Bohanan said.

However, waivers or rebasing options would not be granted to counties that have not made a satisfactory effort, which would be determined by the State Board of Education.

“Essentially, good actors would be given room to rebase their funding, but we would not want counties that underfund education to be allowed to rebase,” said Del. Anne R. Kaiser, D-Montgomery, who co-sponsored the bill.

The bill would also allow counties to increase property taxes over current tax caps — provided that the additional revenue collected is only used for education, said Bohanan.

Forcing counties to pay for the state’s bad financial decisions is unacceptable, Anne Arundel County Executive John R. Leopold said in an interview.

Anne Arundel County already spends 52 percent of its budget on schools, which does not leave enough room in the budget for other institutions like libraries, he said.

Leopold called the property tax idea “a menu of distasteful dietary choices causing acute indigestion.”

Sean Johnson, managing director of legislative affairs for the Maryland State Education Association, called the bill a great step in the right direction.

“It’s a comprehensive bill that deals with a lot of major aspects that we wanted maintenance of effort laws to address,” he said.

Johnson also defended the section on exceeding property taxes, saying that counties were not required to do so, and should only raise taxes “if it’s the only thing keeping counties from [meeting their funding levels].”

