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FISCAL AND POLICY NOTE
First Reader

House Bill 26
Ways and Means

(Delegate Toles)

Public Schools - Open Enrollment - Policies and Funding

This bill authorizes a local board of education to adopt an open enrollment policy. The policy must (1) allow a child from a sending county to be enrolled in a receiving school free of charge; (2) reserve space for students who are enrolled in the receiving school during the previous school year for automatic enrollment in each subsequent school year without application; (3) be published in an easily accessible manner on the local board's website; and (4) comply with applicable federal and State antidiscrimination laws. The bill specifies mechanisms for providing State and local funding for students that take advantage of the open enrollment policy. **The bill takes effect July 1, 2026.**

Fiscal Summary

State Effect: General fund expenditures increase by \$20,000 in FY 2027 to cover upgrades to the Maryland State Department of Education (MSDE) enrollment web data collection system. General and special fund expenditures (for State education aid) are altered by an indeterminate amount beginning as soon as FY 2028 based on local board adoption of open enrollment and parental participation. Additionally, general fund expenditures may increase to cover per-student cost differences as soon as FY 2027. Revenues are not affected.

Local Effect: To the extent that any local board of education adopts an open enrollment policy, State and local funding for public schools may be affected beginning as soon as FY 2027. The actual impact will vary by local school system and cannot be precisely estimated. **This bill imposes a mandate on a unit of local government.**

Small Business Effect: None.

Analysis

Bill Summary: “Receiving county” or “receiving school” means a county or a public school in a county which a student from a sending county is enrolled under an open enrollment policy. “Sending county” or “sending school” means a county or a public school in a county in which a student is domiciled with the student’s parent or guardian. “Open enrollment policy” means a policy adopted by a local board of education authorizing a child who is otherwise eligible to attend a public school in the State to attend a public school free of charge in a county other than the county where the child is domiciled.

A local board that adopts an open enrollment policy must establish a specified application process. An application review process must provide an enrollment preference for children who are (1) zoned to the school or (2) siblings of enrolled students. If the total number of applications received exceeds the receiving school’s open enrollment capacity, the review process must use an equitable selection process that maintains the above-mentioned preferences. A receiving school may deny an application to enroll a child for specified reasons.

A local board that adopts an open enrollment policy must (1) track the open enrollment capacity by school and grade level and (2) publish an easily accessible report on its open enrollment capacity on its website that is updated at least every four weeks. The bill specifies that a local board adopting an open enrollment policy or a school subject to that policy are not required to (1) alter the structure of a school or the arrangement or functions of rooms within the school; (2) establish or offer any particular new program at the school; or (3) alter or waive any established program eligibility criteria.

A school subject to an open enrollment policy must (1) consider any student enrolled under the policy enrolled for all purposes, including school attendance, accountability, and graduation, and (2) accept credits toward graduation awarded to a student by the sending county. A receiving county board may provide transportation services to a student; if so, the receiving county board must pay the associated transportation costs.

The bill defines “local current expense per student” as all expenditures made by a county-from-county appropriations for public elementary and secondary education in the previous fiscal year divided by full-time equivalent (FTE) enrollment. Each fiscal year, for each student enrolled in a school under an open enrollment policy in another county, the sending county board must send to the receiving county board an amount equal to the lesser of the local current expense per student in (1) the sending county or (2) the receiving county. If the local current expense per student in the sending county is less than in the receiving county, the State must provide the difference to the receiving county board.

The bill also specifies, consistent with current law, that certain students living near a county border who may attend a school in another county are exempted from State law requiring a student to attend the school designated to serve the student's attendance area.

Current Law: Appendix – Public School Funding in Maryland details State and local funding of public schools, including transportation funding, which is affected by student enrollment counts in local school systems.

School Attendance Areas, Out-of-county Attendance, and Student Transportation

Generally, a student must attend the school designated to serve the student's attendance area. However, local boards of education have various policies allowing for enrollment of or the transfer of a student outside of their attendance area, under certain circumstances. Unique hardship circumstances, childcare needs, programming purposes, and relief of school overcrowding are among the local exceptions to required pupil attendance within designated attendance areas.

Under certain conditions, a county may send children who reside within its borders to a public school in an adjoining "receiving county." A public school that is near the boundary of two counties may thereby be jointly attended by students from both counties. The county school boards of the two counties may provide jointly for the maintenance and support of the jointly attended school and determine the geographical attendance areas and other attendance policies for all jointly attended schools in the receiving county. If the two counties fail to agree on a geographical attendance area, then the State Superintendent must decide the matter. The sending *county government* must pay the receiving county, for each student who resides in the sending county and who attends a public school in the receiving county, an amount equal to the lesser of:

- the local current expense per student in the sending county; or
- the local current expense per student in the receiving county.

If the local current expense per student for the sending county is less than the local current expense per student for the receiving county, the difference, plus the appropriate State share of the foundation program, for each student who resides in a sending county who attends a public school in the receiving county must be (1) paid by the State to the receiving county and (2) provided for in the appropriation to the State Board of Education. State regulations specify that the local school system in the receiving county may include the nonlocal resident student in its enrollment count for the purpose of calculating State aid under the foundation program, if the student meets all other eligibility requirements.

Current law also provides for certain children who are placed by a State agency, a licensed child placement agency, or a court in a county other than where the child's parent or legal guardian resides. "Financially responsible county" generally means the county where the parent or legal guardian of a child in an out-of-county living arrangement resides, with specified exceptions if the parents of the child live apart. "Service providing local education agency" means the local education agency for the county where a child in an out-of-county living arrangement is placed.

A child in an out-of-county living arrangement must receive an appropriate education from the service providing local education agency. The service providing local education agency must include a child enrolled as the result of an out-of-county living arrangement in their FTE enrollment. Generally, for each child in an out-of-county living arrangement enrolled in a public school program on December 31, the financially responsible county must pay the service providing local education agency an amount equal to the lesser of:

- the local current expense per student in the financially responsible county; or
- the local current expense per student in the service providing local education agency.

If the service providing local education agency determines that a child in an out-of-county living arrangement is a student with a disability, as specified, the same formula applies, but the current expense is multiplied by three in both instances. If the local current expense per student in the financially responsible county is less than the local current expense per student in the service providing local education agency, the State must pay to the service providing local education agency the difference for each student in an out-of-county living arrangement who attends a public school in the service providing local education agency. The necessary funds must be provided in the appropriation to the State Board.

State Expenditures: General fund expenditures increase by \$20,000 in fiscal 2027 to cover one-time upgrades to MSDE's enrollment web data collection system. In addition, State expenditures are affected by (1) changes to the State aid allocations for local school systems and (2) direct payments to certain local school systems to cover the per-student cost differences between the sending and receiving school systems.

Impact on State Aid Allocations

Beginning as soon as fiscal 2028, general and special fund (Blueprint for Maryland's Future Fund) expenditures for several education aid programs are altered due to the bill's provisions, to the extent that one or more local boards choose to adopt an open enrollment policy as authorized by the bill, and that parents choose to enroll their children in public school in a receiving county.

The effect on State aid expenditures is indeterminate because it is not known at this time (1) which local boards, if any, will choose to do so, nor in what school year; (2) from what county or counties students will be drawn to receiving counties; or (3) the extent to which parents will take advantage of the ability to enroll their children in a receiving county public school. Because of the uncertainty, it is not known to what degree education aid formula results are altered. Because of varying *per pupil* wealth and therefore varying State and local shares by county under current law for education aid programs, it is not known if the overall effect on State funding for public schools amounts to an increase or decrease under the bill. Given the bill's effective date, a local board may choose to adopt an open enrollment policy impacting enrollment counts by county as soon as fall 2026, thus State aid may be affected as soon as fiscal 2028.

Per-student Cost Differences

General fund expenditures may increase to cover per-student cost differences as soon as fiscal 2027. Under the bill, if the local current expense per student in the sending county is less than in the receiving county, the State must provide the difference to the receiving county board. The actual impact on general fund expenditures will depend on the location of the sending county and the receiving county for each student that participates in the open enrollment policy.

In fiscal 2026, [per pupil revenues for public schools](#) from both the State and county governments totaled over \$21,800 on a statewide basis. This amount ranges from \$18,569 in Carroll County to \$24,705 in Baltimore City. Local funding for public schools averaged \$10,376 on a statewide basis, ranging from \$3,865 in Wicomico County to \$17,594 in Worcester County.

Under the bill, if a student from a county with a lower local per pupil amount (sending county) attends a public school in a county with a higher local per pupil amount (receiving county), the State will be required to pay the difference. A potential scenario of a State payment would occur if a student residing in Baltimore City attends a public school in Baltimore County. In this example, using data from fiscal 2026, the Baltimore City Board of Education would be required to send a payment totaling \$5,612 to the Baltimore County Board of Education. Since the local *per pupil* amount is less than what the Baltimore County government provides the county school system (\$9,619), the State would be required to cover the difference (\$4,007).

Local Fiscal Effect: To the extent that one or more local boards choose to adopt an open enrollment policy, local school system funding will be significantly affected particularly for the sending school system which is required to provide a payment to the receiving school system that totals the local per pupil funding amount from the county government.

Under current law, State and local funding for public schools in a given year is based on the student enrollment count from the prior year. In addition, the required local funding amount (the local appropriation from the county government) is based on the *per pupil* maintenance of effort (MOE) requirement and local share amount. This calculation, along with the State aid formulas that are based on student enrollment, will have a major impact on the available funding for the sending school system under the bill.

In the first year that a local board adopts an open enrollment policy, the sending county board is required to provide local funds to the receiving county board that is roughly equivalent to the amount that the sending county board received for that student. In that year, the sending county board is still receiving both State and local funding for the student that is transferring to a public school in the receiving county board (since State funding is based on the enrollment from the prior year and local funding is based on the *per pupil* MOE calculation and local share amount).

By the second year, to the extent that students repeat annual enrollment in a receiving local school system, the sending county board must continue to provide local funding for that student to the receiving county board, even though the sending local school system is no longer receiving either State or local funding for that student, since that student is no longer counted in the student enrollment count for funding purposes. That student is now counted in the enrollment count for the receiving local school system which will be provided both additional State and local funding (from the receiving county government) for that student, along with the local funding amount from the sending school system. This situation will continue to occur until the student from the sending local school system graduates or returns to the sending local school system.

A primary issue of concern under the bill is that the local payment from the sending county to the receiving county must be made by the local board of education and not the county government. In this situation, as discussed above, the sending county board must make a payment to the receiving county board even in cases in which the local school system does not receive any State or local funding for that student. Since local boards do not raise revenue directly, they rely entirely on funding from their county government and the State through education funding formulas. As a result, these payments by the sending county boards must be absorbed within existing local school system budgets.

In addition, the bill does not specifically authorize a local board to adopt an enrollment policy that opts out of being a sending county board. Being a sending county board as discussed above may have a significant fiscal impact on both the local school system and the remaining students within the sending county.

Additional Information

Recent Prior Introductions: Similar legislation has been introduced within the last three years. See SB 819 of 2025.

Designated Cross File: SB 350 (Senator A. Washington) - Education, Energy, and the Environment and Budget and Taxation.

Information Source(s): Baltimore City Public Schools; Baltimore County Public Schools; Montgomery County Public Schools; Prince George's County Public Schools; Department of Budget and Management; Maryland State Department of Education; Department of Legislative Services

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Appendix – Public School Funding in Maryland

State Aid for Public Schools

Blueprint for Maryland’s Future and Education Funding Formulas

The majority of direct State aid to public schools (excluding teachers’ retirement) is determined by enrollment-based funding formulas generally found in Title 5, Subtitle 2 of the Education Article. This includes the foundation formula, which makes use of a per pupil foundation amount (PPFA) and an “enrollment count,” which is the greater of (1) the prior year full-time equivalent (FTE) enrollment and (2) the three-year moving average of FTE enrollment. Collectively, the formulas account for a uniform base cost per pupil that is necessary to provide general education services to students in every local school system and address the additional costs associated with educating three student populations: special education students; students eligible for free and reduced-price meals; and students who are English learners. Under Chapter 237 of 2025, beginning in fiscal 2026, the special education, compensatory education, and English learner formulas – structured similarly to the foundation program, but targeting the three student populations mentioned above – use statutory per-pupil dollar amounts (rather than percentage weights of PPFA), with amounts specified through fiscal 2033 and inflation adjustments thereafter.

Most State education aid formulas also include wealth equalization across counties, compensating for differences in local wealth by providing less aid per pupil to the more wealthy counties and more aid per pupil to the less wealthy counties. Although on the whole most State aid formulas are designed to have the State pay roughly one-half of program costs, the State’s share for the less wealthy counties is higher than 50%, and the State’s share for more wealthy counties is lower than 50%. For purposes of determining State and local shares of funding, wealth equals the sum of 100% of assessed public utilities real property value, 40% of the assessed value of all other real property, 50% of the assessed value of personal property, and 100% of net taxable income.

Major education aid programs include the foundation formula, comparable wage index (CWI), guaranteed tax base (GTB), compensatory education, concentration of poverty grants (CPG), English learner, special education, full-day prekindergarten, college and career ready (CCR), transitional supplemental instruction (through fiscal 2026), career ladder, and transportation grant programs.

The Blueprint for Maryland’s Future (Blueprint) legislation, including Chapter 771 of 2019; Chapters 36 and 55 of 2021; and Chapter 33 of 2022 established new programs and updated education funding formulas, to among other provisions provide additional

support for schools serving high concentrations of students living in poverty, including community schools and wraparound services, and increased support for students learning English and students with disabilities. Chapter 237, among other provisions, curtailed foundation program per pupil funding.

Blueprint for Maryland's Future Fund

The Blueprint for Maryland's Future Fund (BMFF) was created by Chapter 771 as the successor to the Commission on Innovation and Excellence in Education Fund. The BMFF is intended to assist in providing adequate funding for early childhood education and primary and secondary education to provide a world-class education to students in Maryland.

Comparable Wage Index

CWI provides additional funds to local school systems with above-average personnel costs but does not decrease funding for local school systems with below-average costs. CWI adjustment values are fixed in statute and range from 0.047 in Frederick County to 0.166 in Montgomery County. The formula multiplies the adjustment value by the foundation program for a given county, which is the PPFA multiplied by the enrollment count for the county.

Guaranteed Tax Base

The GTB program is intended to encourage less wealthy jurisdictions to maintain or increase local education tax effort, *i.e.*, local education appropriation as a percentage of local tax base. The program provides additional State education aid to counties that (1) have less than 80% of the statewide average wealth per pupil and (2) provide local education funding above the minimum local share required by the Foundation Program. The program uses local education tax effort and wealth to determine State aid amounts for each eligible local school system.

Concentration of Poverty Grant Program

Blueprint legislation provides additional support for schools serving high concentrations of students living in poverty through the CPG Program. CPG funding has two components, a personnel grant and a per-pupil grant.

Personnel Grants are provided to employ a community school coordinator with specified qualifications and provide full-time coverage by at least one health care practitioner. A county that provides health coverage or community school services with funds other than the personnel grant must continue to provide those services through fiscal 2030. If the

personnel grant provided to an eligible school exceeds the costs to employ those positions and provide health coverage, the eligible school may use excess funds to provide wraparound services and complete the community school needs assessment. The personnel grant is a State-funded categorical amount that increases with inflation.

Per-pupil Grants are provided for each qualifying school following the completion of a community school needs assessment, and each eligible school must use the per-pupil grant to provide wraparound services and other programs and services as identified in the school needs assessment. CPG funds must generally be distributed by the local board to each eligible school. However, if the local school system has at least 10 eligible schools or at least 35% of a local school system’s schools are eligible schools, the local board may expend up to 50% of CPG personnel and per-pupil grants on behalf of eligible schools on program costs that directly benefit the school, and in accordance with a plan developed in consultation with eligible schools that ensures that each eligible school receives the required positions/coverage and services. Per-pupil grants are only wealth equalized for districts that receive the minimum State funding (40%) under the compensatory education formula; for all other districts, the State pays the full amount. The local funding percentage is based on the compensatory education wealth equalization formula.

The following table lays out the phase-in of the two components of the funding.

Concentration of Poverty Grants Phase-in

<u>School Poverty Percentage</u>	<u>Year Personnel Phased-in</u>	<u>Year Per Pupil Phased-in</u>
> = 80%	FY 2020	FY 2022
75%-80%	FY 2021	FY 2023
70%-75%	FY 2022	FY 2024
65%-70%	FY 2023	FY 2025
60%-65%	FY 2024	FY 2026
55%-60%	FY 2025	FY 2027

School concentration percentages are based on a three-year average of compensatory education enrollment in each public school.

For the per-pupil grant, schools receive funding along a sliding scale according to their CPG level, the three-year average percentage of compensatory education enrollment students at each school. Schools at or below 55% CPG level receive no funding per pupil. Schools above 55% and below 80% CPG level see the per-pupil amount increase until, for schools at or above 80% CPG level, per-pupil funding reaches the statutorily established per-pupil maximum amount. The per-pupil amount established by this sliding scale is then

multiplied by a school’s compensatory education enrollment in the second prior fiscal year to get a calculated grant amount. A percentage increment of per-pupil funding is then applied for each of six years of eligibility, beginning with 16% in the first year of eligibility and culminating in 100% funding by the seventh year, is specified in statute as shown in the table below.

<u>Eligibility Year</u>	<u>Share of CPG Per Pupil</u>
NOT ELIGIBLE	0%
Year 1	16%
Year 2	32%
Year 3	37%
Year 4	55%
Year 5	66%
Year 6	75%
Year 7 and Beyond	100%

Beginning in fiscal 2030, however, all schools receive 100% of the calculated per-pupil grant amount regardless of year of eligibility.

College and Career Ready Funding

It is the goal of the State that students enrolled in public school will meet the CCR standard adopted by the State Board of Education before the end of the 10th grade and no later than the time the student graduates from high school. In addition to funding for non-CCR and CCR students provided within the foundation formula, funding is provided for students in grades 9 through 12 who have met the CCR standard. Per-pupil funding, covered by both State and local shares, begins at \$517 in fiscal 2022 and is inflation adjusted each subsequent year. These funds support various pathways and educational options available to students who meet the CCR standard.

Career Ladder for Educators

Under Chapter 36, as amended by Chapter 55, a four-level career ladder must be implemented by each local board of education by July 1, 2024. Level one is a State-certified teacher. Level two is a teacher pursuing a master’s degree, 30 credits of a State board-approved program of study, or National Board Certification (NBC). Level three is a teacher who has an NBC or, if NBC or a comparable assessment is not available in the teacher’s content area, a master’s degree in that area. Level three includes an assistant principal. Level four is a teacher on the teacher leadership track or administrative track of the career ladder, each of which is further divided into tiers. If a

teacher achieves level three or four on the career ladder by being an NBC teacher, the teacher must retain NBC status in order to remain at that level. The State and county governments share the cost of required salary increases for educators reaching certain levels on the career ladder, including for attaining and retaining NBC status.

Grow Your Own Educators

Chapters 227 and 228 of 2024 established the Grow Your Own Educators Program to provide support to eligible provisional teachers and noncertified education support professionals interested in teaching who pledge to fulfill a service obligation. Administered by the Maryland State Department of Education (MSDE), the program provides grants to local school systems in collaboratives for certain teacher candidates' expenses and program administration costs. Chapter 237 made several alterations to the program, including clarifying that the program purpose is to support collaboratives that offer teacher licensure programs with on-the-job experiential learning for eligible individuals, not to directly support the individuals.

Full-day Prekindergarten

The full-day prekindergarten funding formula provides State and local funding for voluntary full-day prekindergarten for (1) children who are three or four years old from low-income families and homeless youths and whose family income is less than or equal to 300% of the federal poverty level (FPL) (Tier I children) and (2) four-year-olds from families whose income is – for fiscal 2026 funding – between 300% and 360% of FPL, and beginning fiscal 2027 between 300% and 600% of FPL (Tier II students).

There is no family share for Tier I students. For Tier II students, a sliding scale developed by MSDE determines the family share. For four-year-olds from families with income above 600% (Tier III), the family share covers the full cost of full-day prekindergarten. However, a local board may provide up to 100% of the family share on behalf of the family. Local governments are required to fund the local share of the full-day prekindergarten program. The funding formula for full-day prekindergarten is based in part on the per-pupil amount. The per-pupil amount is \$14,473 for fiscal 2026, escalates to \$19,950 in fiscal 2027 and 2028, and increases annually by inflation beginning in fiscal 2029.

Beginning in the 2024-2025 school year, prekindergarten slots provided by eligible private providers must account for at least 10% of the total prekindergarten slots provided by eligible prekindergarten providers in each county. The proportion of eligible private provider prekindergarten slots in each county increases by 10 percentage points every school year, until, in the 2028-2029 school year, and each subsequent school year, eligible private provider prekindergarten slots account for at least 50% of eligible prekindergarten provider prekindergarten slots in each county.

Priority in expanding full-day prekindergarten slots is given to three- and four-year-olds who are Tier I children, children with disabilities regardless of family income, and children living in homes where English is not the primary spoken language. The proportion of enrolled Tier I children who are three- and four-year-olds must increase annually until all such children are enrolled in a full-day prekindergarten program.

Prekindergarten Expansion Grant Program

The Prekindergarten Expansion Grant Program, administered by MSDE, is intended to broaden the availability of high-quality prekindergarten and school readiness services throughout the State for children and their families in coordination with the expansion of publicly funded full-day prekindergarten under the Blueprint. The program is a competitive grant program to provide grants to qualified providers, including (1) a local board of education or (2) if partnering with a local board under a memorandum of understanding, a State accredited or nationally accredited child care program or a nonpublic school approved by MSDE to provide prekindergarten services.

Grants may be used to add available slots to expand prekindergarten services, including (1) establishing or expanding full-day prekindergarten for eligible young children and (2) expanding existing half-day prekindergarten programs into full-day prekindergarten for eligible young children. Grants may not be used (1) to supplant existing funding for prekindergarten services; (2) for capital improvements; or (3) to fund the same full-day prekindergarten slot that is funded under the full-day prekindergarten program established by Blueprint legislation.

Through fiscal 2029, the Governor must annually appropriate to the Prekindergarten Expansion Fund (established to provide funds to the program) an amount that is at least equal to the total amount of all funds received by the program in the prior fiscal year. Beginning in fiscal 2030, funds appropriated to the Prekindergarten Expansion Fund must be consolidated into the publicly funded full-day prekindergarten program.

Public School Transportation

All school systems are required to arrange transportation to and from school for all public school students and are required to provide transportation to and from school for all disabled students. The State provides annual aid to public schools for the purpose of funding student transportation. The funding consists of two parts: a base grant that is adjusted annually; and a per-pupil grant based on the number of students with special transportation needs.

Local Funding for Public Schools

Maintenance of Effort and Local Share

Each year, the county government (including Baltimore City) is required to appropriate funds to the local board equivalent to the greater of the per-pupil maintenance of effort (MOE) requirement or the local share amount of all wealth-equalized formulas. The per-pupil MOE amount is based upon the enrollment count as defined above. The local share of major education aid programs equals the local share of the foundation formula, compensatory education, English learner, special education, CWI, full-day prekindergarten, CCR, transitional supplemental instruction (through fiscal 2026), and career ladder grant programs. Also, counties that benefit from the compensatory education State funding floor are required to fund the local share of CPG. However, for some counties, the combined local share across these several programs is subject to adjustments described below. Additionally, under Chapter 336 of 2024, the State and county governments must pay for Blueprint implementation coordinator salaries in the same proportion as the foundation program.

Education Effort Adjustment to Local Share Requirement

Local governments are required to fund the local share of the foundation program and the required local shares for several other funding formula programs. The law also includes a mechanism for establishing a maximum local share that a county must fund each year. This involves “local education effort,” which is determined for each county by dividing the county’s local share of major education aid by the county’s wealth. An “education effort index,” which is the local education effort divided by the “State average education effort” is then determined. A “maximum local share” is calculated for each county, which is the county’s local wealth multiplied by the State average education effort.

Each county with an education effort above 1.0 for two consecutive years receives relief based upon its “education effort adjustment,” which is the amount by which the calculated local share exceeds the maximum local share. This relief (which results in increases to State aid), is provided to counties within one of three tiers, based on whether the education effort is (1) greater than 1.0 but less than 1.15; (2) at least 1.15 but less than 1.27; or (3) at least 1.27. State relief for the first tier is phased up from 15% of the education effort adjustment in fiscal 2023 to 50% by fiscal 2030. State relief for the second tier is phased up from 20% of the education effort adjustment in fiscal 2023 to 100% by fiscal 2030. State relief for the third tier is 100% beginning in fiscal 2023. However, the education effort adjustment for a county is only allowed to the degree that per-pupil MOE is met each year.

Additional Reductions to Local Share

A county may be eligible for a reduction in the required local share of major aid formulas in three additional ways: (1) if a county receives State funds from the GTB program, the

local share may be reduced by the amount of GTB funds, except that for Baltimore City only the amount above \$10.0 million may be reduced from the local share; (2) if a county receives State funds to support the minimum funding floors of 15% for the foundation and 40% for the targeted programs; and (3) if a county has a CWI of at least 0.13, the local share of CWI may be reduced by 50%. However, in all of these cases, the local share may not be reduced to below the required per-pupil MOE amount.

Minimum School Funding Requirement

Each local board of education must distribute to its public schools at least 75% of the applicable per-pupil funding amounts generated under the foundation program and most major education aid formulas. In addition, local boards must distribute 100% of the per-pupil amounts provided under the concentration of poverty grant program and for eligible private provider prekindergarten slots.