

Department of Legislative Services
Maryland General Assembly
2026 Session

FISCAL AND POLICY NOTE
Third Reader - Revised

House Bill 89

(Baltimore County Delegation)

Ways and Means

Education, Energy, and the Environment

**Maryland Office of the Inspector General for Education - Baltimore County
Public Schools - Memorandum of Understanding**

This bill requires the Inspector General (IG) for Education to pursue a memorandum of understanding (MOU) with the Baltimore County Inspector General on matters pertaining to Baltimore County Public Schools (BCPS).

Fiscal Summary

State Effect: The Office of the Inspector General for Education (OIGE) can pursue and effectuate an MOU with the Baltimore County IG using existing resources. Revenues are not affected.

Local Effect: The Baltimore County IG can pursue an MOU with OIGE using existing resources. To the extent an MOU provides additional authority to the Baltimore County IG over BCPS, expenditures may increase to conduct additional investigations. Expenditures for BCPS may likewise increase to comply with investigations that result from the MOU. Local revenues are not affected.

Small Business Effect: None.

Analysis

Current Law: In Chapter 329 of 2020, the General Assembly authorized the Montgomery County Council to enact a local law that grants the Montgomery County IG authority over the Montgomery County Board of Education (and public schools located in Montgomery County) that the inspector general has over a department of county government.

The Baltimore County IG's purpose as established in local law is to provide (1) increased accountability and oversight in the operations of the county government by identifying fraud, waste and abuse in the county government and (2) ways to promote efficiency, accountability, and integrity in government. The Baltimore IG's fiscal [2025 annual report](#) notes the office does not currently have jurisdiction over BCPS.

Maryland Office of the Inspector General for Education

OIGE is an independent unit of the State responsible for examining and investigating local boards of education, local school systems, and public schools; nonpublic schools that receive State funds; the Maryland State Department of Education; and the Interagency Commission on School Construction. The IG may employ specified staff and receive and investigate complaints or information concerning:

- fraud, waste, and abuse involving the use of public funds and property;
- violations of the civil rights of students and employees;
- whether policies and procedures governing the prevention and reporting of child abuse and neglect comply with federal and State law; and
- compliance with other federal and State law.

With the exception of certain protected, confidential, and privileged documents, the inspector general must have access to records, data, reports, contracts, correspondence, and other documents of the entities it may investigate. The office may serve a subpoena in the same manner as does a circuit court. The office must annually report on its goals and priorities, activities, the number and nature of incidents it reports to specified State and federal entities, and findings and recommendations related to (1) instances of fraud, waste, and abuse; (2) civil rights violations; and (3) specified policy matters.

State/Local Expenditures: Both OIGE and the Baltimore County IG can likely negotiate an MOU on matters pertaining to BCPS using existing resources. To the extent such an MOU affords the Baltimore County IG additional authority to investigate BCPS, both OIGE and Baltimore County IG operations may be affected.

For OIGE, an MOU may allow the Baltimore County IG to investigate complaints that are beyond the current capacity of OIGE to investigate.

For the Baltimore County IG, expenditures may increase due to the expansion of the Baltimore County IG's responsibilities under an MOU. Since the school district receives a significant amount of funding (representing about \$2.8 billion in operating and capital expenditures in fiscal 2026), investigating the public school system is likely a significant undertaking that may require (1) additional resources and staff; (2) a shift in current

activities to focus on the school system, resulting in less resources for existing activities; or (3) a combination of increased resources and a shift in existing oversight activities.

For fiscal year 2025, the Baltimore County IG had a budget of \$874,483 and operated with six full-time employees. Assuming the IG maintains some (or all) of its current oversight activities, Baltimore County may need to increase funding for the IG for work related to the public school system. For context, costs for the Baltimore County IG to hire three additional investigators, one management analyst, and one administrative assistant could total over \$0.75 million annually. Total costs to Baltimore County are indeterminate and will depend on (1) the number of investigations into BCPS the county IG conducts under the MOU and (2) the extent to which the county IG shift *existing* staff and resources to investigate matters relating to BCPS.

Additionally, BCPS may require additional expenditures to comply with investigations conducted by the Baltimore County IG and OIGE through an MOU. Exact costs to comply with an investigation are unknown and will depend on the level of reporting required by a given investigation.

Any increase in expenditures for Baltimore County or BCPS take effect only after OIGE and the Baltimore County IG enter into an MOU.

Additional Information

Recent Prior Introductions: Similar legislation has not been introduced within the last three years.

Designated Cross File: SB 15 (Senator Jackson) - Education, Energy, and the Environment.

Information Source(s): Office of the Inspector General for Education; Baltimore County; Department of Legislative Services

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