

IN THE MATTER OF
THE BALTIMORE CITY
MOE WAIVER REQUEST

BEFORE THE
MARYLAND
STATE BOARD
OF EDUCATION
Order No. OR14-03

ORDER


The City of Baltimore and the Baltimore City Board of School Commissioners jointly requested a waiver of \$2,925,582 of the City's maintenance of effort (MOE) amount for fiscal year 2014.

During the Fiscal Year 2013 budget process the City Schools used an incorrect enrollment number to calculate the City's MOE. The projected Fiscal Year enrollment of 79,849 FTE was used to calculate the MOE. However, the Fall 2011 MSDE-certified enrollment number on which the Fiscal Year MOE calculation should have been based was only 78,871 FTE. The City exceeded the MOE requirement in FY 2013 based on the enrollment error. Based on the same enrollment error, the City's FY 2014 appropriation fell below the MOE requirement. The Maryland State Department of Education informed the City it needed to appropriate an additional \$2.9 million (same amount of the waiver) in FY 2014 or face a penalty. In response, the City appropriated the additional funds.

Pursuant to MD Education Article §5-202(d)(8)(i)(2), the State Board shall grant an MOE recurring costs waiver request, if the waiver request is agreed upon by the parties as long as the amount agreed on does not "exceed the entire amount of the reduction in recurring costs" or reduce the education appropriation below the minimum education funding required by statute. Md. Educ. Art. §5-202(d)(9).

The Agreed Upon Waiver request seeks to reduce the increased MOE funding level caused by the enrollment count error. That amount does not exceed the amount of the reduction in recurring costs and does not reduce the appropriation level below the statutory minimum requirement.

After a public hearing on April 22, 2014 in which representatives of both parties spoke in favor of the waiver, and after deliberation and verification of the calculations upon which the waiver request was based, this Board grants the requested waiver.


Charlene M. Dukes
President

Mary Kay Finan ^{Enk}
Mary Kay Finan
Vice President

absent
James H. DeGraffenreidt, Jr.

Linda Eberhart ^{Enk}
Linda Eberhart

James Gates ^{Enk}
S. James Gates, Jr.

Larry Giammo ^{Enk}
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Guffrie M. Smith, Jr. ^{Enk}
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April 24, 2014