



STATE OF MARYLAND
OFFICE OF THE GOVERNOR

LARRY HOGAN
GOVERNOR

May 15, 2019

The Honorable Thomas V. Mike Miller, Jr.
President of the Maryland Senate
H-107 State House
Annapolis, MD 21401

The Honorable Adrienne A. Jones
Speaker of the Maryland House of Delegates
H-101 State House
Annapolis, MD 21401

Dear Mr. President and Madam Speaker:

Today, I reaffirm my commitment to record education funding by releasing \$255 million for the Commission on Innovation and Excellence in Education's Fiscal Year 2020 spending plan. In addition, despite serious concerns, in accordance with Article II, Section 17(c) of the Maryland Constitution, I am allowing *Senate Bill 1030 - The Blueprint for Maryland's Future* to become law without my signature.

We worked together with you to provide record education funding for five straight years, totaling an historic \$32 billion. I have committed over \$420 million above and beyond anything required under legislative funding formulas, and I pushed for and enacted an education lockbox to ensure an additional \$4.4 billion in casino revenues for our schools.

I supported and endorsed many of the initial proposals from the Kirwan Commission. In 2018, I signed *House Bill 1415 - Education - Commission on Innovation and Excellence in Education* and provided nearly \$12 million in funding, to implement their preliminary recommendations. I also enacted measures in 2017 to provide additional funding to districts that would have received less funding under your legislatively mandated formulas.

Education has been—and continues to be—my top priority. However, I have significant reservations about your short-sighted methods for implementing the Kirwan Commission's final recommendations—namely that they will lead to massive increases in expenditures without providing the fiscal safeguards and much-needed accountability our students, parents, teachers, and taxpayers deserve.

Lack of Fiscal Safeguards

The Commission's primary goal was to reevaluate the underlying funding formulas of the Thornton Plan. As of today, the Commission has yet to complete that basic responsibility. It has approved a blueprint without a design. **There is no plan—none—for how the State will fulfill its financial obligation based on the anticipated nearly \$4 billion price tag.**

To demonstrate the stakes of these decisions, the Department of Budget and Management recently calculated a more realistic picture of the State's fiscal position if the Commission's recommendations are fully implemented. The result of the analysis is that the State will experience **a cumulative five-year shortfall of approximately \$18.7 billion** from fiscal year 2021 through 2025. To put that in perspective, the State's fiscal year 2020 budget is slightly more than \$19.5 billion. Stated another way: **Maryland households would each be forced to pay an additional \$6,200 more in taxes over the next five years to cover this shortfall.**

Lack of Academic Accountability

As we have seen in the past, more funding does not always equate to better results. The Thornton Commission Plan increased state funding for education by over 121% (from \$3.1 billion to \$6.9 billion) annually between FY 2003-2020. Despite this massive increase, the eighth grade math proficiency rate increased by just three percentage points (from 30% to 33%) over that same period. Proficiency gaps between White and African American peers worsened over the last decade. And, despite an average of \$14,500 in total per-pupil expenditures, only 33% of eighth graders are at or above a proficient rate in math.

While Marylanders are crying out for better outcomes, they are also demanding that local school administrators be held accountable for the billions of state taxpayer dollars handed to them. Without implementing strong accountability measures, we will experience the same failures as in the past: very highly funded but failing or underperforming schools across the state, with no mechanisms to improve outcomes.

While it is encouraging that the legislature agreed to my proposal for an Inspector General to root out corruption and mismanagement, the bill still falls short of the accountability we need and fails to provide solutions to persistently failing schools.

We simply cannot repeat the same mistakes that have failed Maryland students, their parents, teachers, and the taxpayers of our state for decades. In the coming months, I look forward to working with you to develop a fiscally responsible proposal that both increases accountability and improves performance outcomes.

Sincerely,



Larry Hogan
Governor