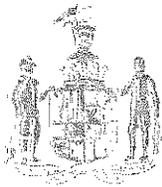


EXHIBIT 26



LARRY HOGAN
GOVERNOR

STATE OF MARYLAND
OFFICE OF THE GOVERNOR

December 3, 2015

Mr. Warner I. Sumpter, President
Maryland Association of Boards of Education
621 Ridgely Avenue, Suite 300
Annapolis, Maryland 21401

Dr. Theresa R. Alban
Public School Superintendents
Association of Maryland
9 Trotters Ridge Court
Catonsville, Maryland 21228

Dear Mr. Sumpter and Dr. Alban:

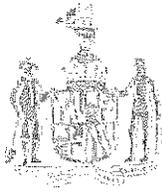
In working with my budget team as we prepare the FY-17 budget, it is obvious that the tough decisions and fiscal restraint undertaken last session have put the state in a favorable position for next year. I thank you for your support last session but must note, however, that out-year structural deficits of more than \$1 billion will undermine the long-term fiscal stability of Maryland if not controlled.

In the face of this difficult fiscal climate, education has remained a top priority for my administration, and I am extremely proud of the steps we have taken to ensure that Maryland's schools remain among the best in the country. In FY-16, we invested an historic \$6.1 billion in K-12 education, \$109 million more than FY-15. We also allocated over \$290 million for badly needed K-12 school construction projects. No other governor in Maryland has ever spent more on education.

Everyone should be able to pursue a world-class education that is right for them. We have taken unprecedented steps to support both traditional education, as well as more creative approaches to learning such as Baltimore City Public School's partnership with Bard College, and the recently announced P-TECH model schools in Maryland. During the last legislative session, we also advocated for greater flexibility for public charter schools and promoted a common-sense education tax credit to encourage more donations to both public and private schools.

My administration places a high priority on education and I also want to give you advance notice that the FY-17 budget that I will submit to the General Assembly in January will fully fund the Geographical Cost of Education Index.

In addition, I intend to include new funding in the FY-17 budget to assist local jurisdictions that have been facing the challenge of maintaining adequate funding during the same time that their student enrollments have declined. This is an ongoing and perplexing problem that the state has failed to resolve over the last five years.



LARRY HOGAN
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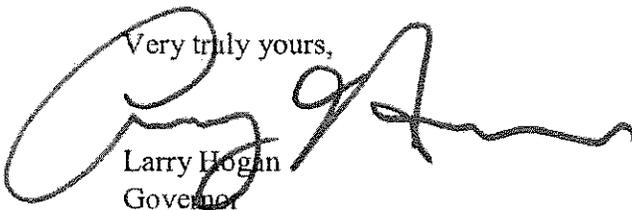
For example, Garrett County has suffered a decreased enrollment of 11 percent but state funding decline a higher percentage of 18 percent. Carroll County has a similar five-year trend of a 7 percent enrollment decrease resulting in over \$15 million (9 percent) decline in state aid. While not as severe, Kent County has also faced a decline in state aid while attempted to maintain educational services.

The majority of jurisdictions in Maryland have received increased state aid for education over the past five years. The inequities faced by these three jurisdictions with declining enrollments should have been addressed in the ten-year review of education formulas required under the Bridge to Excellence statute passed in 2002, but the adequacy review that should have been completed five years ago is still in the study phase.

Therefore, I will propose stop-gap funding for these jurisdictions that have faced the challenge of declining enrollments over the last five years in the following amounts: Garrett County - \$1.3 million; Carroll County - \$4 million; and Kent County - \$300,000. It is my belief that this additional financial aid to Carroll County will allow local leaders to defer school closings being considered for next year so that time is available for a more comprehensive plan tailored to insure that students' educational needs are protected during a transition year.

I look forward to working with your representatives in Maryland's education community during the 2016 legislative session.

Very truly yours,



Larry Hogan
Governor

cc: Jack Smith, State Superintendent