

FUNDING EDUCATION ADEQUACY IN MARYLAND



Over the next two years, the Maryland State Department of Education (MSDE) is undertaking a comprehensive assessment of the current Bridge to Excellence (BTE) education funding formula.

This process, often referred to as "The Adequacy Study", will determine the amount of state aid provided to each school district so that every Maryland child can receive an adequate education.

ad . e . quate: The state of being adequate; enough for some need or requirement

WHAT IS ADEQUACY?

- ✓ An adequate education allows Maryland's children to meet the state standards.
- ✓ Adequate funding is the amount of funding necessary to provide for that education.

REVIEWING THE BRIDGE TO EXCELLENCE (BTE) EDUCATION FORMULA

The Adequacy Study

This is the main study. It will establish a base "per-pupil" funding amount that schools will receive for each student. It will also determine additional funding, or "weights", based on the number of students with disabilities, English language learners, and students living in poverty.



The Other Studies

These studies will augment the main Adequacy Study by reviewing the topics below. They have the potential to impact the final weights to be included in the funding formula.

Funding universal pre-kindergarten

Alleviating concentrated poverty

Determining effective school sizes

Measuring poverty and local wealth

Addressing changes in student enrollment

Offsetting regional costs of education

REPORTING TIMELINES

The Adequacy Study

Interim Adequacy Report

Draft - Final Adequacy Report

Final Adequacy Report

JUNE '15

SEPT. '15

JUNE '16

OCT. '16

The Other Studies Final Reports

Concentrated Poverty
School Size
Poverty Calculation
Supplemental Grants
Enrollment

Pre-Kindergarten
Local Wealth Calculation

Geographic Cost of
Education Index (GCEI)

The Methodologies



Successful Schools

High performing Maryland schools are identified and the costs associated with them provide a model for adequate funding.



Professional Judgement

Practitioners create hypothetical schools with the resources needed for all students to meet the state standards.



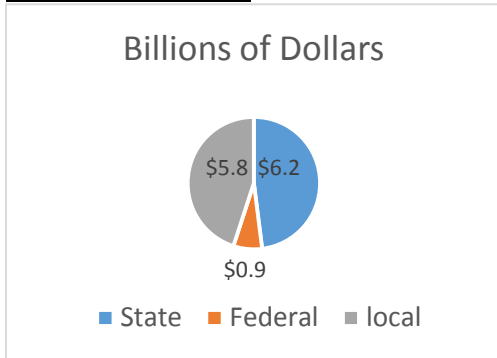
Evidence-Based

Experts review best practices for improving student achievement and the costs associated with them.



Maryland Public School Operating Budget: The Bridge-to-Excellence Formula for State Aid to Public Schools and the State Fiscal Outlook

Source of Funds

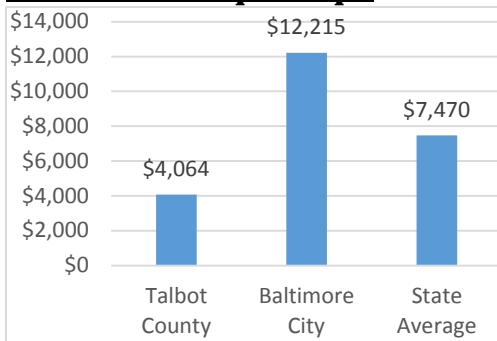


Bridge to Excellence (BTE) Act of 2002

The State Constitution requires adequate public education for all. During 2000-2001 adequacy studies were conducted by the Commission on Education Finance, Equity, and Excellence, which then recommended a formula that is written in to the BTE Act. An additional \$1.3 billion in State aid was phased in from 2003-2008. To receive full State aid, each local government must contribute at least its required share.

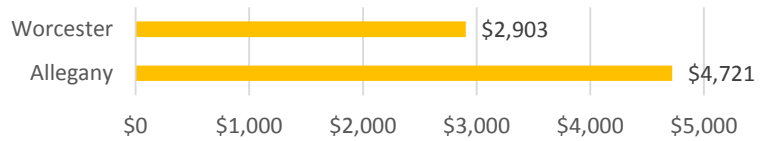
Starting in fiscal 2009, the State capped the inflation allowance at 0% for 4 years and then at 1% for 3 years. Now, State aid is \$700 million less annually than it would have been under the 2002 formula. For 2016, the inflation cap is lifted.

Total State Aid per Pupil

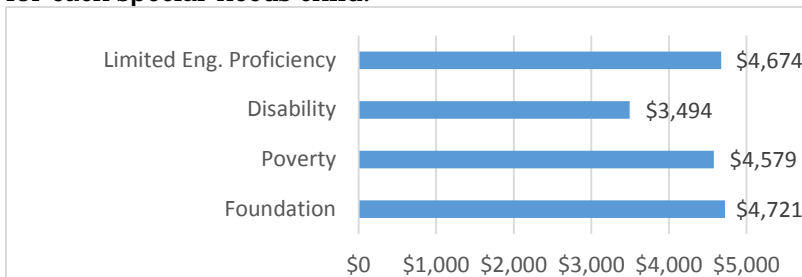


How the Formula Works: For each enrolled child, each jurisdiction gets a proportion of the "foundation amount," (now \$6,860), according to ability to raise local revenue. Thus, wealthy Worcester gets less per pupil than Allegany.

Foundation Aid Per Pupil

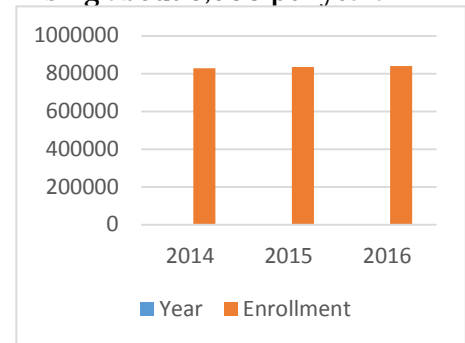


Special Populations: Jurisdictions receive an additional *proportion* of the foundation amount for children with special needs. The chart below shows the amount Allegany County gets for each special-needs child.



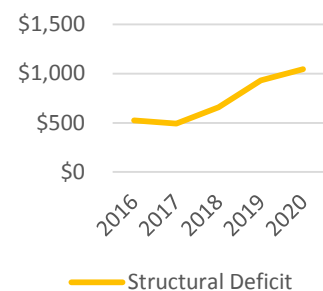
Statewide Enrollment

Rising about 6,500 per year.



State Fiscal Outlook: General fund revenues have been disappointing since the financial crash. Recent federal budget cuts hit Maryland hard. Employment and state revenue prospects continue to lag. The 2015 budget will come in about \$300 million short. For 2016, the estimated State budget deficit is \$525 million and is projected to rise to over \$1 billion by 2020. The biggest single factor driving the long-term deficit is Medicaid. Since the budget must be balanced under our State Constitution, and since the Governor-elect campaigned in opposition to taxes and State spending, we can expect that balance will be achieved through spending reductions. The chief legislative analyst suggested that education funding is a target for cuts.

Millions of \$



(Citations available by request)