
Education Funding in Maryland

**Presentation to the
Montgomery County Council
Education Committee**

**Department of Legislative Services
Office of Policy Analysis
Annapolis, Maryland
July 2, 2007**

Presentation Outline

- Commission on Education Finance, Equity, and Excellence (Thornton Commission).
- Guiding principles of State aid structure established in the Bridge to Excellence in Public Schools Act: Adequacy and Equity.
- Bridge to Excellence State aid structure.
- Changes in State aid structure from fiscal 2002 to 2008.
- Total education funding and the impact of Bridge to Excellence on adequacy.

Thornton Commission

- The Commission on Education Finance, Equity, and Excellence met from 1999 to 2001.
- Named for Chairman Alvin Thornton.
- Final report submitted in January 2002.
- Commission legislation became Bridge to Excellence in Public Schools Act of 2002.

Adequacy

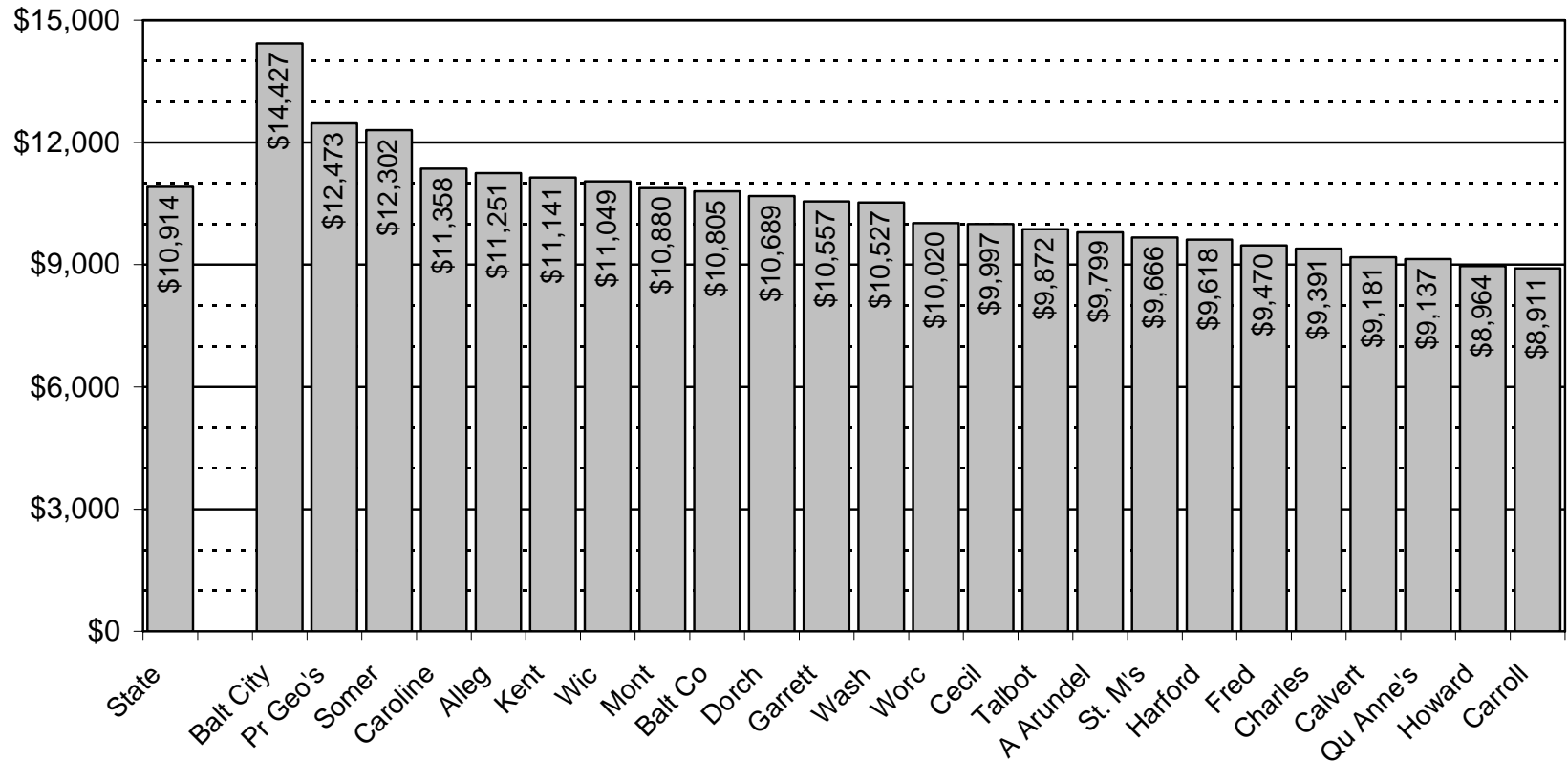
- Thornton Commission funding recommendations were based on an empirical estimate of “adequacy.”

Adequate funding: Funding that is sufficient to acquire the total resources needed to reasonably expect that students can meet the State’s academic performance standards.

- Adequacy studies conducted for the Thornton Commission were used to form the commission’s adequacy calculation.
 - Base cost per pupil (\$5,969 in fiscal 2002 / \$7,339 in fiscal 2008)
 - Additional per pupil costs to serve at-risk students
 - Special education: 1.17 x base cost
 - Economically disadvantaged: 1.10 x base cost
 - Limited English proficient: 1.00 x base cost
 - Adjustment to reflect regional differences in the cost of educational resources using Maryland-specific geographic cost of education index

Per Pupil Adequacy Targets

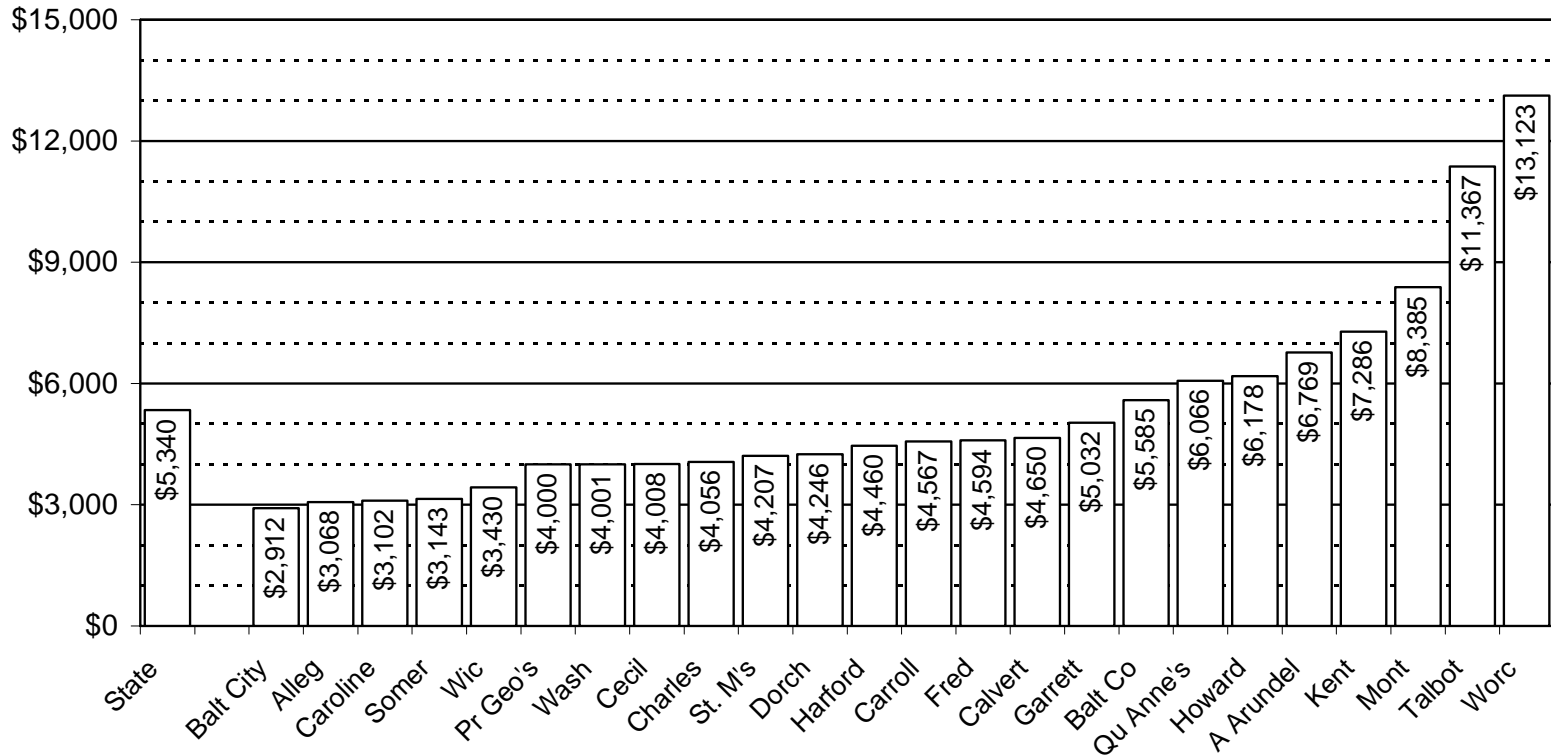
Fiscal 2007



Note: Adequacy targets do not include costs associated with some noninstructional programs such as student transportation, food service, school construction, and debt service.

Local Capacity

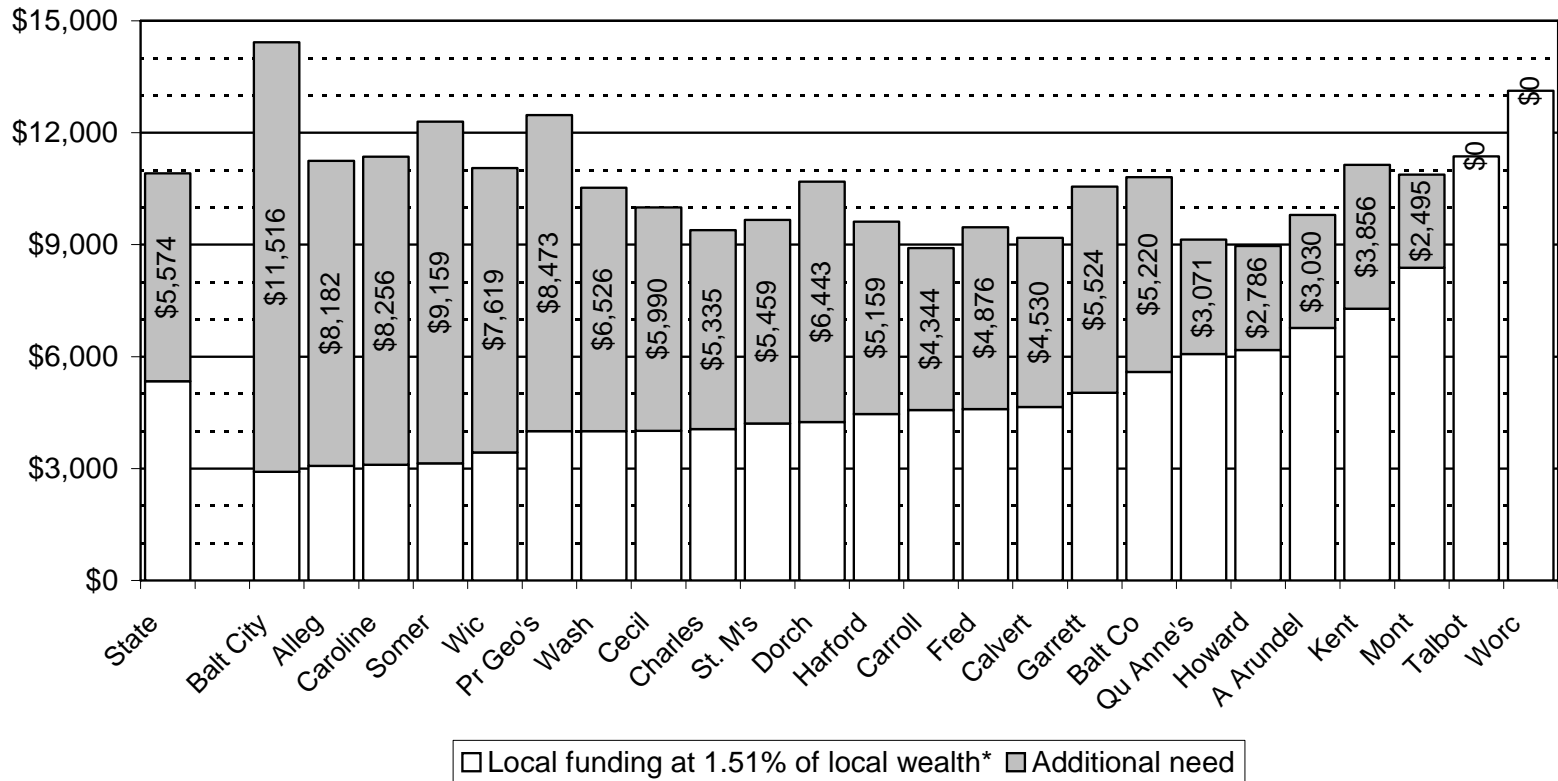
Local Per Pupil Funding with Contribution Equal to Statewide Average Percentage of Local Wealth*
Fiscal 2007



* The fiscal 2007 statewide average local contribution of 1.51% of local wealth is used for illustrative purposes. Local governments are required to provide at least as much per student funding for education as was provided the previous fiscal year, as long as the amount meets a minimum local effort level (0.84% of local wealth in fiscal 2007).

Adequacy and Equity

**Additional Need to Meet Per Pupil Adequacy Targets Assuming State Average Local Contribution
Fiscal 2007**



* The fiscal 2007 statewide average local contribution of 1.51% of local wealth is used for illustrative purposes. Local governments are required to provide at least as much per student funding for education as was provided the previous fiscal year, as long as the amount meets a minimum local effort level (0.84% of local wealth in fiscal 2007).

Fiscal 2008 State Education Aid

(\$ in Millions)

<u>Program</u>	Statewide		Montgomery County	
	<u>Funding</u>	<u>Percent of Total</u>	<u>Funding</u>	<u>Percent of Total</u>
Foundation Program	\$2,782.7	53.8%	\$193.3	37.8%
Compensatory Education	902.1	17.5%	82.5	16.1%
Special Education Formula	280.0	5.4%	34.1	6.7%
Limited English Proficiency	126.2	2.4%	38.0	7.4%
Guaranteed Tax Base	78.9	1.5%	0.0	0.0%
Student Transportation	<u>219.0</u>	<u>4.2%</u>	<u>30.7</u>	<u>6.0%</u>
Bridge to Excellence Subtotal	\$4,389.0	84.9%	\$378.6	73.9%
Teachers' Retirement	566.4	11.0%	115.5	22.6%
Nonpublic Special Education	125.2	2.4%	12.7	2.5%
Other Programs	<u>89.1</u>	<u>1.7%</u>	<u>5.2</u>	<u>1.0%</u>
Grand Total	\$5,169.7	100.0%	\$512.0	100.0%

State Education Aid

<u>School System</u>	<u>Total State Aid (\$ in Millions)</u>				<u>Per Pupil State Aid*</u>			
	<u>FY 2002</u>	<u>FY 2008</u>	<u>\$ Increase</u>	<u>% Increase</u>	<u>FY 2002</u>	<u>FY 2008</u>	<u>\$ Increase</u>	<u>% Increase</u>
Allegany	\$47.9	\$89.2	\$41.3	86.3%	\$4,844	\$10,022	\$5,178	106.9%
Anne Arundel	203.2	311.1	107.9	53.1%	2,743	4,357	1,614	58.8%
Baltimore City	584.3	886.4	302.1	51.7%	6,188	11,235	5,048	81.6%
Baltimore	308.3	578.7	270.4	87.7%	2,963	5,722	2,759	93.1%
Calvert	49.7	95.6	45.9	92.4%	3,045	5,589	2,544	83.6%
Caroline	24.5	45.1	20.6	83.9%	4,550	8,482	3,932	86.4%
Carroll	89.4	158.4	69.0	77.2%	3,202	5,596	2,394	74.8%
Cecil	57.9	107.4	49.5	85.6%	3,705	6,676	2,971	80.2%
Charles	81.4	160.1	78.7	96.7%	3,504	6,121	2,618	74.7%
Dorchester	19.7	32.9	13.2	66.8%	4,250	7,519	3,269	76.9%
Frederick	113.6	221.1	107.5	94.7%	3,042	5,526	2,484	81.6%
Garrett	20.2	28.3	8.1	40.1%	4,259	6,415	2,156	50.6%
Harford	128.3	230.9	102.7	80.0%	3,284	5,990	2,705	82.4%
Howard	117.6	221.3	103.7	88.2%	2,576	4,560	1,984	77.0%
Kent	9.1	11.9	2.8	30.6%	3,533	5,547	2,014	57.0%
Montgomery	278.5	512.0	233.5	83.8%	2,072	3,790	1,718	82.9%
Prince George's	514.0	981.3	467.3	90.9%	3,892	7,842	3,950	101.5%
Queen Anne's	20.9	34.1	13.2	63.2%	2,980	4,508	1,528	51.3%
St. Mary's	52.5	98.8	46.3	88.1%	3,545	6,155	2,611	73.6%
Somerset	13.9	25.4	11.5	82.2%	4,803	9,267	4,464	93.0%
Talbot	7.5	13.1	5.6	74.0%	1,723	3,124	1,401	81.3%
Washington	69.8	147.7	78.0	111.8%	3,567	6,913	3,346	93.8%
Wicomico	54.5	113.6	59.1	108.5%	3,888	7,885	3,997	102.8%
Worcester	11.1	22.2	11.1	99.9%	1,667	3,487	1,819	109.1%
Unallocated	8.1	43.1	35.0	433.9%	10	52	43	444.5%
Total	\$2,885.9	\$5,169.7	\$2,283.8	79.1%	\$3,432	\$6,272	\$2,839	82.7%

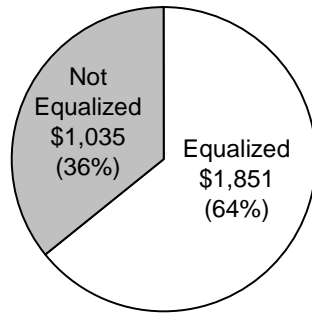
* Fiscal 2008 per pupil aid uses estimated fall 2007 enrollment.

Changes in State Aid Structure

(\$ in Millions)

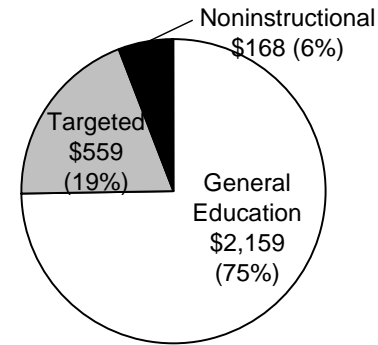
**Fiscal
2002**

Wealth Equalization



(State Aid = \$2.9 billion)

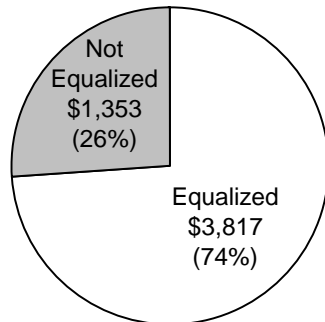
State Aid Targeting



(State Aid = \$2.9 billion)

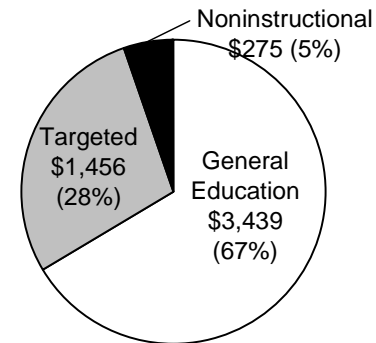
**Fiscal
2008**

Wealth Equalization



(State Aid = \$5.2 billion)

State Aid Targeting



(State Aid = \$5.2 billion)

State Aid Structure Results

Estimated FY 2008 At-risk Percentage*			FY 2008 Wealth Per Pupil			Estimated FY 2008 State Aid Per Pupil		
Rank	County	At-risk Percentage	Rank	County	Wealth Per Pupil	Rank	County	Aid Per Pupil
1	Baltimore City	90.1%	24	Baltimore City	\$206,803	1	Baltimore City	\$11,235
2	Somerset	69.8%	23	Allegany	212,726	2	Allegany	10,022
3	Prince George's	66.3%	22	Caroline	231,857	3	Somerset	9,267
4	Allegany	64.4%	21	Somerset	245,190	4	Caroline	8,482
5	Wicomico	59.9%	20	Wicomico	258,047	5	Wicomico	7,885
6	Kent	59.9%	19	Prince George's	294,447	6	Prince George's	7,842
7	Dorchester	59.0%	18	Washington	294,838	7	Dorchester	7,519
8	Caroline	58.1%	17	Cecil	295,018	8	Washington	6,913
9	Garrett	54.0%	16	Dorchester	303,280	9	Cecil	6,676
10	Washington	50.6%	15	Charles	303,665	10	Garrett	6,415
11	Baltimore	49.8%	14	St. Mary's	315,174		State	6,272
	State	49.4%	13	Harford	327,391	11	St. Mary's	6,155
12	Montgomery	48.4%	12	Carroll	336,711	12	Charles	6,121
13	Worcester	46.1%	11	Frederick	343,269	13	Harford	5,990
14	Cecil	41.3%	10	Calvert	346,096	14	Baltimore	5,722
15	Talbot	40.3%	9	Garrett	381,459	15	Carroll	5,596
16	St. Mary's	35.9%		State	397,614	16	Calvert	5,589
17	Anne Arundel	35.3%	8	Baltimore	404,412	17	Kent	5,547
18	Harford	34.7%	7	Howard	456,593	18	Frederick	5,526
19	Frederick	30.1%	6	Queen Anne's	463,923	19	Howard	4,560
20	Charles	28.9%	5	Anne Arundel	505,264	20	Queen Anne's	4,508
21	Queen Anne's	28.9%	4	Kent	534,323	21	Anne Arundel	4,357
22	Calvert	26.9%	3	Montgomery	624,642	22	Montgomery	3,790
23	Howard	25.1%	2	Talbot	840,316	23	Worcester	3,487
24	Carroll	23.5%	1	Worcester	1,039,354	24	Talbot	3,124

* At-risk percentage is the sum of the special education, free and reduced price meals, and limited English proficient enrollments, divided by total enrollment. Due to overlap within these populations, it is not equal to the percentage of students who are at-risk.

Total Funding for Education

<u>County</u>	<u>Revenue (\$ in Millions)</u>				<u>Per Pupil Revenue</u>			
	<u>FY 2002</u>	<u>FY 2007</u>	<u>\$ Change</u>	<u>% Change</u>	<u>FY 2002</u>	<u>FY 2007</u>	<u>\$ Change</u>	<u>% Change</u>
Allegany	\$83.1	\$111.5	\$28.4	34.1%	\$8,404	\$12,274	\$3,870	46.1%
Anne Arundel	599.1	792.6	193.5	32.3%	8,089	11,039	2,950	36.5%
Baltimore City	920.4	1,137.0	216.6	23.5%	9,747	14,078	4,331	44.4%
Baltimore	895.5	1,184.6	289.1	32.3%	8,605	11,622	3,018	35.1%
Calvert	124.7	180.4	55.8	44.7%	7,641	10,545	2,904	38.0%
Caroline	39.1	55.1	16.0	40.8%	7,257	10,379	3,122	43.0%
Carroll	205.3	295.1	89.7	43.7%	7,355	10,410	3,055	41.5%
Cecil	116.0	167.5	51.6	44.5%	7,426	10,522	3,095	41.7%
Charles	174.9	276.9	102.0	58.3%	7,528	10,723	3,195	42.4%
Dorchester	38.4	48.7	10.3	26.7%	8,292	10,888	2,597	31.3%
Frederick	274.7	409.5	134.8	49.1%	7,357	10,371	3,014	41.0%
Garrett	39.6	49.4	9.9	24.9%	8,351	10,916	2,565	30.7%
Harford	281.7	411.4	129.7	46.1%	7,210	10,639	3,428	47.5%
Howard	400.3	596.9	196.6	49.1%	8,770	12,397	3,628	41.4%
Kent	25.4	28.6	3.1	12.3%	9,870	12,833	2,964	30.0%
Montgomery	1,349.6	1,878.0	528.4	39.2%	10,040	13,933	3,892	38.8%
Prince George's	1,042.4	1,540.8	498.4	47.8%	7,892	12,283	4,391	55.6%
Queen Anne's	55.7	75.1	19.5	35.0%	7,946	10,068	2,122	26.7%
St. Mary's	114.9	164.5	49.6	43.1%	7,755	10,340	2,586	33.3%
Somerset	26.6	36.5	9.9	37.0%	9,173	13,165	3,991	43.5%
Talbot	34.6	45.1	10.5	30.5%	7,929	10,681	2,753	34.7%
Washington	148.7	216.4	67.7	45.5%	7,603	10,266	2,663	35.0%
Wicomico	106.6	156.1	49.5	46.4%	7,606	10,845	3,239	42.6%
Worcester	60.7	86.6	25.9	42.6%	9,113	13,345	4,233	46.4%
Total	\$7,158.1	\$9,944.3	\$2,786.2	38.9%	\$8,514	\$12,037	\$3,523	41.4%

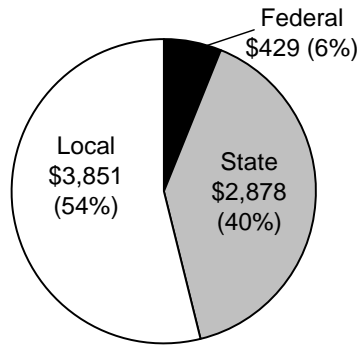
Sources: Maryland State Department of Education; local board of education budgets; and Department of Legislative Services.

Revenue Shares

(\$ in Millions)

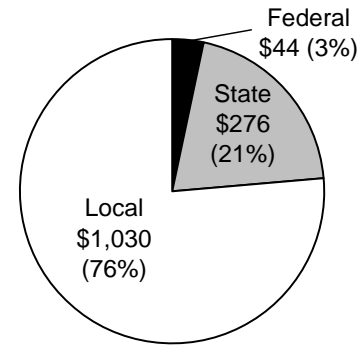
**Fiscal
2002**

Statewide



(Total Revenue = \$7.6 billion)

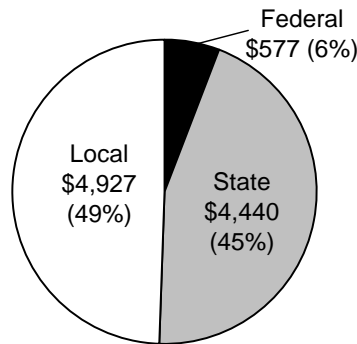
Montgomery County



(Total Revenue = \$1.35 billion)

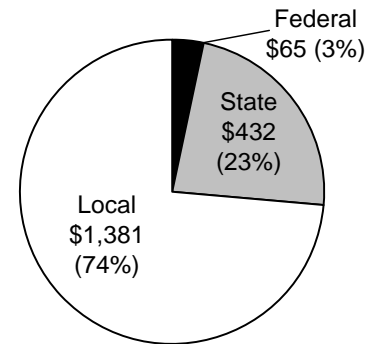
**Fiscal
2007**

Statewide



(Total Revenue = \$9.9 billion)

Montgomery County



(Total Revenue = \$1.88 billion)

Adequacy Progress

<u>County</u>	<u>Fiscal 2002</u>				<u>Fiscal 2007</u>			
	<u>Adequacy Target</u>	<u>Adjusted Revenue*</u>	<u>Adequacy Gap</u>	<u>% of Target Funded**</u>	<u>Adequacy Target</u>	<u>Adjusted Revenue*</u>	<u>Adequacy Gap</u>	<u>% of Target Funded**</u>
Allegany	\$98.8	\$78.3	\$20.5	79.2%	\$103.9	\$105.1	\$0.0	101.2%
Anne Arundel	610.0	563.8	46.2	92.4%	704.0	752.8	0.0	106.9%
Baltimore City	1,164.7	871.8	293.0	74.8%	1,169.2	1,092.1	77.1	93.4%
Baltimore	926.4	859.0	67.4	92.7%	1,102.1	1,128.3	0.0	102.4%
Calvert	129.1	117.7	11.4	91.2%	158.2	169.0	0.0	106.8%
Caroline	53.3	36.4	16.9	68.4%	60.4	51.1	9.3	84.6%
Carroll	211.5	191.0	20.5	90.3%	252.5	275.2	0.0	109.0%
Cecil	133.3	109.7	23.6	82.3%	159.4	157.9	1.5	99.1%
Charles	196.0	164.8	31.2	84.1%	242.5	256.6	0.0	105.8%
Dorchester	46.6	36.2	10.4	77.7%	50.1	45.4	4.7	90.7%
Frederick	296.2	262.1	34.1	88.5%	375.7	387.0	0.0	103.0%
Garrett	44.5	36.3	8.2	81.6%	47.9	44.9	3.0	93.8%
Harford	315.5	264.8	50.7	83.9%	369.6	385.0	0.0	104.2%
Howard	349.8	376.3	0.0	107.6%	431.6	565.7	0.0	131.1%
Kent	25.1	24.2	0.9	96.4%	25.7	26.0	0.0	101.2%
Montgomery	1,216.1	1,288.8	0.0	106.0%	1,466.7	1,779.2	0.0	121.3%
Prince George's	1,377.3	968.4	408.9	70.3%	1,575.9	1,411.9	164.0	89.6%
Queen Anne's	57.4	52.4	5.0	91.2%	69.6	69.8	0.0	100.3%
St. Mary's	126.5	107.8	18.7	85.2%	155.8	152.7	3.1	98.0%
Somerset	29.7	24.8	4.9	83.5%	33.3	33.8	0.0	101.6%
Talbot	38.2	32.8	5.4	85.7%	41.8	42.4	0.0	101.5%
Washington	172.1	143.3	28.8	83.2%	222.4	206.9	15.5	93.0%
Wicomico	127.6	101.3	26.3	79.4%	159.1	148.4	10.7	93.2%
Worcester	58.7	57.1	1.6	97.3%	65.1	81.5	0.0	125.2%
State Total	\$7,804.4	\$6,768.9	\$1,134.6	85.5%	\$9,042.5	\$9,368.9	\$288.8	96.8%

* Excludes budgeted expenditures for student transportation.

** State total percentage excludes funding that exceeds adequacy targets.

Other Information Sources

All are available on the General Assembly's web site
(<http://mlis.state.md.us/>)

- Legislative Handbook Series
Volume VI: Maryland Local Government, pp. 171-230
- Fiscal Note for Senate Bill 856 of 2002 – Bridge to Excellence in Public Schools Act (Chapter 288)
- Final Report of the Commission on Education Finance, Equity, and Excellence