

## **The Future of Public School Funding in Maryland**

September 2016 Update

Today the State stands poised to usher in a new era of funding reform designed to provide the foundations of adequate and equitable state and local funding contributions necessary to support 24 world class local school systems throughout Maryland. MABE is pleased to provide an overview and highlight local board perspectives on the ongoing adequacy study and the future of public school funding in Maryland.

### **Commission on Innovation and Excellence in Education**

In 2016 the Maryland General Assembly enacted legislation creating the Commission on Innovation and Excellence in Education (HB 999/SB 905); action taken in response to MABE's adopted legislative priority and the support of a broad coalition of education advocates. MABE is represented on the Commission by President-elect Donna Brightman; and looks forward to playing a leading role as a member of the Commission in advocating for meaningful reforms, improvements, and enhancements to Maryland's school finance system.

In 2014 the Maryland State Department of Education (MSDE) contracted with national consultants to conduct a comprehensive adequacy cost study. Augenblick, Palaich and Associates, in partnership with Picus Odden and Associates and the Maryland Equity Project at the University of Maryland, will submit a final report by October 31, 2016. MSDE formed a "Cost of Adequacy of Education Funding in the State of Maryland Stakeholder Group" to receive and discuss the consultant's progress updates and reports. MSDE maintains an [adequacy study website](#) with all study reports and stakeholder group meeting materials.

In 1999 the General Assembly formed the Commission on Education Finance, Equity, and Excellence. The commission determined that per pupil funding was significantly inadequate to provide all students the resources needed to meet Maryland's performance standards. In 2002, the legislature enacted the Bridge to Excellence in Public Schools Act, based on the commission's adequacy studies and final report. In this light, the current adequacy study builds on the foundation built in the late 1990s and is, therefore, overdue.

### **MABE's Committee on Operating and Capital School Funding & Policy Issues**

MABE established the [MABE Ad Hoc Committee on the Study of School Funding Adequacy](#) in January of 2015 to provide a forum for discussing and informing MABE's participation on the MSDE stakeholder group and adequacy study panels. The primary purpose of the adequacy study commissioned in 2014 is nearly completed, through a comprehensive study of funding adequacy using three different methodologies: evidence-based; professional judgment; and successful schools. Two of these study methods (successful schools and professional judgment) were used to develop the Bridge to Excellence Act. MABE strongly supports this three-pronged approach to updating Maryland's school finance system.

<b>MABE Ad Hoc Committee on the Study of School Funding Adequacy Members</b>	
Donna Brightman, Chair - Washington Co.	Tolbert Rowe - Caroline Co.
Linda Chinnia/Martha James-Hassan - Baltimore City	Tom Carr - Garrett Co.
Edward Root - Allegany Co.	Ann De Lacy - Howard Co.
Stacy Korbela/Teresa Milio Birge - Anne Arundel Co.	Chris Barclay/Philip Kauffman - Montgomery Co.
David Uhlfelder/Kathleen Causey - Baltimore Co.	Verjeana Jacobs - Prince George's Co.
Bill Phalen - Calvert Co.	Warner Sumpter - Somerset Co.

### **21st Century School Facilities Commission**

Senate President Mike Miller and House Speaker Mike Busch announced in December of 2015 the formation of a school facilities commission to review the State's school construction policies and make recommendations for more efficient and effective school construction practices. The Commission met for the first time on April 25, 2016, and is to report to the General Assembly by December 2016. MABE is represented on the commission by MABE's President Warner Sumpter. The Department of Legislative Services is maintaining a School Facilities Commission webpage, which includes the roster and all meeting materials.

In response to the formation of the School Facilities Commission, in July 2016 MABE's President expanded the charge of MABE's Adequacy Committee to include school facility funding and policy issues.

<b>MABE Positions on Funding Adequacy Issues</b>	
<b>Equity</b>	MABE places a high priority on advocating for both adequacy, in terms of overall statewide funding levels and formulas to ensure sufficient state investments in special needs student populations; and equity in terms of adjusting state investments to ensure that less wealthy jurisdictions receive sufficient state aid.
<b>Wealth &amp; Tax Policy</b>	MABE supports state tax policies which reflect the economic diversity and fiscal dependence of Maryland's 24 school systems. MABE supports the Guaranteed Tax Base Program to reward education effort; and wealth calculation adjustments for tax increment financing (TIF).
<b>GCEI</b>	MABE supports fully funding GCEI and a state school finance system which recognizes and adjusts for dramatic variation in local wealth and costs of doing business.
<b>Enrollment</b>	MABE supports further study of how best to adjust state funding to account for dramatic increases or decreases in student enrollment.
<b>Prekindergarten</b>	MABE strongly supports enacting legislation in 2016 to remedy the longstanding deficiency in funding provided to local school systems for prekindergarten, by including prekindergarten students in local school system enrollment counts for purposes of state and local funding formulas.

<b>Transportation</b>	MABE supports sufficient State funding to ensure transportation services to and from public schools, including transportation to support programs outside the school day.
<b>School Size</b>	MABE opposes any State mandated school sizes for elementary, middle or high schools.
<b>Poverty</b>	MABE supports local discretion to determine eligibility for compensatory education funding, based on Free and Reduced Price Meal (FARM) eligibility or direct certification based on the Community Eligibility Provision (CEP).
<b>Maintenance of Effort (MOE)</b>	MABE supports the study of MOE and its role in securing nearly half of the overall investment in public schools. Further, MABE supports consideration of ways to bolster MOE based on inflation, supplemental local per pupil funding for special needs students, and other factors.

<b>MABE's Positions on School Facilities Issues</b>	
<b>Innovation</b>	MABE supports the pursuit of changes in law, regulations or procedures to facilitate the availability of alternative financing methods.
<b>Local Governance</b>	MABE supports local discretion in the use of repeat or standardized school designs.
<b>Cost Containment</b>	MABE supports changes in the law to lessen or mitigate the impact of prevailing wage rates on school construction project costs.
<b>Adequate Funding</b>	MABE supports a \$100 million annual increase in the minimum state investment in school construction, for a total of \$350 million.

MABE hopes that the following updated report provides a thorough overview of not only the operating funding adequacy issues but also the capital funding and policy issues before the 21st Century School Facilities Commission. MABE stands ready to support adequate and equitable investments in the classroom - in every classroom in the state in which more than 870,000 prekindergarten to twelfth grade students learn each school day.