

Adequate and Equitable State and Local Funding of Public Education

(Adopted 1990; amended 1993, 1994, 1997, 2000, 2002, 2004, 2007, 2010, 2011, 2012, 2013, 2014, 2015, 2016, 2017, 2018, 2019, 2020)

WHEREAS, the Maryland Association of Boards of Education (MABE) provides a strong collective voice for local boards of education, and has consistently advocated vigorously for adequate and equitable funding for Maryland public schools; and

WHEREAS, there are substantial differences in the ability of local boards of education to fund programs; and historically this resulted in substantial inequity in the provision of educational opportunity to the children of Maryland; and

WHEREAS, the Maryland State Constitution requires that the General Assembly “shall by law establish throughout the state a thorough and efficient system of free public schools; and shall provide by taxation or otherwise for their maintenance”; and

WHEREAS, the Commission on Education Finance, Equity, and Excellence convened by the General Assembly in 1999:

- Determined, based on the conclusions of thorough expert analysis conducted by Augenblick and Myers, that current per pupil funding was significantly inadequate;
- Recommended consolidating categorical programs, increasing the base amount of per pupil funding, and enhancing supplements to this amount in order to address the increased costs arising from educating students with special needs; and
- Recommended providing local school systems maximum flexibility in allocating resources; and

WHEREAS, the Bridge to Excellence in Public Schools Act of 2002, based substantially on the recommendations of the Commission:

- Eliminated twenty-seven categorical programs and phased in significant state funding increases through fiscal 2008 to enhance the adequacy, equity, and flexibility of state public school funding;
- Enhanced local school system accountability for student performance by requiring that all local school systems must develop a five-year comprehensive master plan for student achievement;
- Mandated that all local school systems provide by 2007 universal kindergarten and targeted prekindergarten programs for all economically disadvantaged four-year-olds; and
- Required increased state education aid and local school system performance accountability without modifying the maintenance of effort law; and

WHEREAS, the Bridge to Excellence Act reformed the State’s school finance system to include: an increased per pupil foundation amount; increased per pupil funding for students with special needs based on economic disadvantage, special education, or limited English proficiency; guaranteed tax base grants for school systems with low wealth and high education effort; and Geographic Cost of Education Index (GCEI) funding for school systems with high personnel and non-wage costs; and

WHEREAS, in FY 2008 the state achieved full funding of the Bridge to Excellence Act’s mandated per pupil funding levels and targeted funding programs, after years of significant, incremental increases in state aid and local government funding that met or exceeded their minimum maintenance of effort funding amounts; and

WHEREAS, in 2009, MGT of America issued a report confirming that the increased funding provided by the Bridge to Excellence Act had resulted in significantly increased student performance for all students, including minority and economically disadvantaged students; and

WHEREAS, in a Special Session convened in the fall of 2007 the state significantly increased its sales tax and income tax rates, in large part to sustain full funding of the Bridge to Excellence Act; and

WHEREAS, Maryland's public school students deserve the affirmative commitment of all county governments to provide annual increases in public education funding which meet or exceed the minimum maintenance of effort funding level; and

WHEREAS, adequate local funding is essential to the current and continued success of Maryland's public schools, as it represents half of the total revenues provided to Maryland's 24 fiscally dependent school systems; and

WHEREAS, Maryland's county governments have significant revenue generating capacity through countywide local income taxes and countywide property taxes, taxing authority not available to county governments in much of the United States; and

WHEREAS, providing local boards of education with taxing authority is not warranted in light of the ample scope of local taxing authority and the state's authority to control the investment of those local revenues; and

WHEREAS, because GCEI funding was a discretionary component of the Bridge to Excellence Act funding reforms, funding was not included in state budgets for many years; full funding for GCEI was provided from FY 2010 through FY 2015; and following the Governor's 50% reduction in GCEI funding for FY 2016, the General Assembly enacted legislation to make GCEI mandatory beginning in FY 2017; and

WHEREAS, the federal government, Maryland's General Assembly, Governor, and State Board and Department of Education, continue to adopt and promote new mandates in areas such as curriculum, assessments, student discipline, school safety and security, collective bargaining, professional development, and procurement, that impose significantly increased costs on local school systems; and

WHEREAS, the Budget Reconciliation and Financing Act of 2011 required MSDE to contract for a new study of the adequacy of education funding, to commence in 2014 and conclude in 2016, in order to: identify a base funding level for all students; identify per pupil weights for students with special needs to be applied to the base funding level; and analyze the effect of concentrations of poverty on adequacy targets; and

WHEREAS, in June of 2014 the Board of Public Works approved a \$1.05 million state contract with Augenblick, Palaich and Associates (APA) to conduct a comprehensive follow-up study of the adequacy of education funding in the state, including studies of school size, measures of economic disadvantage and concentration of poverty, the impacts of enrollment growth and decline on school funding, and three funding adequacy studies based on the successful schools, professional judgment, and evidenced-based methodologies; and

WHEREAS, in response to the leading advocacy of MABE, in 2016 the General Assembly enacted legislation to create the Commission on Innovation and Excellence in Education to review the current education financing formulas and accountability measures and make legislative

recommendations for updating and enhancing the funding formulas established by the Bridge to Excellence in Public Schools Act of 2002 to provide adequate and equitable state and local funding to ensure that all school systems, schools, and students have the resources needed to succeed based on the requirements of the Maryland College and Career Ready Standards adopted by the State Board of Education; and

WHEREAS, in 2015 MABE formed an Ad Hoc Committee on School Funding to provide a forum for discussing and informing MABE's participation on the MSDE stakeholder group, panels convened during the consultant's adequacy studies, and the Kirwan Commission on Innovation and Excellence in Education, and MABE's advocacy in Annapolis for legislation to ultimately enact the school funding reforms and increases in state aid based on this work; and

WHEREAS, the final Study of Adequacy of Funding for Education in the State of Maryland issued in November 2016 recommended changes to the methods used to determine local wealth; regional cost adjustments; student enrollment; transportation aid; and per pupil weights for limited English proficient, special education, compensatory education, and prekindergarten programs; and

WHEREAS, the Adequacy Study cost analysis recommends providing the following key resources:

- Small class sizes;
- Staffing to support art, music, physical education, world languages, technology, career and technology education, and advanced courses;
- Significant time for teacher planning, collaboration, and imbedded professional development;
- Additional instructional staff, including instructional coaches, and librarian/media specialists;
- High level of student support, such as counselors, nurses, behavior specialists, and social workers, for all students;
- Administrative staff to allow for instructional leadership, data-based decision making, and evaluation;
- Technology rich learning environments, resourced at a level that would allow for one-to-one student devices; and
- Resources for instructional supplies and materials, assessment, textbooks, and student activities; and

WHEREAS, the total costs of the Adequacy Study recommendations include a \$1.9 billion increase in state funding for major state education programs over FY 2015 amounts, an increase of 39 percent; and a \$1 billion increase in local government funding, an increase of 19 percent; and

WHEREAS, legislation enacted in 2017 created the Workgroup to Study the Implementation of Universal Access to Prekindergarten for 4-Year-Olds to make recommendations regarding an implementation plan, based on APA Consulting's January 2016 report "A Comprehensive Analysis of Prekindergarten in Maryland", to make quality, full-day prekindergarten universally available through public and nonpublic school programs to children who are four years old; and

WHEREAS, in 2017 and 2018 the Kirwan Commission engaged the National Center for Education and the Economy (NCEE) as a consultant to provide a framework for making Maryland's public schools globally competitive based on comparisons with education systems in nations and states such as Shanghai (China), Finland, Singapore, Ontario (Canada) and Massachusetts; and

WHEREAS, the Kirwan Commission was charged with recommending legislation to reform Maryland's public school finance system, and agreed to do so based on APA Consulting's cost analysis of implementing NCEE's framework, "9 Building Blocks for World-Class Education Systems"; and

WHEREAS, the Kirwan Commission organized its work through four workgroups and five major policy areas, including: early childhood education, high quality teachers and leaders, college and career readiness pathways, more resources for at-risk students, and governance and accountability; and

WHEREAS, in 2018 legislation was enacted to require the Comptroller to dedicate \$200 million in income tax revenue to a special fund to support the implementation of the recommendations of the Commission on Innovation and Excellence in Education; and

WHEREAS, in 2018 legislation was enacted to propose a constitutional amendment, which was approved by the voters at the 2018 general election, to require the Governor to provide supplemental State funding for public education through the use of commercial gaming revenues that are dedicated to public education in the State budget beginning in FY 2020. Supplemental funding must total \$125 million in FY 2020, \$250 million in FY 2021, and \$375 million in FY 2022. In all subsequent years, 100% of the gaming revenues dedicated to public education must be used for supplemental funding; and

WHEREAS, in 2019 the General Assembly enacted preliminary Blueprint for Maryland's Future legislation (SB 1030) to launch the funding and policy recommendations of the Kirwan Commission on Innovation and Excellence in Education, including full-day prekindergarten grants, teacher salary grants, concentration of poverty grants, special education funding, teacher collaborative grants, mental health coordinator funding, and supplemental instruction grants, and the establishment of an office of inspector general with investigative authority over school systems, but not including provisions limiting local board governance authority; and

WHEREAS, in 2020 the General Assembly passed comprehensive Blueprint for Maryland's Future legislation (HB 1300), which was vetoed by Governor Hogan on May 7, 2020, and which would have mandated major funding and policy reforms to be implemented over a 13 year period to: expand public and private prekindergarten for 3 and 4 year olds, increase teacher pay and require educator and administrator career ladders, expand career technology education (CTE) and college readiness pathways, expand funding and services for students within special education, English language learner, economically disadvantaged, and concentration of poverty categories, expand community schools and family support centers, establish behavioral health networks, and establish a new education accountability and oversight board; and

WHEREAS, in 2020 the COVID-19 pandemic led to a public health and economic crisis which resulted in school closures from mid-March of 2020 through the end of the 2019-2020 school year and necessitated the emergency provision of distance learning access and school meals to students during school closures, and the development of a long-term State Education Recovery Plan and local education recovery and continuity of learning plans for the 2020-2021 school year; and

WHEREAS, the economic impact of the COVID-19 pandemic led to the passage of emergency federal legislation to fund public health services and equipment, sick leave and unemployment benefits, and additional costs imposed on state and local governments and school systems, but without funding to replace state and local revenues lost due to the reduced economic activity during the crisis;

NOW, THEREFORE, BE IT RESOLVED, that MABE will work collaboratively and vigorously with all stakeholders to ensure broad public support for full funding of public elementary and secondary education by state and local governments; and

BE IT FURTHER RESOLVED, that MABE urges the Governor and General Assembly to fully fund state aid to public education as mandated under current law and as envisioned by the Blueprint for Maryland's Future Act passed in 2020 (HB 1300), maintain the per pupil foundation amount and provide increases through a robust annual inflation factor, fully fund the Geographic Cost of Education Index (GCEI), and provide supplemental hold harmless grants; and

BE IT FURTHER RESOLVED, that MABE urges the General Assembly to override the Governor's veto of the Blueprint for Maryland's Future Act passed in 2020 (HB 1300) and to maintain the funding and policy components of the legislation to the maximum extent possible under existing fiscal conditions; and

BE IT FURTHER RESOLVED, that MABE supports the rigorous adherence to conducting public meetings and transparent policy development and decision-making in any State workgroup, taskforce, commission, or oversight body engaged in education funding, policy-making, or oversight; and

BE IT FURTHER RESOLVED, that MABE will support local flexibility in adopting policies and procedures intended to optimize student learning while at the same time reducing costs, and MABE will oppose the implementation of new state or federal policies or programs that impose any new unfunded mandates on local school systems; and

BE IT FURTHER RESOLVED, that MABE will consider supporting legislation, regulations, and MSDE policies and procedures, that permanently or temporarily repeal mandated programs, services, and other requirements imposing costs on local school systems that are not directly related to school systems' abilities to provide high quality classroom instruction; and

BE IT FURTHER RESOLVED, that MABE will vigorously oppose any effort to reduce state funding and/or shift funding responsibilities from the state to county governments; actions which would reduce levels of education programs and services for students, and erode the state's progress toward an adequate and equitable education for all students in Maryland's public schools; and

BE IT FURTHER RESOLVED, that MABE opposes proposals to reduce or eliminate the governance and decision-making authority of local boards and administrators as a condition for receiving increased state funding.