

Commission on Innovation and Excellence in Education

William E. Kirwan, Chair

Agenda

September 29, 2016

10:00 a.m.

120 House Office Building

Annapolis, Maryland



I. Chair's Opening Remarks and Introductions/Commission Charge

II. Overview of Education Policy Landscape in Maryland Since 2002

- Dr. Karen B. Salmon, State Superintendent of Schools, Maryland State Department of Education

III. Overview of Education Funding in Maryland

- John W. Rohrer, Coordinator – Fiscal and Policy Analysis, Department of Legislative Services
- Rachel H. Hise, Education Workgroup Leader, Department of Legislative Services
- Erika S. Schissler, Education Workgroup Leader, Department of Legislative Services

IV. Summary of the Adequacy Study and Consultant Studies

- Kristy L. Michel, Chief Operating Officer and Deputy Superintendent for Finance and Administration, Maryland State Department of Education

V. Discussion of 2016 Schedule and Workplan

VI. Chair's Closing Remarks

Next Meeting: Monday, October 31, 2016 – 1:00 p.m. to 4:30 p.m. – 120 House Office Building, 6 Bladen Street, Annapolis, Maryland

Commission on Innovation and Excellence in Education 2016 Interim Membership Roster

William E. Kirwan, Chair

Commission Members

Donna L. Brightman
David R. Brinkley
Robert L. Caret
Scott E. Dorsey
Chester E. Finn
Stephen H. Guthrie
David E. Helfman
Kalman B. Hettleman
Delegate Adrienne A. Jones
Delegate Anne R. Kaiser
Senator Nancy J. King
Elizabeth Ysla Leight
Senator Richard S. Madaleno, Jr.
Delegate Maggie McIntosh
Leslie R. Pellegrino
Senator Paul G. Pinsky
Craig L. Rice
Karen B. Salmon
Morgan Showalter
David M. Steiner
William (Bill) R. Valentine
Senator Steve Waugh
Delegate Alonzo T. Washington
Margaret E. Williams

Commission Staff

Rachel H. Hise
Tiffany J. Clark
Erika S. Schissler

Charge of the Commission on Innovation and Excellence in Education

The Commission is charged with:

- reviewing the findings and recommendations of the *Study on Adequacy of Funding for Education in the State of Maryland*, regarding:
 - the proxy used to identify economically disadvantaged students;
 - how to address issues of increasing and declining student enrollment;
 - the preferred approach to expanding publicly funded prekindergarten education, including expanding the services and supports needed in special education prekindergarten;
 - how to achieve greater equity in school finance and local wealth measures; and
 - the appropriate regional cost of education index and how the index should be used to adjust education funding;
- reviewing and assessing current education financing formulas and accountability measures and ensuring the adequacy and equity of funding for prekindergarten and other early childhood education programs;
- determining how the federal Every Student Succeeds Act will affect primary and secondary education in the State;
- determining how the State can better prepare students for postsecondary education and to be competitive in the workforce and with other high performing countries in the global economy;
- reviewing how local school systems are spending education funds and ensuring that education funds are being spent efficiently and effectively and that local school systems are allocating their resources to improve student achievement;
- making recommendations for:
 - updating the base funding level for students without special needs and updating the per pupil weights for students with special needs to be applied to the base funding level as established by the Bridge to Excellence in Public Schools Act to ensure that all students are adequately prepared for college and careers;
 - ensuring excellence in local school systems, student performance, and career and college readiness in the State;
 - addressing how to increase participation in innovative public school models that may require additional funding or alternative funding mechanisms, such as:
 - dual enrollment programs;
 - early and middle college programs;
 - Pathways in Technology Early College High schools;
 - apprenticeships and internships;
 - career and technology education programs;
 - community schools, including how the State can leverage federal 21st Century Community Learning Center Grants to expand community schools in the State; and
 - other schools that provide innovative education through curriculum, structure, and socioeconomic diversity;
 - addressing the impact of high concentrations of poverty on local school systems;
 - ensuring that State laws promote collaboration between county governments and local school systems; and
- making any other recommendations on legislation and policy initiatives to enhance the availability of innovative educational opportunities and to enhance the adequacy and equity of State funding for prekindergarten through grade 12 public education in the State.

Preliminary Report Due: December 31, 2016

Final Report Due: December 31, 2017

A young boy with dark hair, wearing a dark blue t-shirt, is shown in profile from the chest up. He is holding a blue marker in his right hand and is in the process of drawing on a whiteboard. The whiteboard has some faint blue lines and a purple circle drawn on it. The background is a blurred classroom setting with wooden paneling and other whiteboards.

Maryland Public Schools

Dr. Karen B. Salmon
State Superintendent of Schools



Maryland Public Schools

A Road Map to
Prepare All Students
for Success

A graphic illustration of a winding road with white dashed lines. A yellow diamond-shaped sign with a black border is positioned in the center of the road. The sign contains the text "SUCCESS BEGINS HERE" in black, bold, uppercase letters. The sign is mounted on a silver pole.

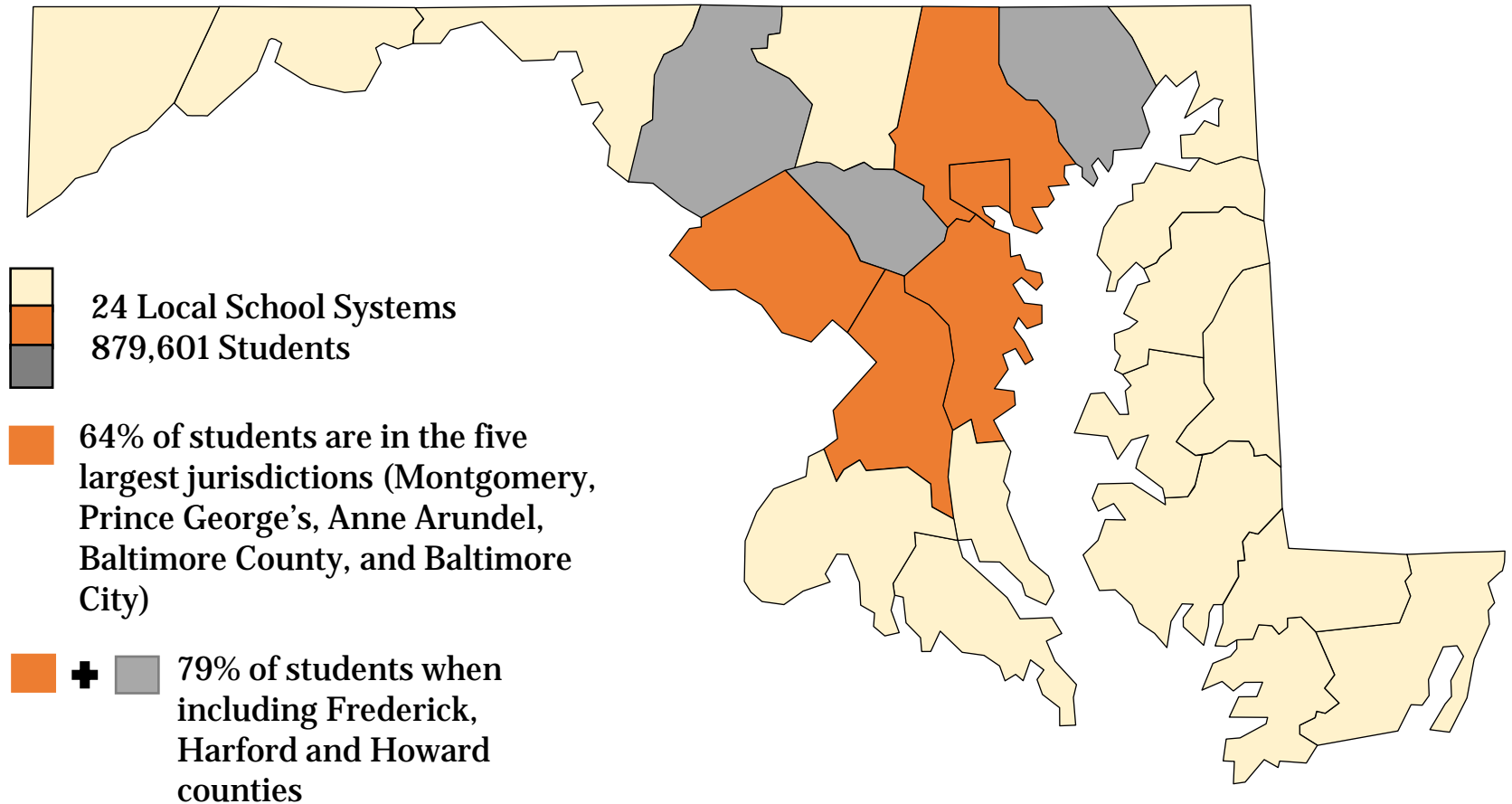
**SUCCESS
BEGINS
HERE**



Maryland Public Schools

At A Glance

Student Enrollment



2015-2016

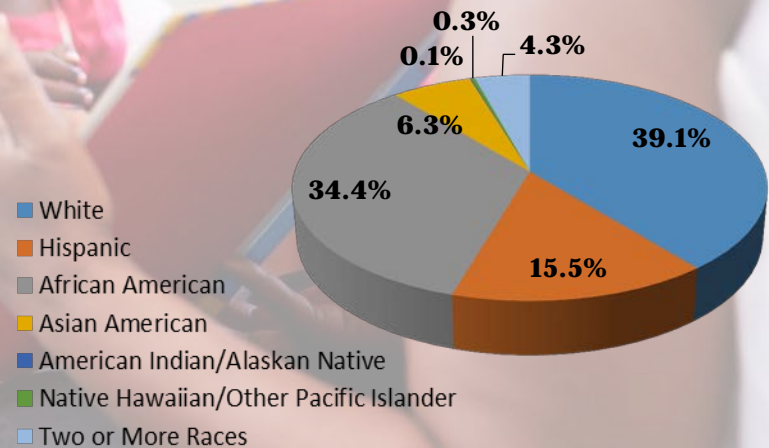
879,601

Students in classrooms in Maryland

7.4% Receive limited English proficient services

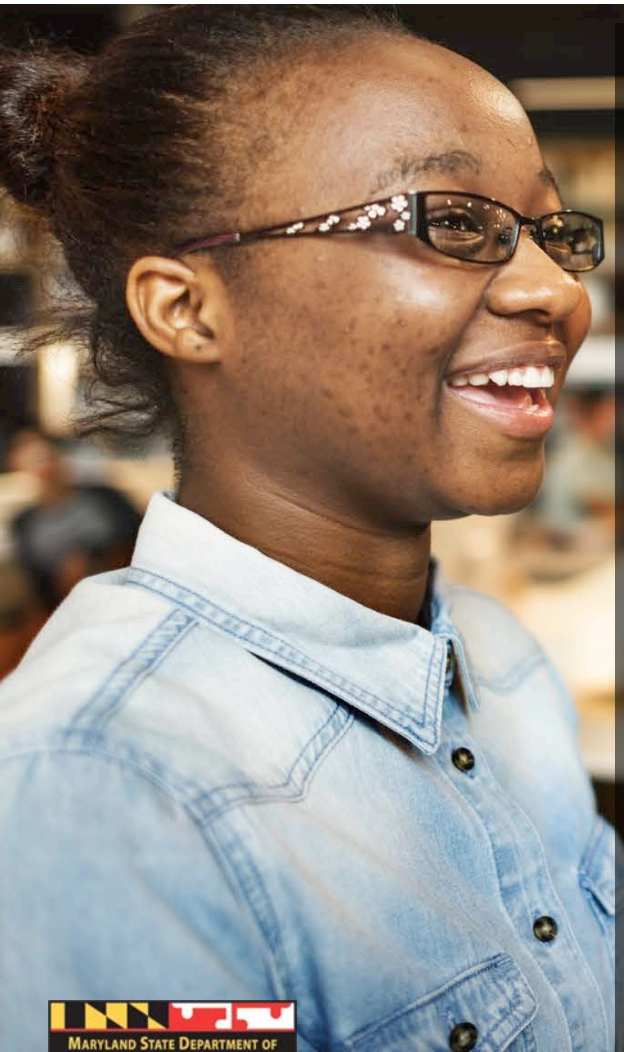
46% Qualify for free and reduced price meals

11.2% Receive special education services



Changes in Student Diversity

Compared to 2002...



169%
Increase
in Hispanic
students

Decrease
in African
American
students

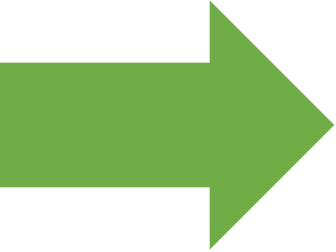
7%

Decrease
in
White
students

23%

Changes in Student Needs

Compared to 2002...



More Maryland Public Schools students are economically disadvantaged

(45%)

More Maryland students have limited English skills

(136%)

More native languages spoken by Maryland Children

(9%)



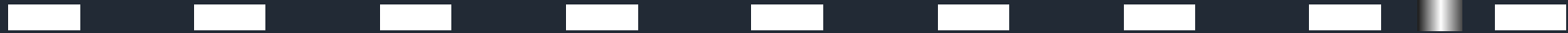
School Staff

- 117,238 instructional staff and 36,525 non-instructional staff support teaching and learning in 1,447 schools across the State.
- 65% of Maryland teachers hold an Advanced Professional Certificate.
- More than 8% of professional staff hold a doctorate and more than 40% hold a master's degree.
- Nearly 14% of professional staff have more than 30 years of educational experience.



700 new
neural
connections
every second

Early Childhood



Start Early

45%

All students must enter kindergarten ready to learn.



Increase in
public
prekindergarten
students since
2002

- By 2008, public Pre-K is available to all economically disadvantaged four-year-olds
- By 2008, full-day kindergarten exists in all public schools
- Maryland EXCELS rating system in place to improve child care programs
- Federal and State Pre-K expansion funds increase access to high quality programs

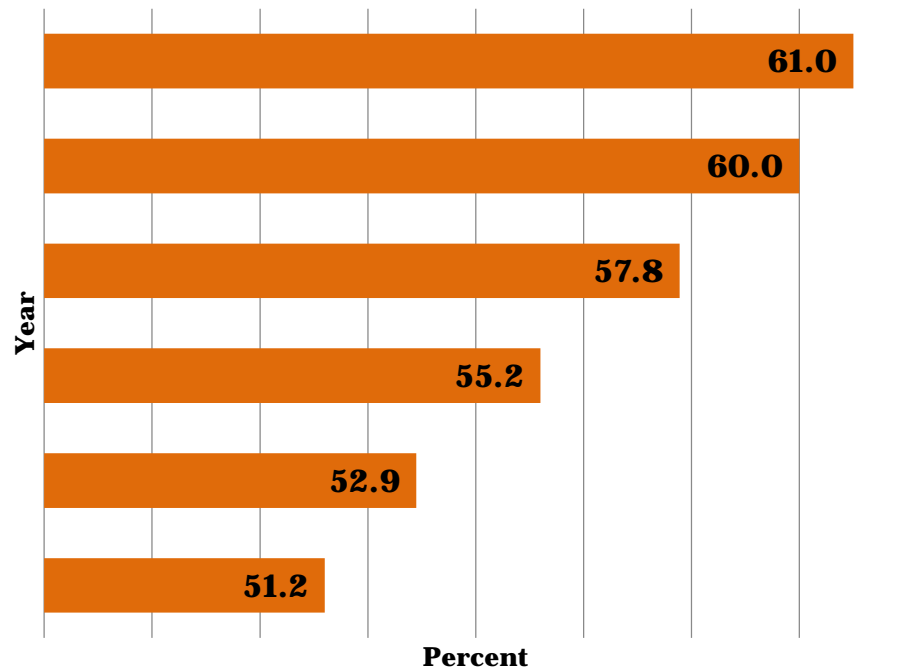


Multiple Pathways

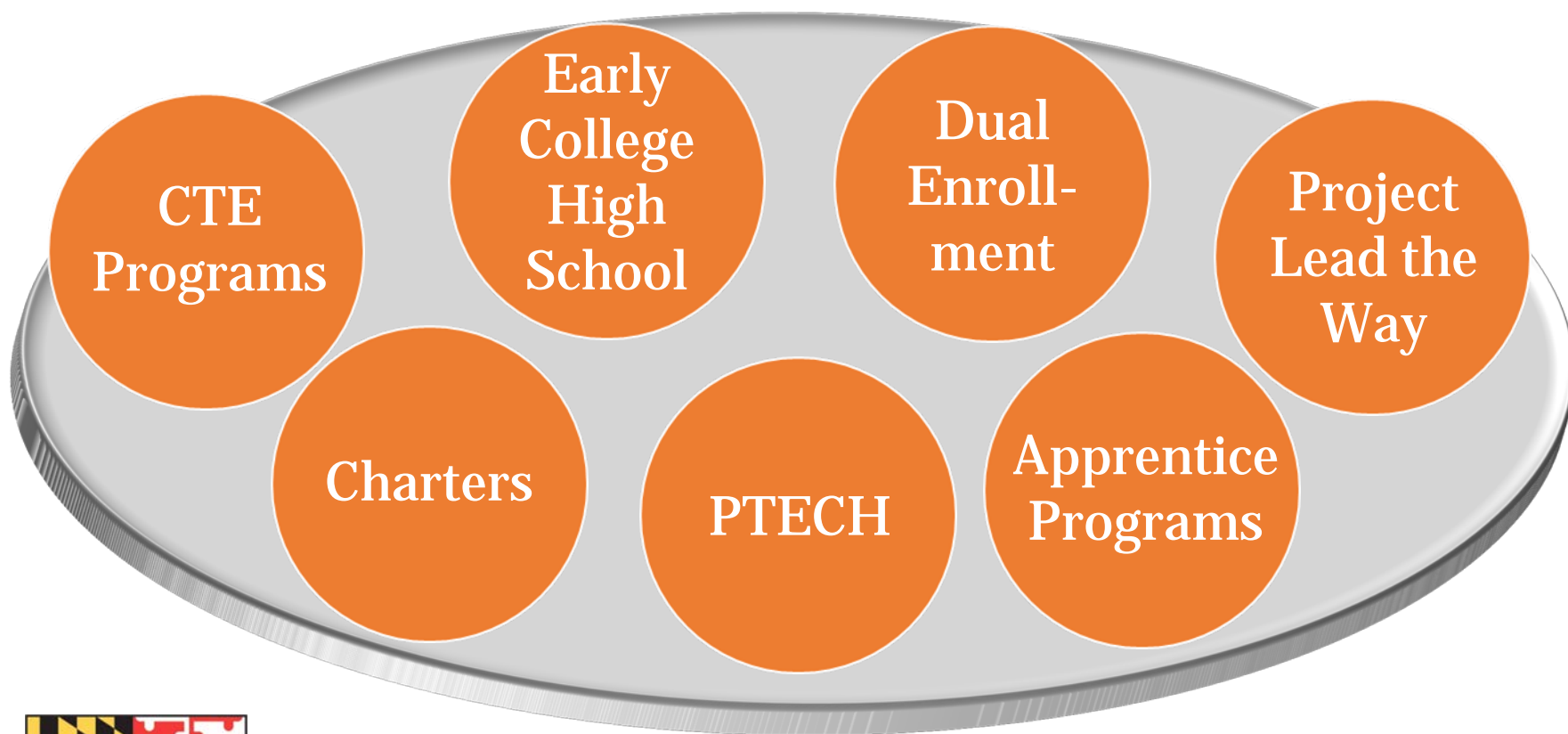
Career Technology Education

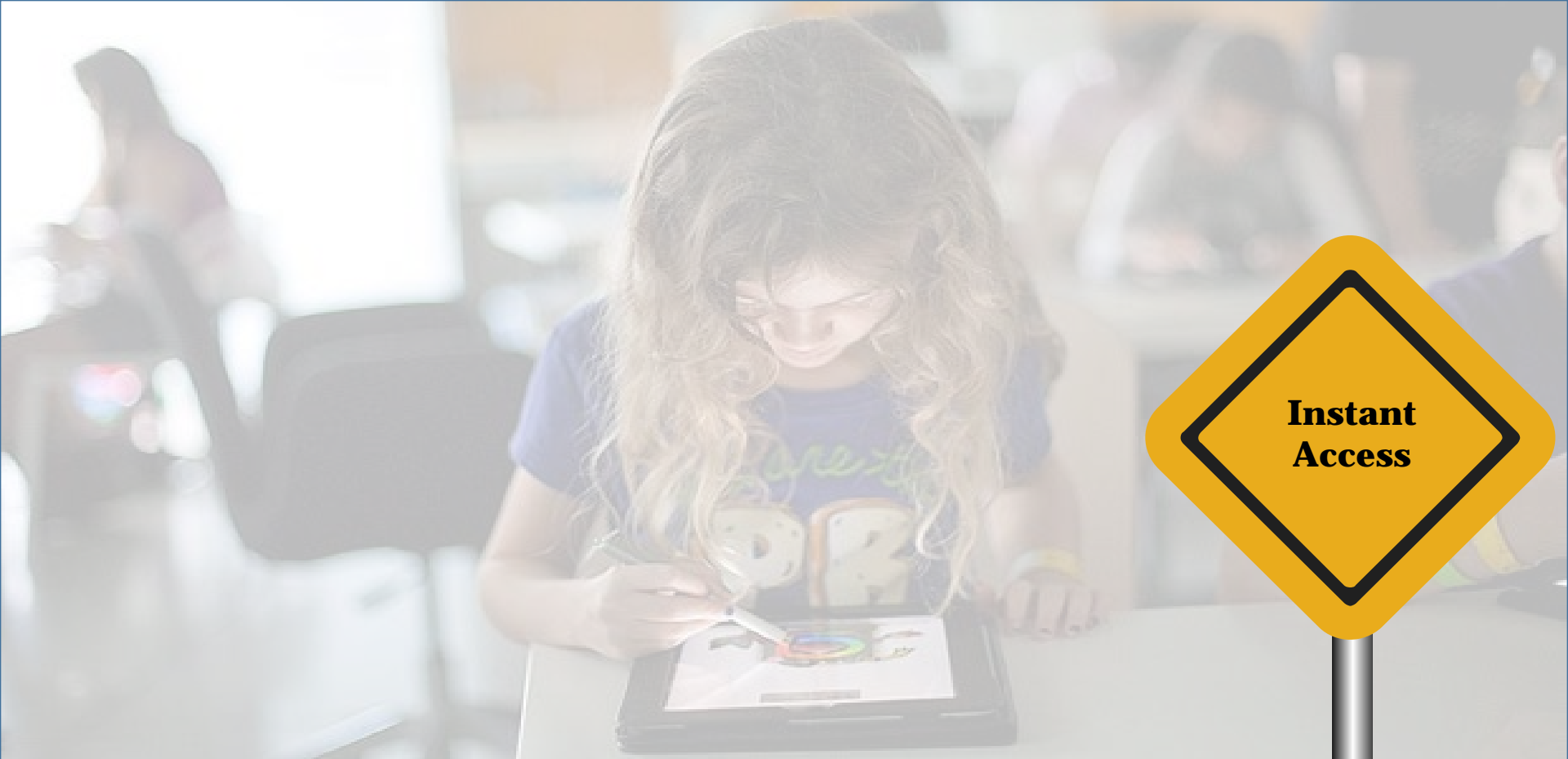
- Maryland CTE programs are designed to prepare high school students for the 21st Century's global economy and its rapidly changing workforce needs.
- All CTE programs are aligned to establish academic and technical skill standards to ensure student preparation for college and careers.

**Percent of CTE Graduates Also Meeting USM Course Entry Requirements
2010 - 2015**



Innovative Opportunities





Technology





College and Career

Ready Standards

Maryland Standards for Success

Higher Academic Expectations

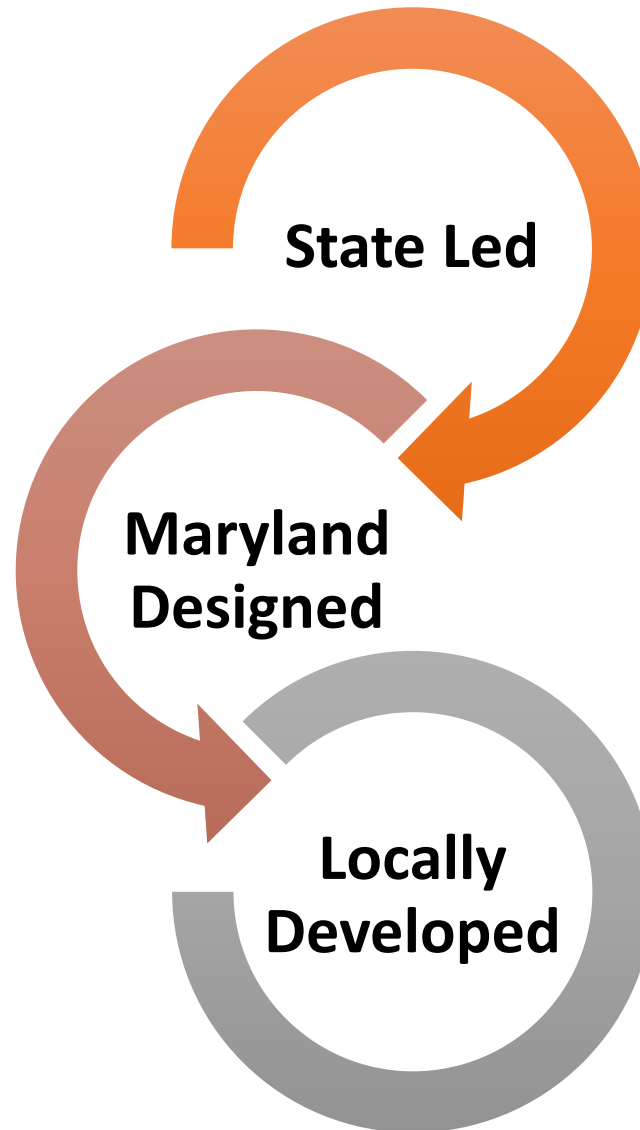
Consistent Goals for All Students

Focus on 21st Century Skills

Real World Relevance

Standards to a Curriculum

- **2011 - Maryland College and Career Ready Standards are adopted**
- **2012 – Maryland teachers translate standards into curricular frameworks**
- **2013 - Standards are fully implemented in schools**

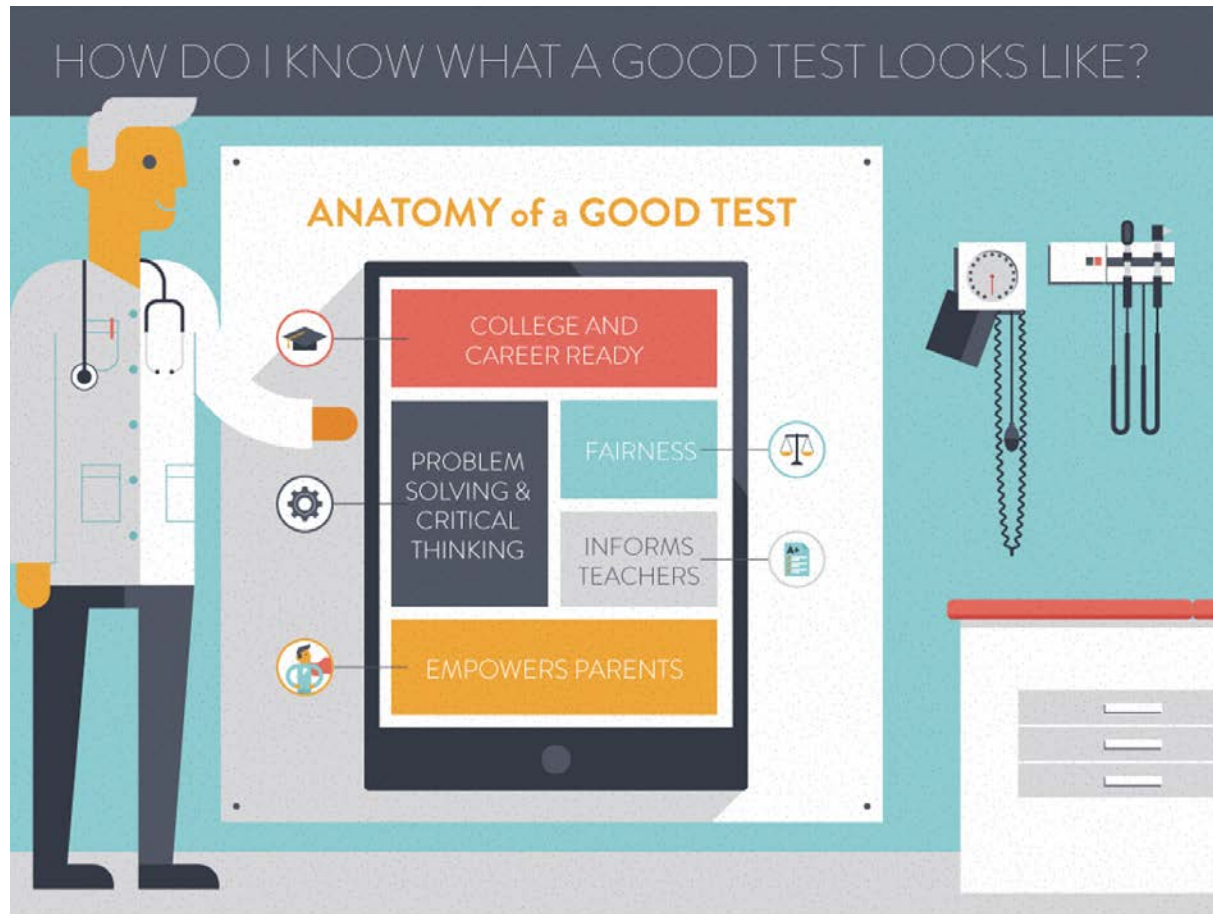


Assessments



Measuring
Outcomes

A Good Assessment is Like a Good Check-up



Maryland Assessment Timeline



1990's

- MD School Performance Assessment Program
Grades 2, 5, 8

2000's

- Maryland School Assessment Program
- High School Assessments
- Assessing English 10, Algebra/data analysis, Government, Biology



2011

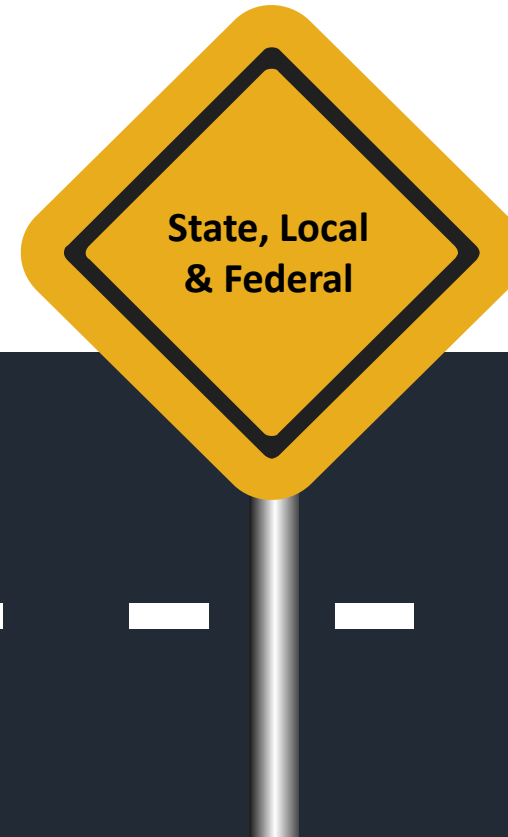
- MD adopts Maryland College and Career Ready Standards

2015

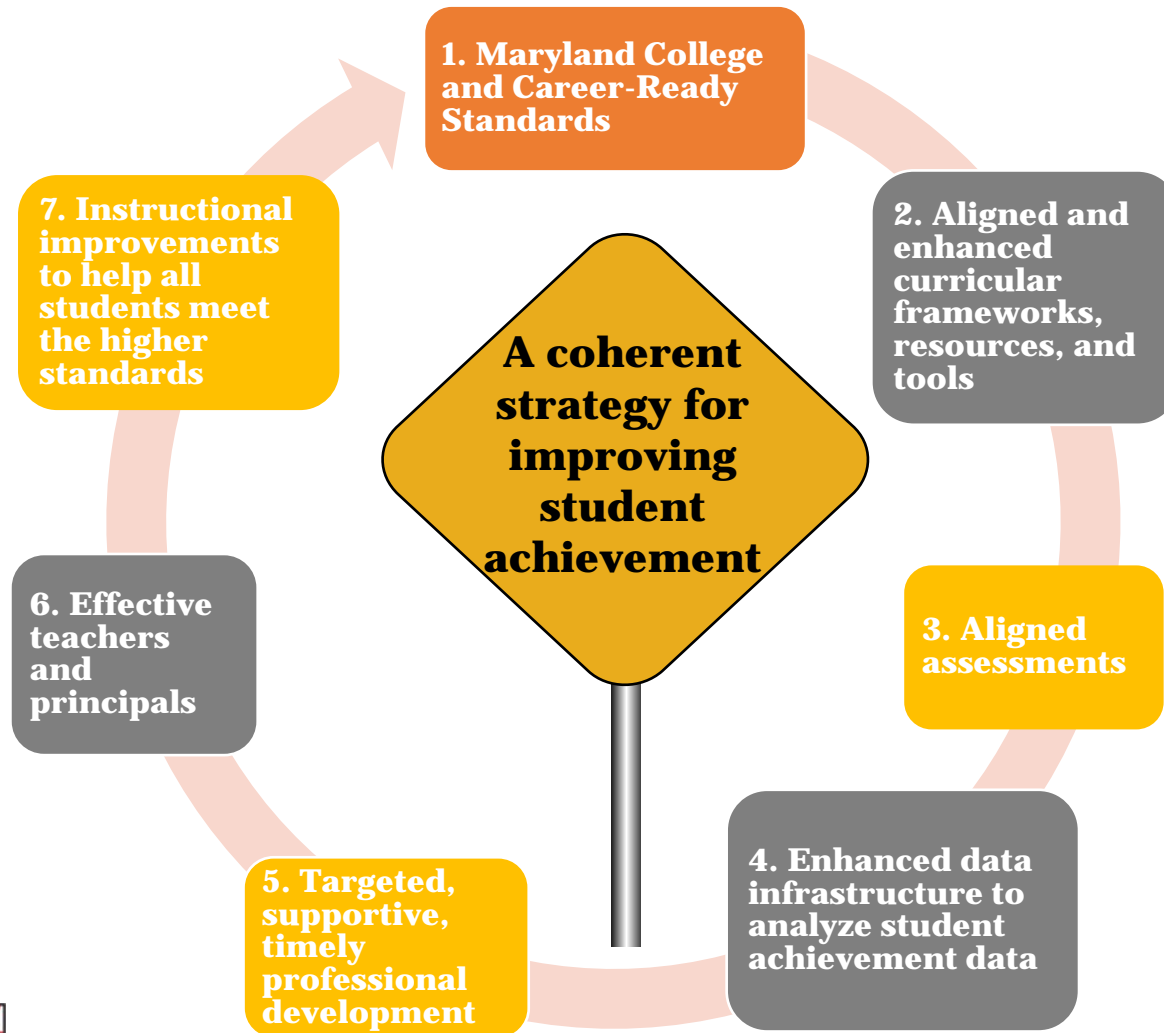
- PARCC Assessments



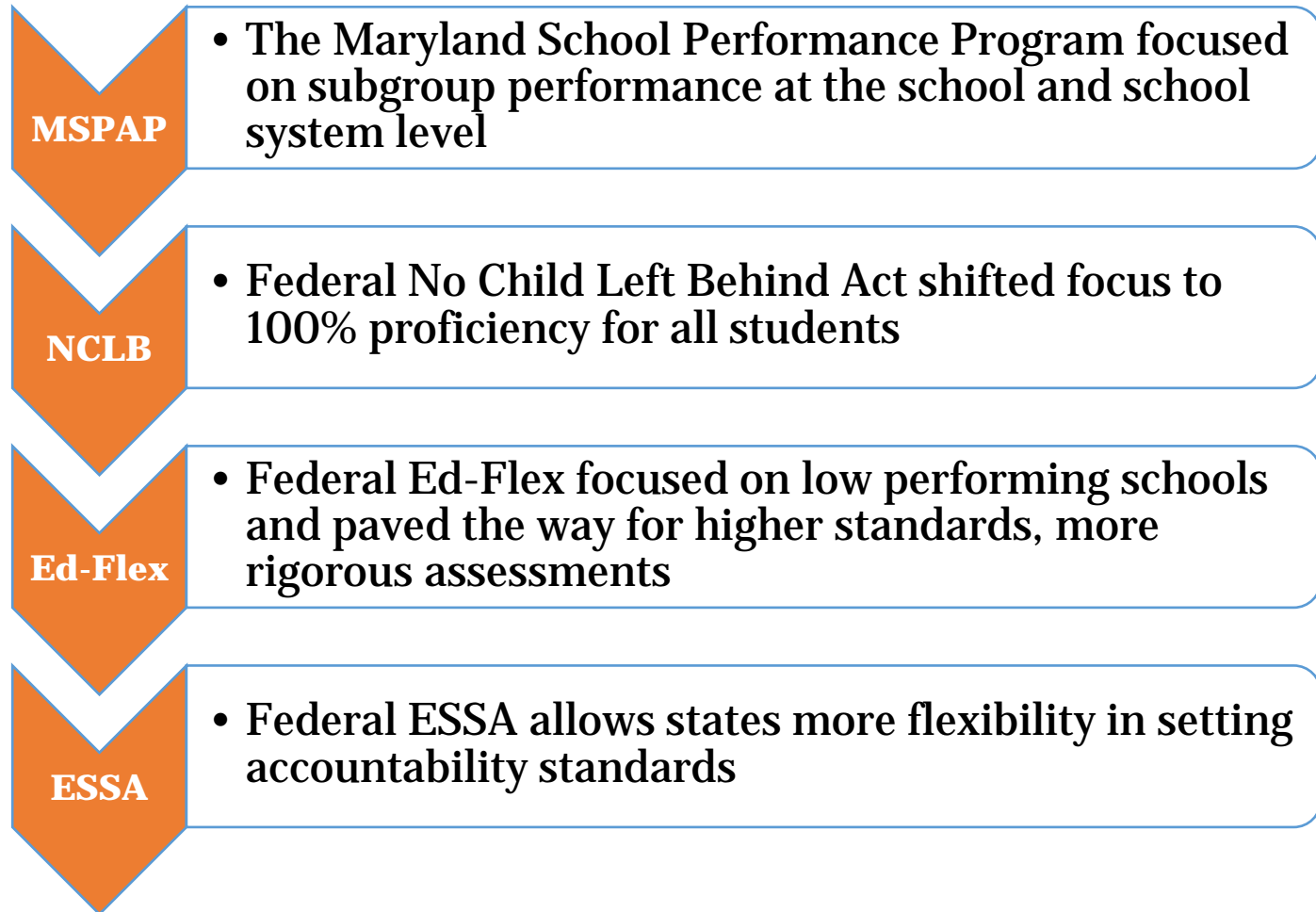
Accountability



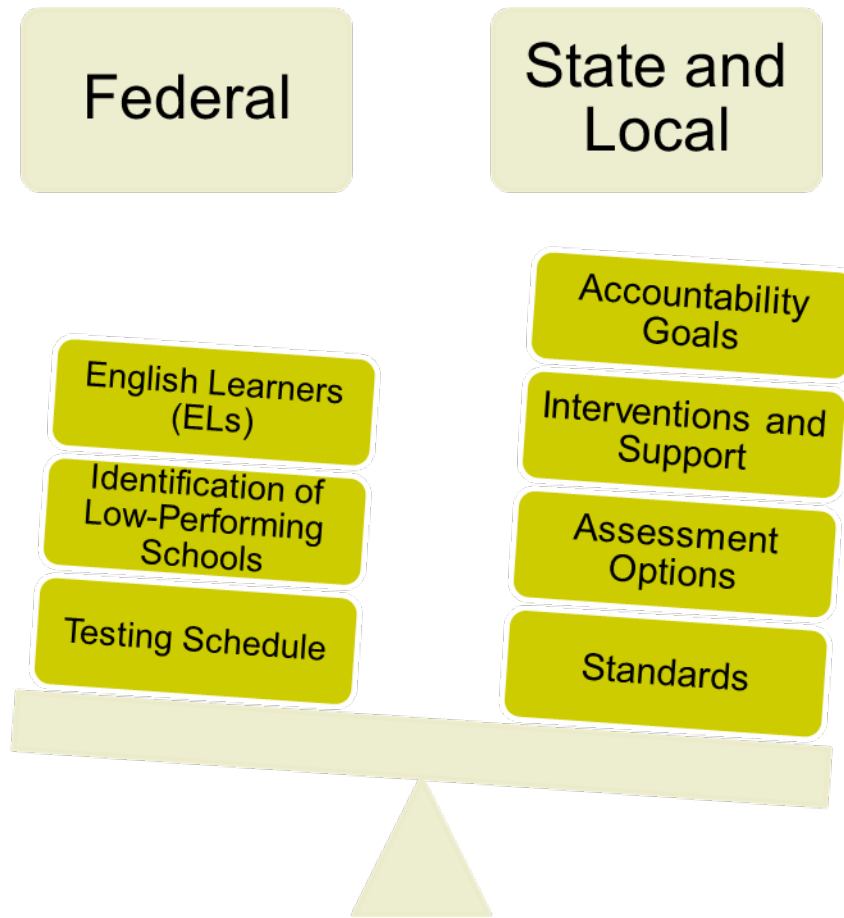
Accountability



Changes since 2002



Every Student Succeeds Act





Moving Forward



Preparing Students for the World that Awaits Them

- **Graduation and Post Secondary Plans**
 - Maryland's high school graduation rate reached an all-time high in 2015, with 87% of students graduating in 4 years.
 - As the graduation rate has improved, the statewide dropout rate hit new lows. The dropout rate has fallen from 12% five years ago to 8% in 2015.
 - The class of 2015 was offered \$1.3 billion in scholarships.
 - More than $\frac{3}{4}$'s of the class of 2015 planned to attend college.



Preparing Students for the World that Awaits Them

- Measures of Success
 - The Maryland public school system has ranked in the top 4 in the nation over the past eight years by Education Week.
 - Maryland tops all other states with the highest percentage of nationally ranked public high schools.
 - Maryland students, for the past 10 years, have ranked #1 in the nation for success on the AP exams.
 - Maryland student scores on the ACT exam have reached a record high, even as more students in the State take the exam.



Preparing Students for the World that Awaits Them

It is our responsibility to ensure all children have the same opportunities to be successful.

To do this, all children will need equal access to:

- **Effective Schools**
- **Robust Curriculum**
- **High Quality Instruction**
- **Innovative Teachers**
- **Advanced Level Courses**
- **Technology**
- **Support Services**



Overview of Education Funding in Maryland

**Presentation to the Commission on
Innovation and Excellence in Education**

**Department of Legislative Services
Office of Policy Analysis
Annapolis, Maryland
September 29, 2016**

Presentation Overview

- Principles Guiding Funding of Primary/ Secondary Education In Maryland
- Commission on Education, Equity, and Excellence/Bridge to Excellence Act
- Trends in Education Funding Since 2002
- Overview of Major State Aid Programs

Principles Guiding Funding of Education in Maryland

- Thorough and efficient system of free public schools (Article VIII of the State Constitution)
- Equity
- Adequacy
- Local Control
- Accountability

Equity

- Each Maryland child should have a substantially similar opportunity to meet performance standards regardless of geographical location
- Maryland has a system of shared State and local responsibility for education funding
- Consequently, State aid for education should offset local fiscal disparities

Local Fiscal Disparities

- To achieve funding equity, educational opportunities should not depend on local abilities to generate revenue
 - In Maryland the primary sources of local tax revenues are the property tax and income tax
 - For many years a significant share of State education aid has been distributed inverse to local wealth as measured by property assessable base and net taxable income
 - Less wealthy school systems, therefore, receive more State aid per pupil than wealthier school systems – this is known as wealth equalization
- Wealth is calculated by adding together a district's net taxable income and assessable base of property
 - This calculation is then compared to the State average to establish a district's relative wealth

Adequacy

- State and local funding should be sufficient to acquire the total resources needed to reasonably expect that **all** students can meet academic performance standards
 - Prior to the Thornton Commission, sufficient funding to provide an excellent fundamental education was a goal but quantifying the amount was elusive
 - Ensuring that all students meet performance standards requires that students with special needs or at risk of failure receive targeted resources or services
 - Maryland counties, including Baltimore City, provide a significant share of funding for education. Maintenance of effort requirements ensure that counties do not reduce their support for education

Local Control with Accountability

- Local school systems should have the primary responsibility for allocating education resources
- Schools and school systems should be held accountable for performance outcomes
- The State may need to play a greater role in allocation of resources if progress toward meeting standards is not being made

Current Funding Structure Based on “Thornton” Commission Work

- Commission on Education Finance, Equity, and Excellence established by legislation in 1999 and met through 2001
- Chaired by Dr. Alvin Thornton
- The charge of the commission included ensuring:
 - adequacy in funding
 - equity in funding
 - excellence in schools and student performance

Thornton Focus on Adequate Funding a Departure from Earlier Study Groups

- Maryland's funding formulas traditionally focused on equity – offsetting local fiscal disparities
- In the 1990s there was a greater recognition of the additional resources required to serve targeted student populations
- Working with education finance consultants, the Thornton Commission built upon the existing funding structure and developed a methodology for linking the level of State funding to State performance standards

Two Adequacy Methods Considered by Thornton Commission

- Two methods to determine adequate funding were used
 - Successful schools – the actual expenditures of 59 schools that met a set of State standards were examined
 - Professional judgement – 7 teams developed prototypical schools and the needed resources were costed out

Thornton Commission's Recommendations

- Provide a base per pupil amount derived from the actual expenditures of selected successful schools
- Augment the base amount with additional funding for targeted student populations
- Use a Maryland-specific geographic cost of education index to begin in fiscal 2005
- Establish a Guaranteed Tax Base program to provide a financial incentive for low-wealth counties to fund their schools
- Increase the share of State aid to less wealthy counties
- Move toward the State providing an equal share of education aid as compared to the counties

Thornton Commission's Recommendations (cont.)

- Require counties, at a minimum, to maintain their funding effort
- Require school systems to develop a master plan specifying how funds will be used and what strategies will be implemented to improve student performance
- Establish full-day kindergarten for all 5-year-olds and optional pre-K for economically disadvantaged 4-year-olds
- New State funding estimated to be \$1.1 billion
 - On per pupil basis, it would increase from \$3,500 in fiscal 2002 to more than \$5,600 in fiscal 2007

Bridge to Excellence Act of 2002

- The Bridge to Excellence (BTE) in Public Schools Act of 2002 incorporated many of the recommendations of the Thornton Commission and restructured the State's public school finance system by:
 - eliminating a large number of small categorical aid programs
 - establishing formulas that are based primarily on full-time equivalent (FTE) student enrollments and local wealth
- The Act also significantly increased financial support for public schools by phasing in an additional \$1.3 billion in State aid from fiscal 2003 through 2008 to reach funding adequacy and improve equity

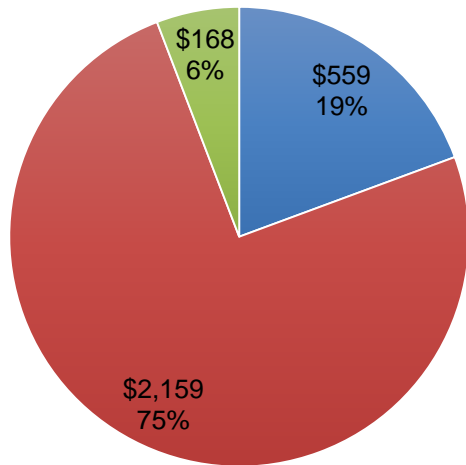
Balancing Local Control and State Accountability

- Under Bridge to Excellence, 50 prescriptive categories of State funding were replaced with block grants
 - This increased local control over how to spend the money
- The comprehensive master plan process was established
 - Each district is required to outline the steps they are taking to improve student achievement including closing achievement gaps

More State Aid is Targeted

(\$ in Millions)

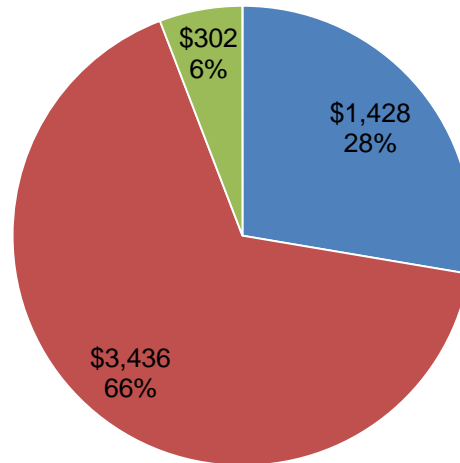
FY 2002



Total = \$2,886

- Targeted
- General Education
- Noninstructional

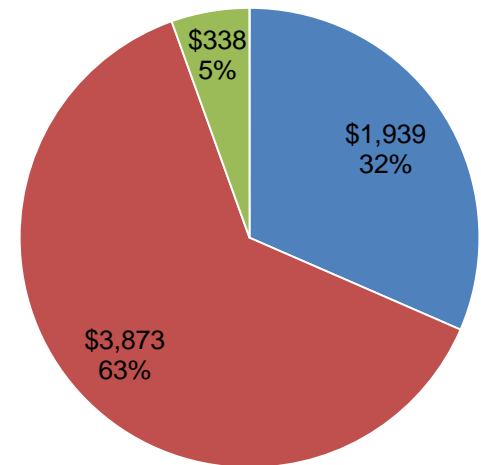
FY 2008



Total = \$5,166

- Targeted
- General Education
- Noninstructional

FY 2016

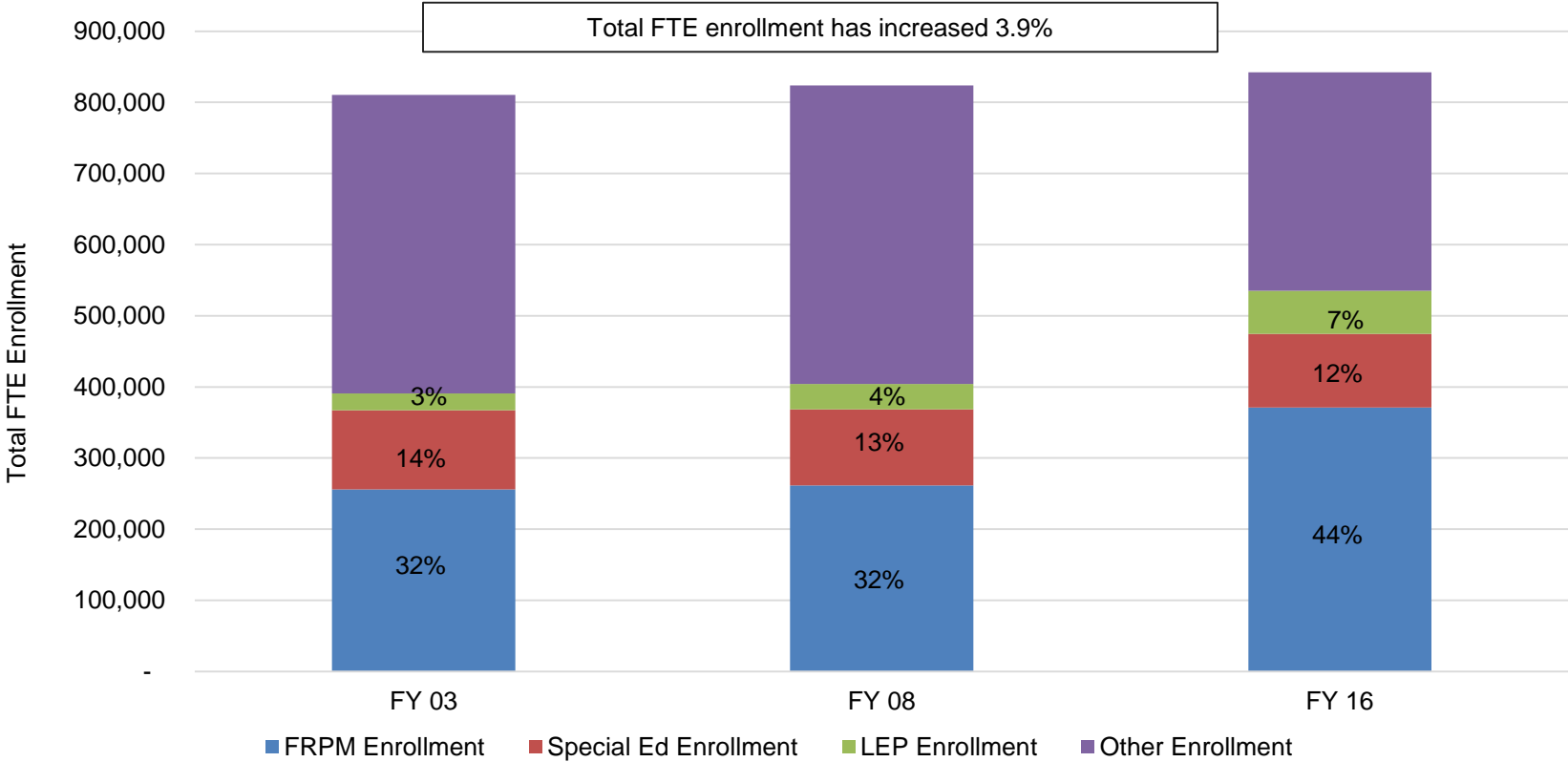


Total = \$6,150

- Targeted
- General Education
- Noninstructional

Note: General education includes teachers' retirement. Noninstructional aid includes student transportation and other direct State aid.

Low-income and Limited English Proficient Students Account for Increasing Share of Total Enrollment



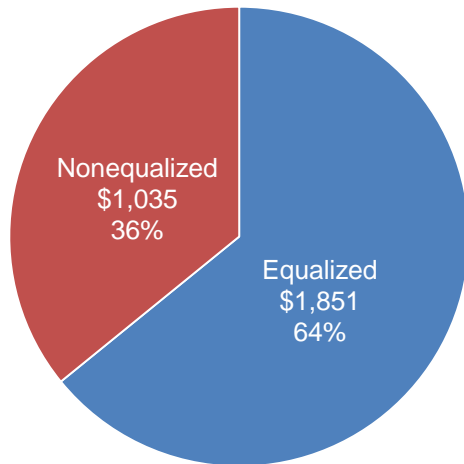
FRPM: free and reduced-price meals
 LEP: limited English proficiency
 FTE: full-time equivalent

Enrollment for a fiscal year is from the fall of the prior fiscal year

More State Aid is Wealth Equalized

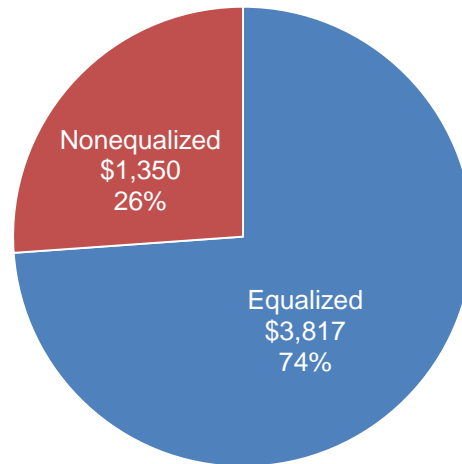
(\$ in Millions)

Fiscal 2002



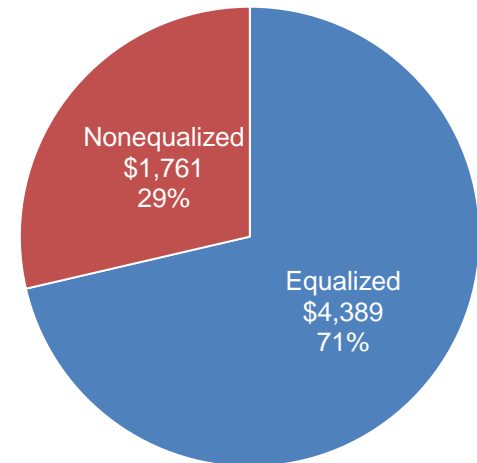
Total = \$2,886

Fiscal 2008



Total = \$5,166

Fiscal 2016



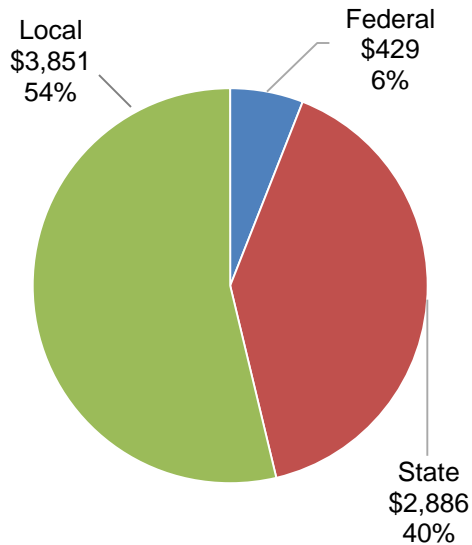
Total = \$6,150

Note: Includes teachers' retirement

State Share of Total Revenue Has Increased

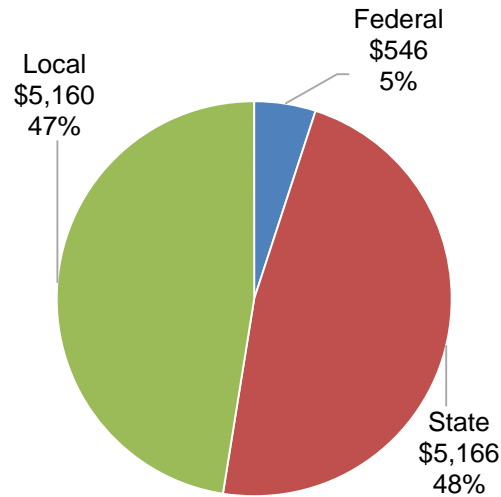
(\$ in Millions)

FY 2002



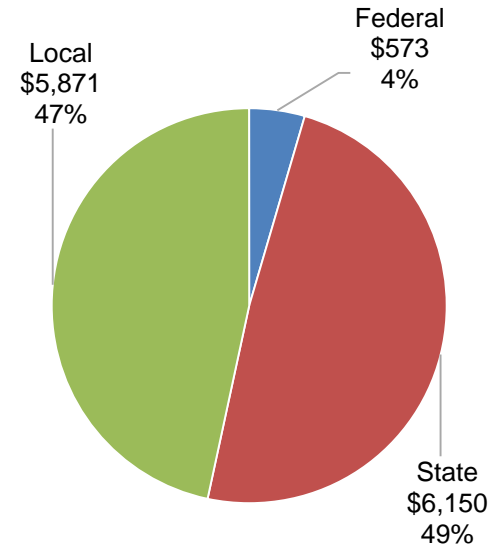
Total = \$7,166

FY 2008



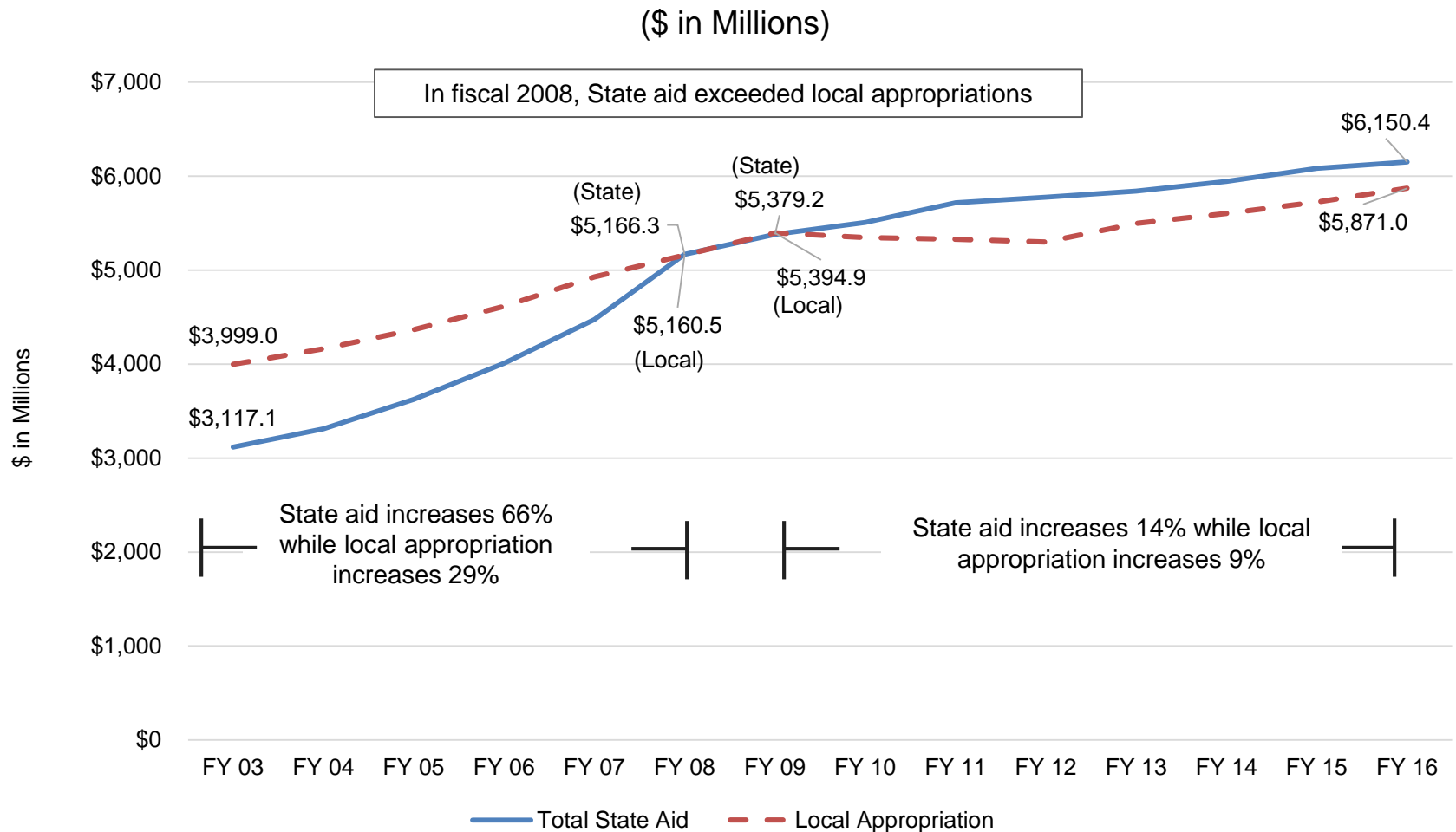
Total = \$10,872

FY 2016



Total = \$12,594

State Aid Increases Sharply During Thornton Phase-in



Categories of State Aid

The majority of State education aid falls into one of three categories:

1. General Education Aid

- provides a minimum level of operating support for all students, driven by total student enrollment and local wealth

2. Targeted Aid

- provides additional funding based on enrollments of targeted student populations (*i.e.*, low-income, limited English, and special education)

3. Noninstructional Aid

- provides school support activities that are not directly related to instruction

State Aid for Education

Fiscal 2002-2016
(\$ in Thousands)

<u>Program</u>	vs. 2002				
	<u>2002*</u>	<u>2008</u>	<u>2016**</u>	<u>Change</u>	<u>% Change</u>
Foundation	\$1,681,184	\$2,782,717	\$3,017,610	\$1,336,426	79%
GCEI	0	0	68,100	68,100	n/a
Compensatory Education	117,124	902,134	1,305,133	1,188,009	1014%
Special Education	81,253	280,044	275,997	194,744	240%
Limited English Proficiency	29,965	126,168	217,180	187,216	625%
Guaranteed Tax Base	0	78,890	53,762	53,762	n/a
Student Transportation	133,313	218,987	266,247	132,934	100%
Bridge to Excellence Total	\$2,042,839	\$4,388,940	\$5,204,030	\$3,161,192	155%
Other Direct State Education Aid	\$514,847	\$210,954	\$217,078	-\$297,769	-58%
State Teacher Retirement Aid	\$328,222	\$566,448	\$729,286	\$401,064	122%
Total	\$2,885,907	\$5,166,342	\$6,150,394	\$3,264,487	113%

* Fiscal 2002 shows education funding prior to Bridge to Excellence enactment.

** Fiscal 2016 includes Supplemental Grants (\$46.6 million), Net Taxable Income Grants (\$23.8 million), and Declining Enrollment Grants (\$86,000).

GCEI: Geographic Cost of Education Index. GCEI was funded at 50% in fiscal 2016; full funding of GCEI is mandated beginning in fiscal 2017.

Foundation Program

General Education Aid

- The foundation program is the main program in general education aid and accounts for almost half of State education aid
- The foundation program ensures a base level of funding per pupil
 - per pupil foundation amount x local enrollment
- At the statewide level, the foundation formula is designed to have the State pay roughly 50% of program costs; however, the State's share for the less wealthy jurisdictions is higher than 50% and the State's share for more wealthy jurisdictions is lower than 50% (wealth equalization)
- The amount of State aid that a jurisdiction receives is based on FTE student enrollment and local wealth
- No jurisdiction may receive less than 15% of the base per pupil amount from the State

Other General Education Aid

- *Geographic Cost of Education Index (GCEI)*: GCEI is a Maryland-based index that adjusts the amount of State aid a local school system receives based on regional differences in the cost of educational resources
 - The GCEI formula does not reduce funding for jurisdictions where educational resources are less expensive
 - Unlike every other major State aid program, GCEI was not mandated until fiscal 2017
 - GCEI only applies to the foundation program and the State pays the State and local shares
- *Guaranteed Tax Base*: GTB provides additional funds to jurisdictions with less than 80% of the statewide wealth per pupil that provide local education funding above the minimum local share required by the foundation program
 - The State provides the funds that would have been generated locally if the jurisdiction had the wealth base that is guaranteed
 - Per pupil GTB amount for any one local school system is limited to 20% of the per pupil foundation amount

Targeted Education Aid

- The targeted formulas recognize the additional costs associated with educating certain student populations:
 - Special education (0.74 X base level of funding per pupil)
 - Compensatory education (based on free and reduced-price meal status) (0.97 X base level of funding per pupil)
 - Prekindergarten funding is accounted for in the compensatory education formula
 - Limited English proficiency (0.99 X base level of funding per pupil)
- Although the State provides approximately 50% of the total estimated cost of each program, local governments are not required to provide the other half
- Funding amounts and distributions are based on local wealth and enrollments of the three targeted student populations, however, no jurisdiction may receive less than 40% of the full per pupil amount from the State

Noninstructional State Aid

- *Student Transportation:* Each local school system is required to provide transportation to and from school for all public school students
 - Transportation funding consists of a base grant that is adjusted annually and a per pupil grant based on the number of students with special transportation needs
- *Other Noninstructional Aid:* Includes early education, food service, adult education, and a variety of innovative programs

Teacher Retirement Costs

- Prior to 2012, the State paid 100% of retirement costs
- In 2012, legislation required locals to share in the cost of retirement
- Retirement aid is not wealth equalized
- In fiscal 2016, local share ranged from 25%-30%

State Aid Structure Results

Fiscal 2016

<u>Full-time Equivalent Enrollment</u>		<u>Targeted Student Index*</u>		<u>Local Wealth per Pupil</u>		<u>Direct State Aid per Pupil</u>	
1.Montgomery	150,097	1.Baltimore City	106.1%	24.Wicomico	\$276,605	1.Baltimore City	\$11,172
2.Prince George's	121,619	2.Prince George's	91.3%	23.Caroline	284,456	2.Somerset	10,658
3.Baltimore	105,904	3.Somerset	88.3%	22.Somerset	289,596	3.Wicomico	9,542
4.Baltimore City	79,503	4.Dorchester	78.3%	21.Baltimore City	292,864	4.Caroline	9,483
5.Anne Arundel	77,280	5.Wicomico	74.9%	20.Allegany	299,197	5.Allegany	9,348
6.Howard	52,475	6.Caroline	72.6%	19.Washington	345,731	6.Dorchester	8,767
7.Frederick	39,655	7.Allegany	71.7%	18.Dorchester	353,979	7.Prince George's	8,580
8.Harford	36,740	8.Kent	64.9%	17.Prince George's	378,600	8.Washington	7,629
9.Carroll	25,505	9.Baltimore	64.3%	16.Cecil	385,432	9.Cecil	6,724
10.Charles	25,413	10.Washington	61.6%	15.Charles	389,280	10.Charles	6,389
11.Washington	21,760	11.Montgomery	60.2%	14.Frederick	420,738	11.St. Mary's	5,869
12.St. Mary's	16,959	12.Worcester	59.3%	13.St. Mary's	434,423	12.Baltimore	5,855
13.Calvert	15,594	13.Talbot	58.5%	12.Harford	457,132	13.Frederick	5,844
14.Cecil	14,936	14.Garrett	58.4%	11.Carroll	460,527	14.Garrett	5,611
15.Wicomico	14,074	15.Cecil	57.8%	10.Calvert	470,644	15.Harford	5,563
16.Allegany	8,333	16.Anne Arundel	48.2%	9.Baltimore	500,086	16.Carroll	5,141
17.Queen Anne's	7,478	17.Charles	45.9%	8.Howard	558,318	17.Calvert	5,111
18.Worcester	6,261	18.Harford	45.4%	7.Queen Anne's	574,248	18.Kent	4,901
19.Caroline	5,293	19.St. Mary's	43.8%	6.Garrett	608,084	19.Queen Anne's	4,544
20.Dorchester	4,575	20.Frederick	41.1%	5.Anne Arundel	610,015	20.Anne Arundel	4,395
21.Talbot	4,371	21.Queen Anne's	40.3%	4.Montgomery	706,889	21.Howard	4,377
22.Garrett	3,710	22.Howard	33.3%	3.Kent	815,518	22.Montgomery	4,245
23.Somerset	2,726	23.Calvert	33.2%	2.Talbot	1,041,921	23.Talbot	3,201
24.Kent	1,970	24.Carroll	32.0%	1.Worcester	1,113,630	24.Worcester	3,165
Statewide	842,229	Statewide	63.5%	Statewide	\$496,206	Statewide	\$6,437

* Targeted Student Index 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 targeted students.

Revenue Sources for Public Schools

Fiscal 2016

<u>County</u>	<u>Federal</u>	<u>State</u>	<u>Local</u>	<u>Ranking by Total Per Pupil Funding</u>	
Allegany	7.0%	68.6%	24.4%	1.	Worcester \$17,606
Anne Arundel	3.8%	37.7%	58.5%	2.	Baltimore City 16,715
Baltimore City	7.7%	72.1%	20.2%	3.	Somerset 16,304
Baltimore	4.7%	45.8%	49.4%	4.	Kent 15,973
Calvert	3.7%	43.2%	53.1%	5.	Howard 15,930
Caroline	6.3%	74.3%	19.4%	6.	Prince George's 15,693
Carroll	3.3%	44.3%	52.5%	7.	Montgomery 15,664
Cecil	4.2%	56.1%	39.7%	8.	Allegany 14,926
Charles	4.2%	50.0%	45.7%	9.	Dorchester 14,857
Dorchester	5.4%	65.2%	29.5%	10.	Garrett 14,828
Frederick	3.7%	50.1%	46.3%	11.	Charles 14,408
Garrett	5.8%	43.6%	50.6%	12.	Baltimore 14,307
Harford	4.5%	47.7%	47.8%	13.	Calvert 13,904
Howard	2.2%	33.4%	64.4%	14.	Caroline 13,833
Kent	5.3%	37.0%	57.6%	15.	Wicomico 13,690
Montgomery	3.0%	33.2%	63.8%	16.	Anne Arundel 13,628
Prince George's	5.3%	59.1%	35.6%	17.	Carroll 13,563
Queen Anne's	5.1%	40.3%	54.6%	18.	Washington 13,535
St. Mary's	6.3%	49.9%	43.7%	19.	Cecil 13,376
Somerset	7.2%	71.3%	21.5%	20.	Frederick 13,369
Talbot	5.7%	30.6%	63.8%	21.	Queen Anne's 13,322
Washington	5.3%	62.1%	32.6%	22.	St. Mary's 13,241
Wicomico	6.1%	72.4%	21.5%	23.	Harford 13,235
Worcester	4.7%	23.8%	71.5%	24.	Talbot 12,928
Total	4.5%	48.5%	47.0%		Statewide 14,927

Note: State and local revenue includes teacher retirement aid

Source: Local School Budgets, Department of Legislative Services

Maryland State Department of Education

Overview of the Study of Adequacy of Funding for
Education in Maryland

Commission on Innovation and Excellence in Education

September 29, 2016

Kristy Michel, Deputy Superintendent

Study of Adequacy of Education Funding in Maryland

□ Background

- Bridge to Excellence Act required the State to conduct a follow-up adequacy study 10 years later.
- Law requires an adequacy study that identifies a base funding level for all students and per pupil weights for students with special needs to be applied to the base funding level, as well as several additional studies.
- MSDE, in collaboration with DLS and DBM, issued an RFP for this work in early 2014 and awarded the contract to Augenblick, Palaich & Associates in June of 2014.

Study of Adequacy of Education Funding in Maryland

□ Request for Proposal

- Chapter 397, Acts of 2011 and Chapter 709, Acts of 2012 defined the components of the study
- 3 Major studies; 10 separate components:
 - Adequacy Cost Study, School Size Study, Evaluation of Prekindergarten Services
 - 4 studies impact how funding is calculated – wealth, enrollment, student counts, Geographic Cost of Education Index (GCEI)
 - Additional research questions addressing concentrated poverty, gaps in student achievement and correlating gaps in performance with funding
- Described by vendors as a very comprehensive study

Study of Adequacy of Education Funding in Maryland

□ Study Plan

- Three methodologies along with case studies of improving schools are being used to determine an adequate level of education funding so that all Maryland students can meet State Standards:
 - Evidence-Based
 - Professional Judgment
 - Successful Schools
- Results of the three methodologies will be used to develop base cost and the additional weights necessary for the extra cost of services for special needs students.

Study of Adequacy of Education Funding in Maryland

□ Study Plan

■ Adequacy Study – Evidence-Based Approach

- The Evidence-Based approach uses research-based strategies and programs known to improve student achievement and estimates the cost of prototype schools (elementary, middle and high) using these programs and resources.
- 4 Panels and 76 Maryland educators, administrators and central office staff reviewed strategies, programs and services in June 2015 to create a Maryland-specific model.
- The Maryland-specific model will be used estimate a base funding amount and specific weights for special needs students.

Study of Adequacy of Education Funding in Maryland

□ Study Plan

- Adequacy Study – Professional Judgment Approach
 - The Professional Judgment approach allows educators to identify the programming and resources needed for all students, including those with special needs.
 - In October, November of 2015 and January of 2016, 9 panels and 76 Maryland educators, administrators and central office staff identified specific programs, services and resources needed for all Maryland students to meet State standards.
 - The programs, services and resources are used to estimate the necessary level of funding based on prototype schools. The model will produce a base cost and additional weights for special needs students.

Study of Adequacy of Education Funding in Maryland

□ Study Plan

- Adequacy Study – Successful Schools Approach
 - The Successful Schools approach uses the actual expenditures and resource allocations of high performing and vastly improving schools, based on current standards.
 - Actual costs, exclusive of funds spent on special needs students, are used to estimate a base level of funding.
 - Consistently high performing, high growth schools were selected.

Study of Adequacy of Education Funding in Maryland

□ Study Plan

■ Adequacy Study – Case Studies

- 12 improving schools were selected based on four categories:
 - overall high performing,
 - producing large gains in student performance,
 - reducing the achievement gap, or
 - improving the performance of one or more subgroups of students.
- Researchers conducted site visits to review school-specific programs and staffing.
- Common practices include shared responsibility for student achievement, collaborative approach to instruction, and a focus on high-quality teachers.

Study of Adequacy of Education Funding in Maryland

□ Other Studies

■ School Size Study

- Utilized a literature review, document research, district interviews, and case studies to develop a method for establishing an ideal school size and to identify opportunities for creating smaller schools.

■ Proxy for Economically Disadvantaged Students

- The study evaluated whether free and reduced price meal (FRPM) eligibility should continue to be a proxy for identifying economically disadvantaged students in several State Aid formulas, particularly as new federal Community Eligibility Provision is implemented.

Study of Adequacy of Education Funding in Maryland

- Other Studies, continued
 - Study of Increasing and Declining Enrollment
 - The study evaluated the impact of increasing and declining enrollment, including transportation costs, particularly for districts with large geographic areas, but small populations.
 - Equity and Local Wealth
 - The study evaluated the equity of the State's finance structure and the current calculation of local wealth used for education aid formulas.

Study of Adequacy of Education Funding in Maryland

□ Other Studies, continued

■ Prekindergarten

- The study evaluated current prekindergarten services and program funding and estimated the cost and benefit of providing universal access to high-quality prekindergarten.
- The Report provides Return on Investment estimates for different levels of quality and participation rates, noting high-quality programs provide the highest benefit.

Study of Adequacy of Education Funding in Maryland

- Other Studies, continued
 - Geographic Cost of Education Index (GCEI)
 - The study evaluated the current GCEI methodology and recommended using a Comparable Wage Index (CWI).
 - CWI approach, due to the relative simplicity of the model and the availability of data, is more appropriate than the statistically complex hedonic model currently used in Maryland.
 - The study team is modeling the CWI approach in its recommendation.

Study of Adequacy of Education Funding in Maryland

□ Other Studies, continued

■ Concentrations of Poverty

- The research team conducted a literature review to inform their analysis of the effect of concentrations of poverty on the adequacy targets (base cost and weights for students with special needs). The complete analysis will be included in the Final Report.

■ Supplemental Grants and other Research Questions

- The research team will consider the current Supplemental Grants program and the gaps in performance and funding as the adequacy targets are developed and include recommendations in the final report.

Study of Adequacy of Education Funding in Maryland

□ Time Frame

- Final Report – Adequacy Study – November, 2016

□ Questions

Commission on Innovation and Excellence in Education
2016 Interim Schedule and Work Plan
Draft September 28, 2016

All meetings will be held in Room 120 House Office Building, Annapolis.

1. Organizational Meeting/Background Briefings *September 29, 10 a.m.-1:30 p.m.*
 - Introductions and Commission Charge
 - Overview of Education Policy Landscape in Maryland Since 2002 (State Superintendent Karen Salmon)
 - Overview of “Thornton” Commission and Bridge to Excellence in Public Schools Act (DLS)
 - Summary of Consultant Studies and Adequacy Study (very high level) (MSDE)
 - Discussion of 2016 Schedule and Work Plan

2. World Class Education System in the 21st Century *October 31, 1:00 p.m.-4:30 p.m.*
 - P-12 Outcomes Since 2002 (DLS/MSDE)
 - National Conference of State Legislatures International Study Group report *No Time to Lose*
 - National Center for Education and the Economy – Marc Tucker – International Comparisons and Benchmarking
 - Former Massachusetts Education Commissioner David Driscoll

3. Study of Adequate Funding in Maryland *December 8, 10:00 a.m.-4:00 p.m.*
 - Review of Current State Education Finance System (DLS/MSDE)
 - Final Report and Recommendations, Augenblick, Palaich and Associates (APA)
 - Summary of APA Recommendations and Comparison to Current Funding/Finance System (DLS/MSDE)
 - Discussion of 2017 Schedule and Work Plan