

**Testimony in Support with Amendments of House Bill 1211
Education – Compensatory Education – Maryland Neighborhood Tier
System Calculation**

**House Appropriations Committee
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The Maryland State Education Association supports House Bill 1211 and offers amendments to utilize a more precise weighting system that will reduce the costs associated with this important initiative. House Bill 1211 adds the Maryland Neighborhood Tier System to the ways the state counts compensatory education enrollment and therefore delivers critical state and local education aid to students living and learning in poverty.

MSEA represents 75,000 educators and school employees who work in Maryland's public schools, teaching and preparing our almost 900,000 students so they can pursue their dreams. MSEA also represents 39 local affiliates in every county across the state of Maryland, and our parent affiliate is the 3-million-member National Education Association (NEA).

One of the primary goals of the Blueprint for Maryland's Future is to provide more supports to students who need the most help (Pillar 4). This value is one of equity and that is the fundamental principle of the Maryland Neighborhood Tier System. Our current tools for counting poverty do not adequately account for the depths of poverty and the unique and devastating impacts that deep poverty can have on students and schools. While the state does significantly acknowledge deep poverty in the calculation and delivery of resources through the concentration of poverty grants and the expansion of community schools, those calculations only work if the underlying data on poverty is accurate and reliable.

The legislature knew that our existing system of either requiring families to complete forms for free or reduced price meals, or some weighted calculation from those forms, did not meet the moment of the Blueprint,, and thus the Blueprint directed the Maryland State Department of Education to research, evaluate, and make

recommendations to better count compensatory education.¹ The result of that stellar research from MSDE is the recommendation to adopt the Maryland Neighborhood Tier System.

The report offered two different calculation methods to be considered. House Bill 1211 utilizes method one and the amendments below recommend adopted method two – accomplishing the same goals, but significantly reducing both the state and local impact of this initiative. No matter how we choose to count poverty, compensatory education funding has a significant price tag. We see it with the increase in the FY24 budget because of the state’s decision to use Medicaid eligibility as a proxy for poverty. In state aid alone, that expansion costs the state \$390 million more than was spent on compensatory education in FY23. The lack of precision of using Medicaid is clear when you consider the school districts facing the deepest poverty benefit the least from this increased funding. That moves us further away from the foundational goal of equity inherent in the Blueprint.

MSEA recommends the following amendments to House Bill 1211 as a way to reduce and better target the costs of the bill, accurately account for the five tiers in the system, and otherwise prioritize the use of the Maryland Neighborhood Tier System for both compensatory education and concentration of poverty calculations as soon as possible.

Amendment 1: Replace weights to utilize a secondary calculation (policy option two) and set of weighted tiers presented in MSDE’s updated report.²

- Page 4, replace weights in paragraph (7), lines 12 and 15-20 with the following:
 - (II) Tier 1, economically disadvantaged – **0.85**;
 - (V) Tier 3, non-economically disadvantaged – **0**;
 - (VI) Tier 3, economically disadvantaged – **1.15**;
 - (VII) Tier 4, non-economically disadvantaged – **0.55**;
 - (VIII) Tier 4, economically disadvantaged – **1.35**;
 - (IX) Tier 5, non-economically disadvantaged – **0.70**;
 - (X) Tier 5, economically disadvantaged – **1.55**;

¹ MD Code, Education, §5–223(g).

² Maryland State Department of Education, *Blueprint for Maryland’s Future: Report on Neighborhood Indicators of Poverty*, https://blueprint.marylandpublicschools.org/wp-content/uploads/sites/20/2023/01/2023-Indicators-of-Poverty_Formula-Addendum.pdf, updated January 20, 2023.



Amendment 2: Correct that all census tracts would be assigned across five tiers rather than four.

- Page 6, line 11 replace “4” with “5”

Amendment 3: By FY27, make the Maryland Neighborhood Tier System the only tool to count compensatory education.

- Page 2, lines 20-27, bracket to delete the greater of option and just have FY27 and each fiscal year thereafter utilize exclusively the Maryland Neighborhood Tier System total.

House Bill 1211 keeps the promise of equity funding in the Blueprint and also delivers on the state’s commitment to leave no one behind, especially our most vulnerable. Eradicating poverty, especially child poverty, includes the adoption and use of the Maryland Neighborhood Tier System.

We urge the committee to issue a favorable report with amendments on House Bill 1211.