

BALTIMORE CITY PUBLIC SCHOOLS

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Testimony in Support of House Bill 1211: Education – Compensatory Education – Maryland Neighborhood Tier System Calculation

House Appropriations Committee
March 14, 2023

The Baltimore City Public School System (City Schools) supports House Bill 1211, which seeks to include the Maryland Neighborhood Tier System methodology as one eligibility determinant for the purposes of calculating compensatory education enrollment.

City Schools appreciates the leadership of the State Superintendent in issuing the final *Report on Neighborhood Indicators of Poverty*. As this body will recall, the Blueprint for Maryland's Future, in recognizing the state's limitations with using FARMs data as a proxy for income and poverty, tasked MSDE with studying and collecting data for new measures of poverty – *neighborhood indicators of poverty* – that better capture the number of students in circumstances of poverty, the number of students in circumstances of concentrated poverty, and the depths of poverty in which a student lives.

Unlike the current FARMs indicator, which reflects the availability of only one resource – household income – the neighborhood indicators methodology relies on U.S. Census block groups to identify neighborhoods, and uses American Community Survey measures to identify multiple dimensions of poverty beyond local school system boundaries or zip codes. In addition to household income, universal factors available across geographic areas are included – such as highest level of education completed by parent or guardian, single parent households, home ownership, neighborhood factors, and household composition. Inclusion of these factors provides a more reliable and robust detail of school district poverty estimates.

Given the depth of MSDE's research and conclusions, it is clear that in order to truly fund adequacy, Maryland must move forward with the report's recommendation to adopt neighborhood indicators of poverty as a more accurate and precise measure of student need. **Further, adoption of the methodology will be critical in recognizing the need to address the serious and multiple fiscal challenges facing City Schools as a result of being unable to accurately measure poverty due to limitations associated with being a district that serves universal meals.**

By way of background, prior to 2015, City Schools relied on the collection of meal application forms in order for students to receive free meals. Since 2015, however, all City Schools students have been able to eat free breakfast and lunch through USDA's Community Eligibility Program (CEP). In the year after the district implemented universal free meals, lunch participation increased by 10,000 meals per day. At present, City Schools has an enrollment of more than 75,000 students and, on a daily basis, serves approximately 86,000 meals.

While research yields that food is as essential as textbooks in supporting student learning, the move to becoming a CEP district has not been without challenges. Due to our concentrated poverty and status as

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one of the state's four CEP districts, City Schools no longer collects Free and Reduced-Price Meal (FARMS) Forms. As most other Maryland school districts do not operate this way and still collect FARMS forms, City Schools' FARMS rate is based on our 2015 FARMS rate – prior to the inclusion of Medicaid in FARMS counts.

City Schools has advocated for years that the state must develop a more robust and nuanced apples-to-apples comparison of poverty across districts. During the development of Maryland's Blueprint legislation, City Schools worked with Senate leadership to include the language that required MSDE to develop a methodology whereby poverty would be counted using neighborhood indicators of poverty tied to the U.S. Census. By that measure, the state would have a consistent, more refined mechanism for counting poverty statewide that directs resources to students who need them most, including in Baltimore City.

Instead this year, via Medicaid, Maryland has put in place a new way to count poverty that directs large poverty funding increases to the current FARMS count for every jurisdiction in the state except Baltimore City, the jurisdiction that has, by far, the deepest poverty.

The General Assembly's inclusion of Medicaid enrollment to measure poverty is an important component that added 110,000 children and \$390 million in funding – but does not provide a comparable way to count and compare poverty across the state. **Policymakers have a responsibility to question any poverty methodology that omits Baltimore City, Maryland's epicenter of historic underfunding and students in poverty.** The neighborhood indicators methodology is a proven strategy that is already working in places like Texas and New Mexico, and deserves serious consideration by the Maryland General Assembly.

Furthermore, as if it is not detrimental enough that **Baltimore City is omitted from the State's new \$390 million investment in poverty**, MSDE's recently released updated projections in state aid reveal a new methodology in determining which schools are eligible for concentration of poverty funds in CEP districts. **This methodology ultimately eliminates any ability to distinguish poverty levels amongst schools throughout the district.**

For the past several years, school-level poverty in Baltimore City has been determined by using each school's direct certification rate times a 1.6 multiplier, which resulted in many schools having 100% poverty. It should be noted this same method is used by the federal government in determining Title I eligibility in CEP districts.

This year, for reasons that remain unclear at the time of the writing of this testimony, MSDE has instead reverted to using the districtwide poverty rate from the year before Baltimore City entered into CEP (2015) and multiplying that rate (85%) times a school's current enrollment. The result is that the wealthiest schools in the district are now, for the first time, slated to receive concentration of poverty funds, while the most historically poor schools will see a reduction in their poverty funding.

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In summary, it is increasingly clear that one of the Blueprint's most outstanding elements and egregious oversights is that policymakers still must decide how to measure poverty moving forward. **Without adoption of the neighborhood indicators methodology, there is no guarantee that schools will have accurate and comparable poverty counts and receive adequate funding to address their students' needs.**

The passage of HB1211 is critical to determining the targeted distribution of resources. Given the ongoing and increasingly detrimental impact of not having a way to accurately count poverty in Baltimore City, if HB1211 cannot be adopted in its entirety at this time, City Schools would respectfully request consideration of the following amendment concepts:

1. Ensure the Neighborhood Indicators of Poverty data is collected in CEP districts in FY24, so that appropriate funding is allocated using the methodology by FY25.
2. In the interim, ensure Baltimore City receives a portion of the State's new \$390M investment in poverty as a result of Medicaid that is relative to its proportional share of State Medicaid recipients who live in Baltimore City.
3. Until a long-term solution is adopted for counting poverty, require MSDE to return to determining poverty at the individual school level in CEP districts by using a school's direct certification rate times the 1.6 multiplier.
4. Immediately eliminate the requirement that CEP schools collect the State's alternative income form by 2022-2023, as well as the requirement for CEP districts to collect income eligibility forms in FY27.

It is well-documented that the Baltimore City Public Schools have been underfunded for decades. Starting with the 2007 legislative session, the State acted to halt implementation of full Thornton funding. These actions have caused a steadily increasing "adequacy gap" for City Schools. By FY13, DLS calculated an adequacy gap of \$156 million, and for FY15, that gap had risen to \$290 million. A state-required evaluation separately calculated a \$358 million annual "adequacy gap" in FY15, and for FY17, DLS found that the State had underfunded City Schools for adequate educational instruction by \$342 million.

While the Blueprint has begun to remedy this historic underfunding, the multi-year ramp up of the Blueprint means that Baltimore has yet to receive the amount of funding DLS indicated was necessary to meet the gap identified in FY17. Further, the absence of a consistent and comparable method for counting poverty Statewide has made Blueprint related increases to date unpredictable. Unstable and inconsistent funding is a persistent trait of the systemic structures that have undermined high poverty districts like Baltimore for years and that the Blueprint was designed to disrupt.

It is imperative that policymakers act with urgency and take seriously the responsibility to ensure the accurate counting of poverty in Baltimore City, as well as other CEP jurisdictions. For all these reasons, City Schools respectfully urges a **FAVORABLE** committee report of HB1211.