



**Testimony for the House Appropriations Committee
HB1211 - Education – Compensatory Education – Maryland Neighborhood
Tier System Calculation**

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The ACLU of Maryland and the Coalition to Reform School Discipline strongly supports HB 1211 - Education – Compensatory Education – Maryland Neighborhood Tier System Calculation which establishes a tiered system within the state's education funding formula that uses numerous data points to measure the depth of poverty in which a student lives. This tiered system is critical to ensuring that the formula is amended to be more adequate and equitable, and responsive to the varying levels of need experienced by public schoolchildren living in poverty throughout the state.

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The Maryland State Department of Education's (MSDE) Report on Neighborhood Indicators of Poverty states,

*"MSDE fully supports moving Maryland toward a State aid package that reflects the funding adequacy the law intended. The cost may be high, but the mandate is clear. To truly fund adequacy, Maryland must move forward with the report's recommendations related to adopting neighborhood indicators of poverty as a more accurate and precise measure of student need."*¹

DANA VICKERS
SHELLEY
EXECUTIVE DIRECTOR

Given that public school students living in poverty are among bottom tier in terms of educational outcomes according to recent state data, passing HB 1211 is an indispensable step towards ensuring that the *Blueprint for Maryland's Future* plan works for the state's most vulnerable and underserved children.

ANDREW FREEMAN
GENERAL COUNSEL

Poverty Is A Growing Crisis in Maryland. Poverty has been increasing in Maryland over the past two decades. Approximately 34% of Maryland's school enrollment was comprised of students who qualified for Free and Reduced Meals in School Year 2007-08². That rate has grown to 53% in School Year 2021-22,

¹ Report on Neighborhood Indicators of Poverty. (2023). Maryland State Department of Education. Updated Report. January, 20, 2023.

² Official Number of Students Approved for Free and Reduced-Price and Percent of Enrollment by District. (2008, Oct). Maryland State Department of Education. <https://marylandpublicschools.org/programs/SchoolandCommunityNutrition/Documents/Free%20and%20Reduced%20Data/FARMSY2007-2008.pdf>

representing approximately a half million students in Maryland public schools³. Students from low-income households are scoring well below the average on the Maryland Comprehensive Assessment Program (MCAP) tests. In School Year 2021-22, only 26% of FARMs students in grades 3-8 scored proficient in English Language Arts, compared to the statewide average of 44%⁴. In Mathematics, the outcomes are worse. Only 9% of FARMs students in grades 3-8 scored proficient. The outcomes are similar in the higher grades. These outcomes and the rapid growth in poverty over the past decade should signal that a swift and comprehensive response from the state is needed to ensure students living in poverty in Maryland get on a path towards success.

Not All Poverty Was Created Equal. While it is important to direct more resources and programming to all students living in poverty, it is also critical that the amount of funding provided is done in a way that is strategic and equitable, based on the needs of individual students. To that end, it is critical that the state use a variety of metrics and data that capture the conditions that students are experiencing as a result of living in poverty to determine the allocations of funding to these students. And these conditions vary drastically depending on a variety of factors.

MSDE's practice of collecting Free and Reduced Meals (FARMs) forms only collects information on family income and the state education funding formula does not recognize the difference between a child living in a household of four with an annual income of \$10,000 versus a household that brings in \$49,000 a year⁵. Yet, the financial situation and the overall stressors in the environment that the children are experiencing between these two households are drastically different. Under the Compensatory Education category in the state education funding formula, these children are treated equally.

Like the FARMs forms, MSDE's practice of collecting information through Direct Certification (enrollment in federal programs such as TANF, Medicaid, SNAP, etc) is also limiting in that it only provides information about family income to determine the level of funding for a student. However, there are many other factors related to a child's socioeconomic status that impacts their ability to perform well in school. These neighborhood factors include the percentage of single-parent households, collective annual income of households, homeownership rate, crime rate, education level of adults, and more. In general,

³ *Free and Reduced-Priced Meals Data. (2022, Oct). Maryland State Department of Education. School Year 2022-2023. <https://marylandpublicschools.org/programs/SchoolandCommunityNutrition/Documents/Free%20and%20Reduced%20Data/FARMSSY2022-2023.pdf>*

⁴ *Spring 2022 English Language Arts and Mathematics Assessment Results, Part 2. (Jan 2023). Maryland State Department of Education. Memorandum to the Maryland State Board of Education. <https://marylandpublicschools.org/stateboard/Documents/2023/0124/MCAPAssessmentResultsPart2.pdf>*

⁵ *New Guidelines Announced for Free and Reduced-Price School Meals. (June, 2021). Maryland State Department of Education. Press Release. <https://news.maryland.gov/msde/new-guidelines-announced-for-free-and-reduced-price-school-meals-7/>*

studies have shown that the more concentrated the poverty in a neighborhood, the worse the academic outcomes for the students living there⁶.

In Maryland, students living in poverty in rural and urban areas generally experience more severe poverty than students living in suburban areas. In Baltimore City, ten of thousands of Black children live in neighborhoods that have been decimated by discriminatory housing policies such as restrictive racial zoning ordinances and redlining, which segregated Black families into areas of low-wealth and limited their access to jobs and other opportunities. Over the past century, oppressive systems to pay Black workers low wages, deny them financial resources to increase family wealth, and over-policing their neighborhoods have had a devastating impact on the conditions that are seen today in many Baltimore neighborhoods. The level of resources in these public schools has to be enough to mitigate the conditions that Black children — through no fault of their own — have to endure.

Overcoming the Impact of Poverty. Despite the deleterious impact that concentrated poverty has on student achievement, there are meaningful strategies that can be implemented by school systems, other government agencies, and the nonprofit sector to improve the lives and futures of children and families living in these conditions⁷. Schools, other government agencies, and the nonprofit sector must play a central role in providing evidence-based and high quality interventions and services to children and families. Proven strategies such as early family interventions and prekindergarten programs, robust tutoring, afterschool, restorative approaches, mental health services, and other wrap around services for struggling learners and their families are integral to countering the effects of poverty. Fortunately, the Maryland General Assembly has already comprehensively adopted these strategies and resources in 2020 and 2021 with the passage of the *Blueprint for Maryland's Future*. The biggest hurdle to ensuring that students living in extreme poverty will benefit from the *Blueprint* plan is ensuring that it is funded adequately.

HB 1211 is Critical to Fulfilling the Goals of the Blueprint. As stated above, MSDE's report firmly states that establishing the tiers of funding for concentrations of poverty, as proposed in HB 1211, is critical to ensure that all of Maryland's students living in poverty attend adequately funded schools. HB 1211 seeks to establish the Maryland Neighborhood Tier System consisting of five weighted tiers of poverty. Tier "1" represents the lowest level of poverty and "5" is the most extreme, which would generate the highest level of funding under this

⁶ Henneberger, Angela K. et al. (2019, Apr) *Student and School Concentrated Poverty in Maryland: What are the Long- term High School, College, and Career Outcomes?* Maryland Longitudinal Data System Center. University of Maryland School of Social Work. <https://mldscenter.maryland.gov/egov/Publications/ResearchReports/MDStudentandSchoolConcentratedPoverty2019.pdf>

⁷ Ferguson, HB, Bovaird, S., and Mueller, MP *The impact of poverty on educational outcomes for children.* 2007 Oct. *Paediatr Child Health.* 2007 Oct; 12(8): 701–706. <https://www.ncbi.nlm.nih.gov/pmc/articles/PMC2528798/>

tiered system. Census block data on median household income, average educational attainment, homeownership rate, and percentage of single-family households will be used to determine the tier level for each student. These tiers function as multipliers against the Foundation Per Pupil in the state education funding formula. The more economically disadvantaged the neighborhood, the higher the funding allocation for the student living there.

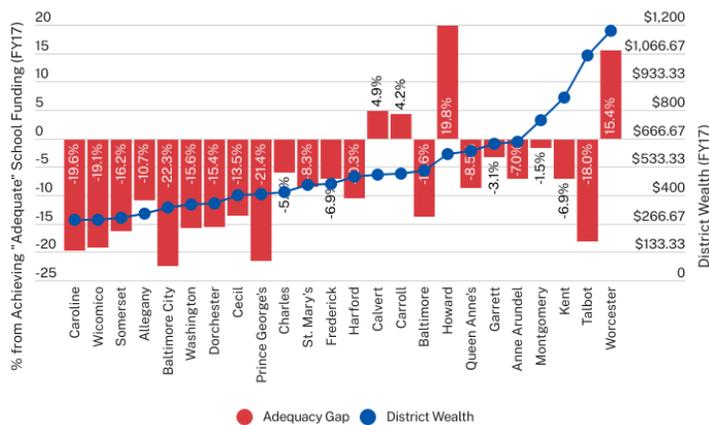
Further, HB 1211 will not change the current systems being used to count children living in poverty. If passed, those existing methodologies will remain, along with HB 1211's added layer of nuance to capture more precisely the conditions in which students are living. All students statewide will benefit because HB 1211 ensures that all students will receive the highest amount of funding based on the use of all of these methodologies.

With respect to HB 1211, it is critical that the committee look closely at the Department of Legislative Service's analysis of funding "adequacy" for Fiscal Year 17⁸. Before the *Blueprint* law passed, the school districts that were furthest away from funding "adequacy" — as defined in the "Thornton" education funding law, were districts of low-income.

Maryland District Wealth & Education Funding "Adequacy" Gap

Maryland districts that have the lowest wealth are also the furthest from achieving "adequate" education funding.

ACLU Maryland



SOURCES: DLS - Adequacy of Education Funding in Maryland Since 2002 (2019); DLS - Overview of Maryland Local Governments - Finances and Demographic Information (2017)

The horizontal line in the center of the chart represents the state's own measure of funding adequacy, which was adopted in the "Thornton" law in 2002. During the nationwide recession that began in 2007, the state cut the "Thornton" formula, which prevented planned increases in funding to school districts statewide as mandated by the original law. Consequently, school districts that rely more heavily on state funding due to their low-wealth status, were disproportionately impacted by the cut. Baltimore City and Prince George's County were the most underfunded at the time of this analysis, and rural districts of low-wealth were also significantly impacted.

⁸ *Adequacy of Education Funding in Maryland Since 2002. (2019, July). Presentation to the Blueprint for Maryland's Future, Funding Formula Workgroup. Department of Legislative Services, Office of Policy Analysis. State of Maryland. http://dls.maryland.gov/pubs/prod/NoPblTabMtg/CmsnInnovEduc/2019_07-24_AdequacyDLS.pdf*

While the work of the Kirwan Commission and the legislature on the *Blueprint* is significant and commendable, the *Blueprint* law did not fix the funding adequacy gap. Instead, the legislature adjusted the formula to cover only the *Blueprint*-specific programs in the law. Consequently, it is highly likely that the most underfunded districts according to DLS' analysis will have the greatest challenges as they continue to implement the *Blueprint* plan.

The nuanced approach contained within HB 1211 to identify and direct funding to students living in deeply entrenched poverty is excellent education finance policy. And it will help create a more level playing field for all Maryland school districts as *Blueprint* implementation moves forward.

For the foregoing reasons, we ask for a favorable report on HB 1211. Thank you.