

## **Chapter 5 – Commission Background and Work in 2016 and 2017**

Chapter 701 of 2016 established a 25-member Commission on Innovation and Excellence in Education. The Commission’s members include legislators and various representatives of State and local government and education stakeholders as well as the business community. The specific membership of the Commission is shown in the Roster at the beginning of this report. Former University System of Maryland Chancellor Dr. William “Brit” Kirwan was appointed by the Governor and Presiding Officers of the General Assembly to serve as chair of the Commission.

### Commission Charge is Comprehensive

The Commission is charged with:

- reviewing the findings and recommendations of the Study on Adequacy of Funding for Education in the State of Maryland as required by Chapter 288 of 2002 and subsequent legislation, including:
  - 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.

### Adequate Funding

Chapter 288 of 2002, the Bridge to Excellence in Public Schools Act, established new primary State education aid formulas based on adequacy cost studies and other education finance analyses that were conducted in 2000 and 2001 under the purview of the Commission on Education Finance, Equity, and Excellence, also known as the Thornton Commission. The concept of adequacy is based on determining the level of resources that is adequate for all public school students to have the opportunity to achieve academic proficiency standards. At the time, the funding formulas recommended by the Thornton Commission were viewed as a highly innovative approach and achieved what was considered to be an equitably distributed “adequate” level funding across the State. An increase of approximately \$1.3 billion in State funding to implement the Bridge to Excellence Act was phased in over 6 years, reaching full implementation in fiscal 2008. In total, State and local education funding increased \$3.6 billion over that period. Since fiscal 2009, State and local funding have increased modestly. In part due to the Great Recession, followed by a low-inflation economic environment, annual per pupil funding has increased about 2 percent.

The Bridge to Excellence in Public Schools Act also required the State to contract with a consultant to conduct a follow-up study of the adequacy of education funding in the State approximately 10 years after its enactment. After legislation in 2011 and 2012 delayed the beginning of the study and required additional reports to be included in the study, work on the adequacy study began in June 2014, when a contract was awarded by the Maryland

State Department of Education, in collaboration with the Department of Budget and Management and the Department of Legislative Services, to Augenblick, Palaich, and Associates (APA) and its team of researchers that includes Picus Odden and Associates and the Maryland Equity Project.

APA submitted its final report in November 2016, and overall, recommended that in order to provide adequate funding, a total increase of \$2.9 billion over fiscal 2015 is needed, with \$1.9 billion from the State and \$1.0 billion from counties (including Baltimore City), excluding State teacher retirement costs. APA recommended keeping the basic structure of the school finance system in Maryland, with adjustments to the funding formulas and changes to calculating enrollment, regional cost differences, and local wealth. The APA recommendations are discussed in Chapter 7.

### Commission Meets in Fall 2016 and Throughout 2017

The Commission was fully appointed in August 2016 and held its first meeting in September 2016. The first meetings in fall 2016 included briefings by APA on the adequacy study recommendations and its related reports as well as briefings by the Maryland State Department of Education and Department of Legislative Services on the state of P-12 education in Maryland, trends in State and local education funding, an overview of State education aid formulas, and a history of the Thornton Commission and adequate funding. The Commission was also briefed on the National Conference of State Legislatures recent report *No Time to Lose*, which urges states to acknowledge that US student performance has been overtaken by other countries over the past 20 years and that education reforms consisting of one “silver bullet” after another have not worked. The Commission submitted a summary of its 2016 interim work to the Governor and General Assembly in December 2016. **(See Appendix X for the full text.)**

In essence, the Commission has a two-part charge:

- Review and recommend any needed changes to update the current education funding formulas (Known as the Thornton formulas); and
- Make policy recommendations that would enable Maryland’s P-12 system to perform at the level of the best performing systems in the world.

In order to address its first charge, the Commission concluded that it must first respond to the second. Until specific policy recommendations are developed and agreed upon, it is not possible to assess their costs and update the Thornton funding formulas. The Commission will continue to study the Thornton funding formulas and, in its final report, update and integrate them with its policy recommendations.

In order to develop appropriate policy recommendations, in January 2017, the Commission asked the National Center on Education and the Economy (NCEE) to perform a gap analysis to help the Commission compare Maryland’s education system to systems in top-performing countries and states. The gap analysis was designed to help the Commission identify policy priorities and implementation strategies to be considered in conjunction

with changes to the State education aid formulas. NCEE published the *9 Building Blocks for World-Class Education Systems* and presented it to the Commission. Each building block represents a policy area that Maryland should pursue to achieve student outcomes that are comparable to those in top-performing systems. During the 2017 interim, the Commission explored each building block and gap analysis prepared by NCEE. A summary of each gap analysis is included in Chapter 8. NCEE's full gap analyses are contained in Volume 2 to this Preliminary Report, and are also available electronically on the Commission's website **XXXXX**.

Overall, the Commission has held 17 all-day meetings to date. At these meetings, the Commission set aside time for public comment during which 36 people took the opportunity to testify before the Commission. This included testimony from students and representatives from advocacy groups in special education, arts, health, child care and prekindergarten, teachers, superintendents, and boards of education. The Commission also held four evening events throughout Maryland (Stevensville, Frederick, Upper Marlboro, and Baltimore City) in fall 2017 for parents, teachers, students, and any other members of the public to testify on policies and strategies to make Maryland a top performing education system. In total, 165 people testified at these four public hearings. However, many more were in the audience to listen. The full agendas for each meeting are available in **Appendix X**, and all of the meeting materials, including video and/or audio recordings of each meeting, are available on the Commission's website **XXXXX**.

### Commission Requests Extension to 2018 and Next Steps

Chapter 701 of 2016 required that a final report be submitted to the Governor and General Assembly by December 31, 2017. Given the enormity of its task, however, the Commission has asked for an extension of time to complete its work in 2018. During the 2017 interim, the Commission was able to reach consensus around key policy areas and preliminary recommendations. These preliminary recommendations are summarized in Chapter 6 and detailed in Chapter 8. However, the Commission determined that in order to finalize its policy recommendations, they must first be evaluated for their cost so that they can be properly folded into the recommendations relating to the funding formulas that the Commission will make in its final report.