
Process and Assumptions for Costing Out Workgroup Elements

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

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General Approach

- Identified whether an element would have an *additional* cost and/or require a shifting of existing resources
- Identified whether the cost would be one-time (even if over multiple years) or permanent and ongoing
- Adjusted for overlapping elements where possible
 - For example, teacher salary increases recommended by working group 2 were incorporated into transitional supplemental instruction recommended by working group 3
- When implementation of one element was related to implementation of another, the phase-in schedule was adjusted accordingly
- Used costing out and implementation assumptions developed by the working groups
 - If none were developed by working group, staff used their best judgement

General Approach

- Costs were inflated to fiscal 2020 and then held constant
 - Inflation will be applied to the total cost at a later meeting
- Costs were not differentiated between the source of revenue (i.e., State, local, available federal funds)
- Staff used the best data available for current expenditures
- Staff have identified items that could require additional State agency costs
 - These costs include IT/data collection and analysis, additional staff, etc.
 - When administrative costs can be reliably estimated, staff have done so

Phase-In Timing Assumptions

- Year 0 – fiscal 2020
 - Bridge year for transitional programming, start-up costs, training, needs assessment, etc.
- Year 1 – fiscal 2021
 - Main formula funding phase-in begins
- Year 5 – fiscal 2025
 - Mid point of phase-in
- Year 10 – fiscal 2030
 - Final year of phase-in

Caveats and Cautions

- It would be inaccurate to simply add together each element and characterize this as a total cost
 - Cost overlaps have not been fully adjusted
 - Cost savings have not been incorporated
- At this stage, there are cost overlaps (i.e., double counting) because each element has been separately costed out
 - An adjustment to remove double counting will be done as a final step
- Costs are based on assumptions. To the extent assumptions are changed or actual implementation differs, there may be a difference in cost and a potentially significant difference

Building a Formula

