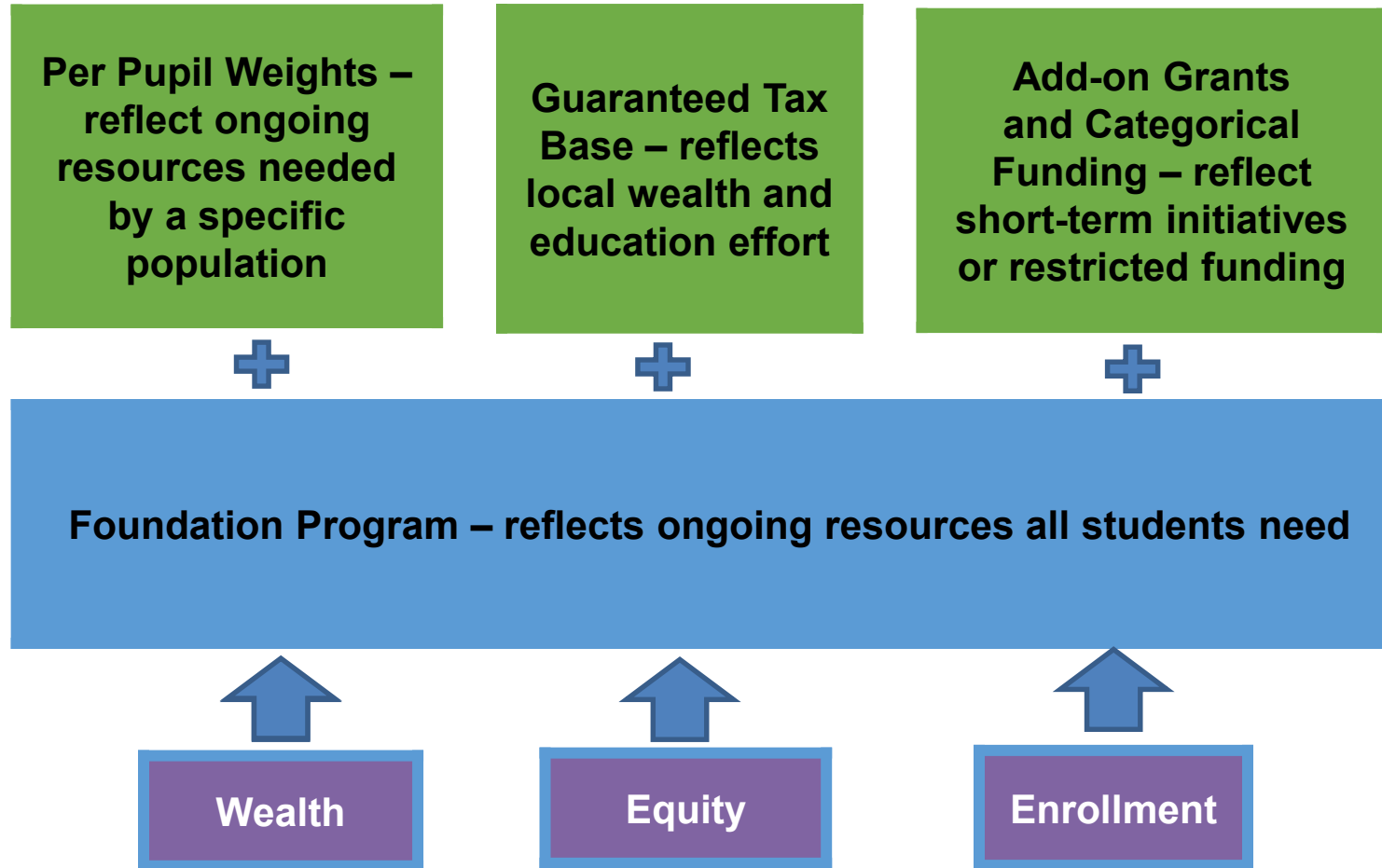

Building the PreK-12 Funding Formulas

Presentation to The Blueprint for Maryland's Future Funding Formula Workgroup

**Department of Legislative Services
Office of Policy Analysis
Annapolis, Maryland**

August 22, 2019

Building the Formulas



Building the Foundation

- Which policy recommendation costs should be in the per pupil Foundation amount?
 - Increase teacher salaries (10%)/starting salary and principal career ladder (2f&g)
 - Additional teacher time/teachers to restructure school day (2i) (includes alternative educational approaches in 3)
 - Getting students to college and career readiness (CCR) (3)
 - School health/behavioral health (4b)
- Other ongoing costs not covered
 - School operations and maintenance
 - Technology and supplies for teachers
 - ??

Building the Weights

- Which policy recommendation costs should be included in the weights for targeted student populations?
 - Full-day pre-K
 - Cost of quality
 - Cost of teacher salaries/additional teachers
 - Compensatory education
 - Concentration of poverty (school-based per pupil) (4a) adjustment for low-wealth English learners and immigrants?
 - English learners
 - Adjustment for low-income students?
 - Special education

Determining Categorical Programs

- Categorical program – funds are generally restricted
- Equalized categorical program – cost shared between State and local jurisdictions
- State categorical program – State bears the full cost
- Which policy recommendation costs should be included as categorical funding (instead of in the per pupil Foundation or weights)?

Equalized Categorical Funds (State/Local Cost Share)

- Teacher career ladder/NBC salary increases and fees (2f)
- Transitional supplemental instruction (3c)
- 11th and 12th grade transition (non-CCR) (3g)
- Post-CCR pathways including career and technical education (CTE) (3e)
- CTE career counselors (3j)

State Categorical Programs (State Funded)

- Judy Centers, Family Support Centers and Infants and Toddlers (1d)
- Teacher Collaborative Grants and CTE Innovation Grants (2a, 3m)
- Teaching scholarships and loan repayment assistance (2c)
- Training leaders and teachers (2h&i)
- Expert review teams (3a)
- Concentration of Poverty base grant for community schools coordinator/health care practitioner (4a)
- Guaranteed Tax Base

Existing Programs

- Should any existing programs be eliminated or phased out?
 - Add-on grants: Declining Enrollment, Net Taxable Income, Tax Increment Financing
 - Supplemental Grants
 - PreK Expansion Grants and Full-day Supplemental Grants
 - NBC Stipends
 - Other?

State Categorical – Infrastructure

- Maryland State Department of Education one-time and ongoing costs
- CTE Committee (3h&i)
- Independent Oversight Board (5a)
- Information technology capacity for performance and financial data collection (5f)
- Other State and local capacity building?

Enrollment Decision Points

- Incorporate the declining enrollment calculation (the “greater of” prior three-year average or most recent 9/30 full-time equivalent (FTE) enrollment count) in the Foundation program?
- Include pre-K students in FTE count or count separately?
- For compensatory education proxy, use unduplicated count based on direct certification including Medicaid?

Wealth Decision Points

- Adjust property and income proportions in local wealth calculation?
- Use only November 1 net taxable income and eliminate the current grant?
- Incorporate tax increment financing district adjustment into wealth calculation and eliminate the current grant?

Wealth Per Pupil Decision Points

- Use the “greater of” enrollment count *or* the unadjusted count to calculate wealth per pupil?
- Include pre-K students in current wealth per pupil calculation *or* wealth equalize pre-K funding separately?

Equity Decision Points

- Formula funding floors – eliminate? reduce?
- Geographic cost of education index – State fund both State and local shares? Adjust for counties with lower than average cost? Switch to comparable wage index?
- Guaranteed tax base – enhance?
- Supplemental grant – eliminate?

Maintenance of Effort Decision Points

- Use which enrollment count in calculation?
 - Pre-k students
 - “Greater of” FTE count
- Phase in new costs?
- Require locals to pay local share of compensatory education, English learners, special education, and concentration of poverty formulas?