Building the PreK-12 Funding Formulas

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

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Building the Formulas

- **Per Pupil Weights** – reflect ongoing resources needed by a specific population
- **Guaranteed Tax Base** – reflects local wealth and education effort
- **Add-on Grants and Categorical Funding** – reflect short-term initiatives or restricted funding

**Foundation Program** – reflects ongoing resources all students need

- **Wealth**
- **Equity**
- **Enrollment**
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?